Cambridge Assessment International Education

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CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

BUSINESS STUDIES **0450/21**

Paper 2 Case Study **October/November 2024**

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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1 **(a)** Explain **four** reasons why a business might remain small.

View solution

Reason 1: .....

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Reason 2: .....

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Reason 3: .....

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Reason 4: .....

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..... [8]

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(b) Consider the following **three** roles of packaging for CC's products. Which role is most important for CC? Justify your answer.

View solution

- Protecting the product
- Promoting the brand image
- Providing information about the product

Protecting the product: .....

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Promoting the brand image: .....

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Providing information about the product: .....

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Conclusion: .....

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..... [12]

2 **(a)** Explain **two** functions of management for CC's new manager.

View solution

Function 1: .....

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Explanation: .....

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Function 2: .....

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Explanation: .....

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..... [8]

(b) Consider how a decrease in interest rates and an increase in taxes in country P could affect CC. Which is likely to have the biggest effect on CC's profit? Justify your answer.

View solution

Decrease in interest rates: .....

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Increase in taxes: .....

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Conclusion: .....

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3 **(a)** Explain **two** benefits and **two** limitations of CC using batch production.

View solution

Benefit 1: .....

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Benefit 2: .....

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Limitation 1: .....

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Limitation 2: .....

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..... [8]

(b) Consider the **two** options for CC's new cookies outlined in Appendix 3. Which option should CC choose to produce? Justify your answer using appropriate calculations.

View solution

Option 1: .....

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Option 2: .....

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Recommendation: .....

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4 **(a)** Explain **two** reasons why CC might need finance.

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 following **three** pricing methods CC could use for its existing products. Which pricing method should CC use? Justify your answer.

View solution

- Cost-plus
- Promotional
- Competitive

Cost-plus: .....

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Promotional: .....

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Competitive: .....

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Recommendation: .....

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..... [12]

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