



Cambridge Assessment International Education

Cambridge International General Certificate of Secondary Education (9-1)

CANDIDATE NAME		
CENTRE NUMBER	CANDIDAT NUMBER	E

BUSINESS STUDIES

0986/21

Paper 2

October/November 2019

1 hour 30 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your centre number, candidate number and name in the spaces at the top of this page.

Write in dark blue or black pen.

You may use an HB pencil for any diagrams, graphs or rough working.

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

DO **NOT** WRITE IN ANY BARCODES.

Answer all questions.

The Insert contains the case study.

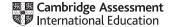
The businesses described in this question paper are entirely fictitious.

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.

The total number of marks for this paper is 80.

This document consists of 9 printed pages and 3 blank pages.



1	(a)	Identify and explain one benefit and one cost to MF of developing the new product.						
		Benefit:						
		Explanation:						
		Cost:						
		Fundamentian.						
		Explanation:						

)	Consider how the following three elements of the marketing mix could help to make the product successful. Which do you think is the most important element for the success of new product? Justify your answer.	new the
	Price:	
	Place:	
	Promotion:	
	Tromotion.	
	Conclusion:	
		[40]

2	(a)	Identify and explain how the following two stakeholder groups of MF will be affected by the production of this new product.
		Employees:
		Explanation:
		Customers:
		Explanation:
		81

Consider how each of the following might use MF's financial statements as shown in Appen Which user would find the information most helpful? Justify your answer.
Government:
Bank:
Shareholders:
Conclusion:

3	(a)	Identify and explain how the following four departments of MF are likely to be affected by th development of its new product.	e
		Marketing:	
		Human Resources (HR):	
		Operations:	
		Operations.	
		Finance:	
		[8]	81

Option 1 - raise the price per carton from \$5 to \$7.50: Option 2 - reduce the variable cost per carton from \$2.50 to \$2.00: Recommendation:	Using the information provided in Appendix 3, consider the following two options for MF's ne product. Recommend which option MF should choose to ensure the highest profit for the ne product. Justify your answer.								
	Option 1 - raise the price per carton from \$5 to \$7.50:								
Recommendation:	Option 2 - reduce the variable cost per carton from \$2.50 to \$2.00:								
Recommendation:									
Recommendation:									
Recommendation:									
Recommendation:									
Recommendation:									
Recommendation:									
	Recommendation:								

(a)	Identi	fy and explain two differences between:						
	(i)	MF and unincorporated businesses:						
		Difference 1:						
		Difference 2:						
			[4					
	(ii)	MF and public sector organisations:						
		Difference 1:						
		Difference 2:						
			[4					

Justily yo	ur answer.				
External	costs:		 	 	
External	penefits:		 	 	
Recomm	endation:		 	 	
		•••••	 	 	

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