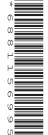


UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS General Certificate of Education Ordinary Level

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		



BUSINESS STUDIES

7115/21

Paper 2

May/June 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 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	

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

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[Turn over

1	(a)	The new football boot is being developed. Identify and explain four stages of the future product life cycle of the new football boot.	For Examiner's Use
		Stage:	
		Explanation:	
		Stage:	
		Explanation:	
		Stage:	
		Explanation:	
		Stage:	
		Explanation:	
		[0]	

	Consider why each of the following departments will be important to the success of the new football boots. Justify your answer using information in the case.	
	Production:	
١	Marketing:	
ŀ	Human Resources:	
F	Finance:	

For Examiner's Use

2	(a)	KSS production workers are highly skilled in doing just one task on the production line. Identify and explain two advantages and two disadvantages of workers being skilled in just one task.
		Advantage 1:
		Explanation:
		Advantage 2:
		Explanation:
		Disadvantage 1:
		Explanation:
		Disadvantage 2:
		Explanation:
		[8]

The Production manager believes that labour-intensive methods are better than capital-intensive methods of production for the new football boots. Do you agree with him? Justify your answer using appropriate calculations from the information provided in Appendix 1.
Labour-intensive:
Capital-intensive:
Capital-litterisive.
Conclusion:
[12]

3 (a) Good communication is important to Emmanuel. He has the following information to communicate.

For
Examiner's
Use

- All employees are to receive a wage increase.
- There has been an error with a delivery of some supplies.

Identify a suitable method of communication for each situation. Explain why each method is suitable.
Method for 'all employees are to receive a wage increase':
Explanation:
Method for 'there has been an error with a delivery of some supplies':
Explanation:

Labour costs are much lower in other countries. Many sports shoe manufacturers produce in those countries. Consider the advantages and the disadvantages to KSS of manufacturing its football boots in another country. Do you think KSS should move manufacturing to another country? Justify your answer.	For Examine Use
Advantages:	
Disadvantages:	
Conducion	
Conclusion:	
[12]	

4	(a)	Identify and explain two benefits to KSS of creating a brand image for its new football boot.	
		Benefit 1:	
		Explanation:	
		Benefit 2:	
		Explanation:	

For Examiner's Use

'')	price skimming, cost-plus pricing and competitive pricing. Which do you think is the best pricing strategy for Emmanuel to use? Justify your answer using information in Appendix 3.	For Examiner's Use
	Price skimming:	
	Cost-plus pricing:	
	Competitive pricing:	
	Recommendation:	
	Tiecommendation.	
	[12]	

5	(a)	The new football boot will be exported to many different countries. Identify and explain four possible problems KSS may have when exporting the new football boot.	Exa
		Problem 1:	
		Explanation:	
		Problem 2:	
		Explanation:	
		Problem 3:	
		Explanation:	
		Problem 4:	
		Explanation:	
		[8]	

For Examiner's Use

	Emmanuel has already chosen Option 1. Was it the right decision to choose Option 1 rather than Option 2? Justify your answer by considering the advantages and disadvantages of each option.
	Option 1:
•	Ontion ().
(Option 2:
•	
•	
•	
•	
(Conclusion:
	[12]

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