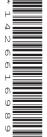


## UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		



BUSINESS STUDIES 0450/23

Paper 2 May/June 2010

Candidates answer on the Question Paper.

Additional Materials: Insert

## **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 business described in this question paper is 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.

For Examiner's Use						
1						
2						
3						
4						
5						
Total						

1 hour 45 minutes

This document consists of 11 printed pages, 1 blank page and 1 Insert.



1	(a)	Bashir wants to continue to expand the business. Identify and explain <b>two</b> other aims Bashir might have for the business.	Ex
		Aim 1:	
		Explanation:	
		Aim 2:	
		Explanation:	
		[8]	

Examiner's Use

For

selling assets owned by the business, taking on a business partner or selling shares by forming a private limited company. Consider these <b>three</b> options for raising finance and recommend which one he should choose. Justify your choice.	For Examina Use
Selling assets:	
Take on a partner:	
Sell shares:	
Recommendation:	
[12]	

2	(a)	Explain <b>four</b> reasons why employees at Bashir Baskets might want to be members of a trade union.	For Examiner's Use
		Reason 1:	
		Reason 2:	
		Reason 3:	
		Reason 4:	
		[8]	

Job description $ ightarrow$ job specification $ ightarrow$ advertisement $ ightarrow$ interviews
Why are each of these stages of the recruitment and selection process important to Bashir when choosing suitable employees? Justify your answer for each stage.
Job description:
Job specification:
Advertisement:
Interviews:
[12]

3	(a)	Bashir could expand into the market for baskets of flowers for the home. He wants to carry out primary market research using questionnaires. Explain <b>how</b> he should carry out this research.	For Examiner's Use
		[8]	

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Consider the <b>two</b> options for expanding Bashir's business outlined in the case. Recommend which one of the two options he should choose. Justify your choice using appropriate calculations.
Option 1 (Baskets for the home):
Option 2 (Baskets for restaurants):
Recommendation:
[12]

•	(a)	businesses in the tertiary sector, such as insurance. Identify <b>four</b> other examples of tertiary sector businesses that Bashir might use and explain how each will help his business.
		Example 1:
		Explanation:
		Example 2:
		Explanation:
		Example 3:
		Explanation:
		Example 4:
		Explanation:
		[8]

For Examiner's Use

Suppose Bashir decided to start making flower baskets for the home. Explain <b>three</b> methods of promotion that Bashir could use. Recommend which one you think would be the best method to use. Justify your choice.	Ex	Χâ	а	a	a
Method 1:					
Method 2:					
Method 3:					
Recommendation:					
[12]					

5	(a)	Bashir buys flowers from other countries. Explain how an appreciation in the exchange rate and the introduction of a tariff on imported flowers might affect his business.	For Examiner's Use
		Appreciation in the exchange rate:	000
		Introduction of a tariff:	
		[8]	

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Financial accounts are important to all businesses. Why are producing a cash flow forecast, a profit and loss account and a break even chart important to the successful financial management of Bashir Baskets? Justify your answers.
Cash flow forecast:
Profit and loss account:
Break even chart:
[12]

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