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**BUSINESS STUDIES** **0450/13**

Paper 1 Short Answer and Data Response **May/June 2025**

**1 hour 30 minutes**

You must answer on the question paper.

No additional materials are needed.

**INSTRUCTIONS**

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.

**INFORMATION**

- The total mark for this paper is 80.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **12** pages. Any blank pages are indicated.


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**[Turn over**

**1** MDZ manufactures a range of chocolate bars. It has 300 employees. MDZ purchases its ingredients from suppliers in the local area. Acting in an ethical way with its stakeholder groups is important. MDZ has products at different stages of the product life cycle. The business is also developing a new product. The Marketing Director needs to make decisions about the packaging and the price of the new product. She knows it is important for a business to use a suitable method of sales promotion for a new product.

**(a)** Identify **two** roles of packaging.

View solution

Role 1: .....

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Role 2: .....

..... [2]

**(b)** Identify **two** stages (other than development) of the product life cycle.

View solution

1: .....

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2: .....

..... [2]

**(c)** Outline **two** factors MDZ's Marketing Director should consider when deciding the price of the new product.

View solution

Factor 1: .....

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Factor 2: .....

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..... [4]

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**(d)** Explain **one** way MDZ could act in an ethical way with each of the following stakeholder groups:

View solution

Employees: .....

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Explanation: .....

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Suppliers: .....

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Explanation: .....

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..... [6]

**(e)** Explain **two** possible methods of sales promotion a business could use for a new product. Which is likely to be the best method to use? Justify your answer.

View solution

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**2** Jonathon is a sole trader. He owns a shop selling office equipment including printers. To encourage sales Jonathon allows customers 4 weeks to pay for the office equipment. Jonathon thinks his business is likely to remain small. He knows managing cash flow is important for his business and he has prepared a cash flow forecast. An extract is shown in Table 2.1.

**Table 2.1**

| **Extract from Jonathon's cash flow forecast July - September 2025 ($000)** | | | |
|---|---|---|---|
| | **July** | **August** | **September** |
| Cash inflow | 60 | 80 | **Y** |
| Cash outflow | 90 | 95 | 70 |
| Net cash flow | (30) | **X** | 20 |
| Opening balance | 20 | (10) | (25) |
| Closing balance | (10) | (25) | (5) |

**(a)** Identify **two** ways to measure the size of a business.

View solution

Way 1: .....

.....

Way 2: .....

..... [2]

**(b)** Calculate **X** and **Y**.

View solution

X: .....

.....

Y: .....

..... [2]

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**(c)** Outline **two** reasons (other than finance) why Jonathon's business is likely to remain small.

View solution

Reason 1: .....

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Reason 2: .....

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..... [4]

**(d)** Explain **two** reasons why Jonathon's business might have a cash flow problem.

View solution

Reason 1: .....

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Explanation:.....

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Reason 2: .....

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Explanation: .....

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..... [6]

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**(e)** Do you think the advantages of operating as a sole trader business are greater than the disadvantages? Justify your answer.

View solution

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**3** GAE is a multinational company. It manufactures steel. GAE has 2400 employees and has factories in 4 countries. The business regularly introduces new technology. Holding inventory is important. GAE's directors are planning to build a new factory and want to know how legal controls over location might affect this decision. The Managing Director said, 'The new factory will create many external benefits.'

**(a)** Define 'external benefits'.

View solution

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..... [2]

**(b)** Identify **two** ways legal controls over location might affect a business.

View solution

Way 1: .....

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Way 2: .....

..... [2]

**(c)** Outline **two** advantages to GAE of introducing new technology.

View solution

Advantage 1: .....

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Advantage 2: .....

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..... [4]

**(d)** Explain **two** reasons why holding inventory might be important for GAE.

View solution

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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**(e)** Explain **two** benefits to a business of being a multinational company. Which benefit is likely to be the most important? Justify your answer.

View solution

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**4** HYT is a travel business which sells holidays. One of its objectives is growth. Last year HYT completed a takeover of one of its competitors. External sources of finance were used to fund this growth. HYT now has 460 shops and 4000 employees. The Human Resources Director knows there are benefits and limitations for a business of having full-time employees. HYT's managers use ideas from Herzberg's motivational theory to keep employees motivated. Good internal communication is important for HYT.

**(a)** Identify **two** objectives (other than growth) a business might have.

View solution

Objective 1: .....

.....

Objective 2: .....

..... [2]

**(b)** Identify **two** advantages to a business of using external sources of finance.

View solution

Advantage 1: .....

.....

Advantage 2: .....

..... [2]

**(c)** Using Herzberg's theory, state whether each of the following would be classed as a hygiene factor or as a motivator.

View solution

Working conditions: .....

.....

Wages: .....

.....

Opportunities for promotion: .....

.....

Relationship with supervisor: .....

..... [4]

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**(d)** Explain **two** methods of internal communication HYT might use with its employees.

View solution

Method 1: .....

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Explanation: .....

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Method 2: .....

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Explanation: .....

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..... [6]

**(e)** Do you think the benefits to a business of having full-time employees are greater than the limitations? Justify your answer.

View solution

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