Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

BUSINESS STUDIES **0450/22**

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.

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[Turn over

1 **(a)** Explain **two** reasons why PPE may remain small.

View solution

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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..... [8]

(b) Consider the advantages and disadvantages of **two** suitable types of business organisation for PPE. Which do you think is the best one if PPE grows? Justify your answer.

View solution

Type of business organisation 1: .....

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Type of business organisation 2: .....

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Recommendation: .....

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..... [12]

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2 **(a)** Explain **two** advantages and **two** disadvantages of using job production.

View solution

Advantage 1: .....

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Advantage 2: .....

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Disadvantage 1: .....

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Disadvantage 2: .....

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..... [8]

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(b) Consider the advantages and disadvantages to PPE of using the following **three** sources of finance to obtain new machinery. Which source should PPE choose? Justify your answer.

View solution

- Crowd-funding
- Bank loan
- Leasing

Crowd-funding: .....

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Bank loan: .....

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Leasing: .....

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Recommendation: .....

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..... [12]

3 **(a)** Explain **one** cost and **one** benefit for PPE of developing a new product.

View solution

Cost of developing a new product: .....

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Explanation: .....

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Benefit of developing a new product: .....

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Explanation: .....

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(b) Consider the following **three** pricing methods PPE could use when launching its new product. Which pricing method should it use? Justify your answer.

View solution

- Cost-plus
- Penetration
- Skimming

Cost-plus: .....

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Penetration: .....

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Skimming: .....

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Recommendation: .....

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4 **(a)** Explain **four** functions of management carried out by Kaari.

View solution

Function 1: .....

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Function 2: .....

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Function 3: .....

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Function 4: .....

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(b) Using Appendix 2 and other information, consider whether PPE should produce only large items of playground equipment or produce only small items of playground equipment. Justify your answer using suitable calculations.

View solution

Produce only large items of playground equipment: .....

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Produce only small items of playground equipment: .....

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Conclusion: .....

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