Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER			

BUSINESS STUDIES **0450/13**

Paper 1 Short Answer and Data Response **October/November 2022**

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 NFF is a fishing business which catches fish and other seafood. It is in the primary sector. NFF has 6 fishing boats and 36 employees. Contributing to sustainable development is important to NFF. Jennifer, the owner, has prepared NFF's statement of financial position. An extract is shown in Table 1.1. NFF has a high level of debt. Jennifer wants to know about internal sources of finance the business can use.

Table 1.1

Extract from NFF's statement of financial position at 30 September 2022 ($000)	
Trade payables	60
Trade receivables	50
Overdraft	20
Bank loan	200

(a) Define 'primary sector'.

View solution

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(b) Calculate the value of NFF's current liabilities. Show your working.

View solution

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(c) Outline **two** internal sources of finance NFF might use.

View solution

Source 1: .....

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Source 2: .....

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(d) Explain **two** possible problems for NFF of having a high level of debt.

View solution

Problem 1: .....

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Explanation: .....

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Problem 2: .....

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Explanation: .....

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(e) Explain **two** ways a business in the primary sector might contribute to sustainable development. Which do you think is the best way? Justify your answer.

View solution

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2 GBR manufactures shoes. The method of production used means GBR can produce 18 000 pairs of shoes each week. GBR is a limited company. Its main objective is to increase profit. This objective can conflict with those of other stakeholder groups including GBR's 450 employees. The business does not export any of its products. The directors are interested in the opportunities of globalisation for GBR.

(a) Define 'limited company'.

View solution

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(b) Outline **two** reasons why having objectives might be important for a business.

View solution

Reason 1: .....

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Reason 2: .....

..... [2]

(c) Outline **two** opportunities of globalisation for GBR.

View solution

Opportunity 1: .....

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Opportunity 2: .....

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(d) Explain how **one** objective for each of the following stakeholder groups might conflict with GBR's objective to increase profit.

View solution

Employees' objective: .....

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How this might conflict with GBR's objective: .....

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Suppliers' objective: .....

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How this might conflict with GBR's objective: .....

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(e) Do you think the size of the market is the most important factor for a business to consider when deciding on a method of production? Justify your answer.

View solution

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3 MDL is a hotel which has 160 rooms. It has 600 employees and plans to recruit 20 new employees. All new employees will be offered induction training. Trade union membership will be encouraged. The Human Resources Manager knows there are many reasons why people work. He said: 'It is difficult to find people to work at the hotel. This could be because of the stage of the business cycle.'

(a) Identify **two** reasons why people work.

View solution

Reason 1: .....

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Reason 2: .....

..... [2]

(b) Define 'trade union'.

View solution

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(c) Identify the **four** stages of the business cycle.

View solution

1: .....

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2: .....

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3: .....

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4: .....

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(d) Explain **one** benefit and **one** limitation for MDL of using induction training.

View solution

Benefit: .....

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Explanation: .....

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Limitation: .....

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Explanation: .....

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(e) Explain **two** stages of the recruitment and selection process that businesses use. Which stage do you think is more important? Justify your answer.

View solution

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4 Caleb wants to be an entrepreneur. He plans to start up a business selling handmade furniture including tables and chairs. He will sell his products to a niche market. Having a good brand image will be important. Caleb knows there are many legal controls that can impact his marketing strategy. He is considering selling his products using e-commerce. Caleb also has to decide on a suitable location for the business.

(a) Define 'niche market'.

View solution

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(b) Identify **two** impacts of legal controls on marketing strategy.

View solution

Impact 1: .....

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Impact 2: .....

..... [2]

(c) Outline **two** reasons why having a good brand image might be important for Caleb's business.

View solution

Reason 1: .....

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Reason 2: .....

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(d) Explain **two** threats to Caleb's business of using e-commerce to sell his products.

View solution

Threat 1: .....

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Explanation: .....

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Threat 2: .....

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Explanation: .....

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(e) Explain **two** factors a service business should consider when deciding on a suitable location. Which factor do you think is more important? Justify your answer.

View solution

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