

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		

BUSINESS STUDIES 0450/22

Paper 2 October/November 2013

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

Do not use staples, paper clips, highlighters, glue or correction fluid.

DO NOT WRITE IN ANY BARCODES.

Answer all questions.

The Insert contains the case study.

The businesses described in this question paper are entirely fictitious.

At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [] at the end of each question or part question.

1 hour 45 minutes

1	(a)	Identify and explain one advantage and one disadvantage to Cagan of his business being a private limited company.	For Examiner's Use
		Advantage:	
		Explanation:	
		Disadvantage:	
		Explanation:	
		[8]	

(b)	Cagan buys cloth from a local wholesaler but he could buy directly from foreign manufacturers. Consider the advantages and disadvantages of buying from each of these two sources of supply. Recommend which source of supply you think Cagan should choose. Justify your answer.	For Examiner's Use
	Local wholesaler:	
	Foreign manufacturers	
	Foreign manufacturers:	
	Recommendation:	
	[12]	

2	(a)	Cagan uses an accountant and a website designer to help him with his business. Explain how each of these people help Cagan's business.	For Examiner's Use
		Accountant:	030
		Website designer:	
		[8]	

	Cagan has decided on Option 2. Do you think he was right to choose Option 2 and not Option 1? Justify your answer by considering the advantages and disadvantages of each option.
	Option 1:
(Option 2:
•	
•	
•	
(Conclusion:
	[12]

3	(a)	Identify and explain four suitable sources of finance that Cagan could use to buy equipment for making curtains.	Ex
		Source 1:	
		Explanation:	
		Source 2:	
		Explanation:	
		Source 3:	
		Explanation:	
		Source 4:	
		Explanation:	
		[8]	

For Examiner's Use

)	Cagan needs to choose a method of production for his factory. Consider the advantages and disadvantages of job, batch and flow production. Recommend which would be the best method to use in this factory. Justify your answer.
	Job production:
	Batch production:
	Flow production:
	1 low production.
	Recommendation:
	[12]

4	(a)	Cagan is going to use market research to find out what type of curtains to make. Identify two items of information Cagan might want to find out. Explain why each of these items of information might be useful.	For Examiner's Use
		Item 1:	
		Explanation:	
		Item 2:	
		Explanation:	
		[8]	

Qualifications: Experience: Previous employer: Interests/hobbies:	ecruiting a mar		equested on Cagan's applica m of information is important	
Previous employer:	Qualifications:			
Previous employer:				
Previous employer:	······································			
	хрепепсе			
Interests/hobbies:	revious employ	er:		
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5

(a) (i)	Using the information in Appendix 3, complete the organisation chart sh for the factory.	own below [4]
	Cagan	
		_
(ii)	Use the organisation chart to explain the term 'span of control'.	
		[4]

Consider how each of the following changes might affect the future demand for Cagan's curtains. Which factor do you think will be the most important? Justify your answer.
Price of Cagan's raw materials increases:
Price of competitors' products decreases:
Unemployment falls:
Onemployment lans.
Conclusion:
[12

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