Cambridge Assessment International Education

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BUSINESS STUDIES **0450/11**

Paper 1 Short Answer and Data Response **October/November 2024**

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 RSL manufactures paint using flow production. Last year it produced 10 million litres of paint. RSL has 6 managers and 80 employees working in its factory. The managers use different leadership styles. RSL uses email and telephone calls as its methods of internal communication. The Operations Manager wants to understand why some manufacturing businesses are relocating their operations to other countries.

(a) Identify **two** benefits to a business of using flow production.

View solution

Benefit 1: .....

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Benefit 2: .....

..... [2]

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

View solution

Reason 1: .....

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Reason 2: .....

..... [2]

(c) Outline **one** advantage of RSL using each of the following methods of internal communication.

View solution

Email: .....

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Telephone calls: .....

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..... [4]

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(d) Explain **two** leadership styles RSL's managers might use.

View solution

Leadership style 1: .....

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Explanation: .....

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Leadership style 2: .....

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Explanation: .....

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..... [6]

(e) Explain **two** factors a manufacturing business should consider when relocating its operations to another country. Which factor is likely to be the most important? Justify your answer.

View solution

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2 Mitchell is an entrepreneur. He wants to start up a business selling books. As part of his business plan Mitchell has carried out some market research. An extract is shown in Fig. 2.1. Mitchell will use microfinance as a source of finance. He wants to know whether the opportunities of using ecommerce for a new business are greater than the threats.

Extract from Mitchell's market research data for 2023

Chart 1: Type of people reading books

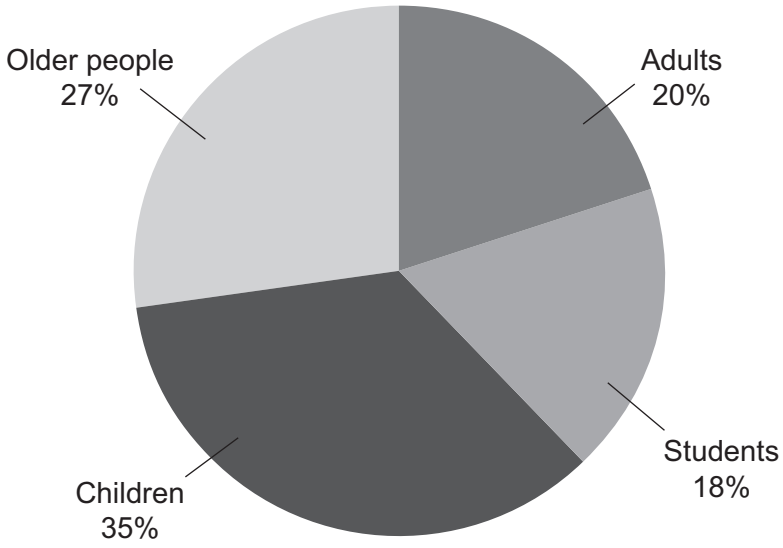

Chart 2: Book sales by type (million)

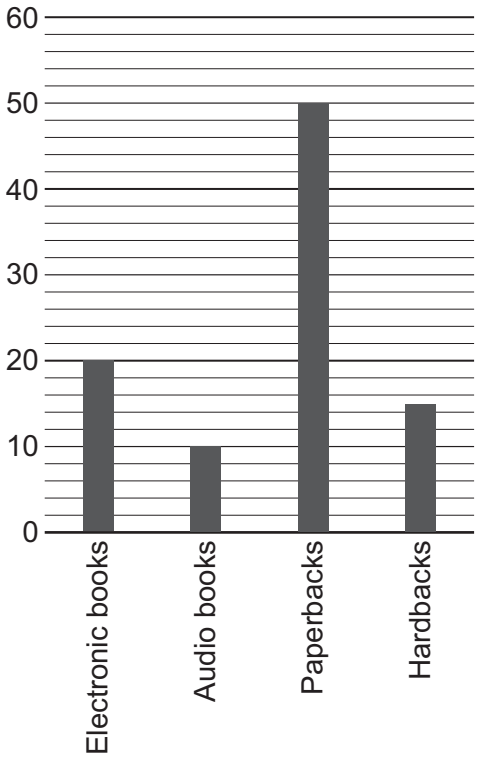

Fig. 2.1

(a) Define 'entrepreneur'.

View solution

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..... [2]

(b) Define 'business plan'.

View solution

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..... [2]

(c) Outline **one** advantage and **one** disadvantage to Mitchell of using microfinance as a source of finance.

View solution

Advantage: .....

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Disadvantage: .....

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..... [4]

(d) Explain how the market research data in Chart 1 and Chart 2 in Fig. 2.1 could help Mitchell when making decisions.

View solution

Chart 1: .....

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Explanation: .....

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Chart 2: .....

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Explanation: .....

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..... [6]

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(e) Do you think the opportunities of ecommerce for a new business are greater than the threats? Justify your answer.

View solution

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3 JTA is a public limited company. It sells holidays in a mass market. The business has 44 shops and 200 employees. The Finance Director is considering ways a business can increase its profit. She has been asked to analyse JTA's financial performance using ratio analysis. An extract from JTA's financial statements is shown in Table 3.1.

Table 3.1

Extract from JTA's financial statements for 2023 ($ million)	
Revenue	900
Profit	100
Capital employed	800

(a) Define 'capital employed'.

View solution

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..... [2]

(b) Calculate JTA's return on capital employed (ROCE). Show your working.

View solution

Working: .....

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Final answer: ..... [2]

(c) Outline **two** benefits to JTA of selling in a mass market.

View solution

Benefit 1: .....

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Benefit 2: .....

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..... [4]

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(d) Explain **one** advantage and **one** disadvantage of JTA being a public limited company.

View solution

Advantage: .....

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Explanation: .....

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Disadvantage: .....

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Explanation: .....

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(e) Do you think increasing prices is the best way for a business to increase its profit? Justify your answer.

View solution

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4 FSW is a multinational company with operations in 6 countries. It manufactures steel for use in the construction industry. Quality assurance is used to ensure quality production. FSW has many stakeholder groups who are interested in its activities. The Managing Director knows FSW's business creates external costs. She is aware that pressure groups try to influence business decisions.

View solution

(a) Define 'external costs'.

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..... [2]

View solution

(b) Identify **one** objective each of the following stakeholder groups might have:

Employees: .....

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Customers: .....

..... [2]

View solution

(c) Identify **four** ways a pressure group might try to influence business decisions.

Way 1: .....

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Way 2: .....

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Way 3: .....

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Way 4: .....

..... [4]

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(d) Explain **one** possible benefit and **one** possible drawback to a country of having FSW (a multinational company) operating there.

View solution

Benefit: .....

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Explanation: .....

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Drawback: .....

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Explanation: .....

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..... [6]

(e) Do you think quality assurance is the best way for a business to achieve quality production? Justify your answer.

View solution

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