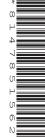


UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS General Certificate of Education Ordinary Level

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		



BUSINESS STUDIES 7115/22

Paper 2 May/June 2011

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 Exam	iner'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.

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[Turn over

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1	(a)	The Directors of TT Foods are thinking of introducing machinery into the production and packing process. Identify and explain two reasons why the workers might be happy with this decision.
		Reason 1:
		Explanation:
		Reason 2:
		Explanation:
		[8]

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For the new machinery TT Foods will need to raise finance. The Directors are considering either taking out a bank loan, leasing the machinery or selling additional shares to family and friends. Consider these three possibilities for raising finance and recommend which one they should choose. Justify your choice.	Exa
Bank loan:	
Leasing machinery:	
Selling shares:	
Recommendation:	
[12]	

2	(a)	Identify and explain two factors that will affect the pricing decisions of TT Foods when deciding what price to charge large stores for their ready-made meals.	For Examiner's Use
		Factor 1:	
		Explanation:	
		Factor 2:	
		Explanation:	
		[8]	

	Γ Foods want to reduce the costs of the food ingredients they buy. They are considering ree possibilities:	For Examiner
(i)	Keep buying their food from a wholesaler but purchase the food less often in much larger quantities or	Use
(ii) Buy the food directly from farms or	
(ii	i) Buy their own farms and grow the food themselves.	
	onsider the advantages and disadvantages of these three possibilities and recommend hich one the Directors should choose. Justify your choice.	
(i)	:	
(ii):	
•••		
···	n.	
(II)	i):	
•••		
R	ecommendation:	
•••		
	[12]	

3 (a)	Appendix 3 suggests that there is increasing demand for airline flights. Identify and explain two effects on TT Foods of this increase in the number of passengers.
	Effect 1:
	Explanation:
	Effect 2:
	Explanation:
	[8]

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F	Consider the two options outlined in the case for expanding the business of TT Foods. Recommend which of the options the Directors should choose. Justify your choice using appropriate calculations.	For Examine Use
E	Expansion option 1:	
-		
•		
•		
•		
•		
•		
E	Expansion option 2:	
•		
•		
•		
•		
•		
•		
	Recommendation:	
Г	neconimendation.	
•		
•		
•		
•		
•		
•	[12]	

4 (a) Below is an outline for a job (person) specification for a Production Manager. Refer to Appendix 2. Explain why each requirement shown below should be included in the job specification.

For Examiner's Use

Job title: Production Manager

Requirements	Example of requirement	Why each requirement should be included
Qualifications	University degree in	Explanation:
	Management	
Skills	Able to lead a team of	Explanation:
	workers	
Experience	At least 5 years	Explanation:
	experience in food	
	processing	
Personal Characteristics	Well organised	Explanation:

)	When recruiting a new Production Manager the Directors of TT Foods could recruit internally or externally. Consider the advantages and disadvantages of these two different methods of recruiting the Production Manager and recommend which method the Directors should choose. Justify your answer.	For Examiner's Use
	Internal recruitment:	
	External recruitment:	
	Recommendation:	
	[12]	

5	(a)	TT Foods have to follow many consumer protection laws. Identify and explain four benefits to consumers of such laws.	For Examiner's Use
		Benefit 1:	
		Explanation:	
		Benefit 2:	
		Explanation:	
		Benefit 3:	
		Explanation:	
		Benefit 4:	
		Explanation:	
		[0]	

The case mentions that there are a high number of workers leaving the company eac year because of poor motivation. Consider three different methods that TT Foods coul use to increase motivation of the production workers and recommend which methogou think will be the most effective. Justify your answer.
Method 1:
M. J. O.
Method 2:
Method 3:
Recommendation:

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