Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

BUSINESS STUDIES **0450/21**

Paper 2 Case Study **October/November 2021**

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

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 [ ].
- The insert contains the case study.

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

© UCLES 2021

[Turn over

1 **(a)** Explain **two** benefits and **two** drawbacks of specialisation within a manufacturing process.

View solution

Benefit 1: .....

.....

.....

.....

Benefit 2: .....

.....

.....

.....

Drawback 1: .....

.....

.....

.....

Drawback 2: .....

.....

.....

..... [8]

© UCLES 2021

(b) Consider the following **three** problems for SSM when entering markets in other countries. Which problem is likely to have the most effect on SSM? Justify your answer.

View solution

- Cultural differences
- Lack of knowledge
- Import restrictions

Cultural differences: .....

.....

.....

.....

.....

.....

Lack of knowledge: .....

.....

.....

.....

.....

.....

Import restrictions: .....

.....

.....

.....

.....

.....

Conclusion: .....

.....

.....

.....

.....

..... [12]

2 **(a)** Explain **two** ways SSM can grow.

View solution

Way 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Way 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Consider the advantages of using primary and secondary market research to gather information about the potential sales in the new market. Which is the best method for SSM to use? Justify your answer.

View solution

Advantages of primary market research: .....

.....

.....

.....

.....

.....

.....

.....

Advantages of secondary market research: .....

.....

.....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

..... [12]

3 **(a)** Explain **four** ways SSM could increase the motivation of its production workers.

View solution

Way 1 : .....

.....

.....

.....

Way 2: .....

.....

.....

.....

Way 3 : .....

.....

.....

.....

Way 4: .....

.....

.....

.....

..... [8]

(b) Consider how SSM could benefit from the following **three** economies of scale. Which economy of scale is likely to have the greatest effect on SSM? Justify your answer.

View solution

- Purchasing
- Financial
- Managerial

Purchasing: .....

.....

.....

.....

.....

.....

Financial: .....

.....

.....

.....

.....

.....

Managerial: .....

.....

.....

.....

.....

.....

Conclusion: .....

.....

.....

.....

.....

..... [12]

4 **(a)** Explain **two** ways SSM's cash-flow problems could be overcome.

View solution

Way 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Way 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(b) Consider the effects on SSM of the following changes in country Y. Which effect is likely to have the greatest impact on SSM's profit? Justify your answer.

View solution

- Increase in employment
- Increase in inflation

Increase in employment: .....

.....

.....

.....

.....

.....

.....

.....

Increase in inflation: .....

.....

.....

.....

.....

.....

.....

.....

Conclusion: .....

.....

.....

.....

.....

.....

.....

.....

..... [12]

BLANK PAGE

BLANK PAGE

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which itself is a department of the University of Cambridge.

© UCLES 2021