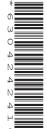


UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		



BUSINESS STUDIES

0450/21

Paper 2

October/November 2012

1 hour 45 minutes

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.

For Exam	iner's Use
1	
2	
3	
4	
5	
Total	

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

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[Turn over

1	(a)	Identify and explain four reasons why Kolo might want to set up his own business rather than work for an employer.	For Examiner's Use
		Reason 1:	
		Explanation:	
		Reason 2:	
		Explanation:	
		Reason 3:	
		Explanation:	
		Reason 4:	
		Explanation:	
		[0]	

Kolo will need money to finance the stock of parts used in car repairs. Consider the advantages and disadvantages of the following options for raising finance. Recommend which option he should choose. Justify your choice.	Examil Us
Trade credit:	
Owner's savings:	
Bank overdraft:	
Recommendation:	
neconinendation.	
[12]	

2	(a)	Kolo wants to get information about his competitors. Identify and explain four ways Kolo could research this information.	
		Way 1:	
		Explanation:	
		Way 2:	
		Explanation:	
		Way 3:	
		Explanation:	
		Way 4:	
		Explanation:	
		[0]	

For Examiner's Use

Kolo plans to promote his new business. Consider the advantages and disadvantages of the following methods of promotion. Recommend which method he should choose. Justify your choice.	Ex	Χâ	ć
Advertising in local newspapers:			
Free car repairs for a year with every car purchase:			
Offering price reductions to the first 100 customers:			
Recommendation:			
[12]			

3	(a)	Kolo needs to buy parts to repair cars. He plans to buy these parts directly from large manufacturers. Identify and explain one advantage and one disadvantage for a small business of buying from large companies.
		Advantage:
		Explanation:
		Disadvantage:
		Disadvaritage.
		Explanation:
		·
		[8]

For Examiner's Use

)	disadvantages of each site. Recommend which site Kolo should choose. Justify your choice.	For Examiner's Use
	Site A:	
	Site B:	
	011- 0-	
	Site C:	
	Recommendation:	
	[12]	
		1

1	(a)	Explain how the economic data from Appendix 3 could affect the success of Kolo's new garage.	For Examiner's Use
		Unemployment:	
		Economic growth:	
		[0]	

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•		
•		
•		
•		
	Conclusion:	
	John Guston.	
•		
•		
•		

For Examiner's Use

Kolo plans to use different methods of payment for mechanics (car repair workers) and sales staff. Identify and explain a suitable method of payment for mechanics and a suitable method of payment for sales staff.
Payment method for mechanics:
Explanation:
Payment method for sales staff:
Explanation:

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Kolo is considering importing some of the cars he wants to sell. Consider three problems Kolo could have if he imports cars. Recommend whether Kolo should import cars. Justify your answer.	Ех	Χά	ć	ć	9
Problem 1:					
D. I.I					
Problem 2:					
Problem 3:					
Recommendation:					
[12]					

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