Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

5788632074

BUSINESS STUDIES **0450/23**

Paper 2 Case Study **May/June 2020**

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.

INFORMATION

- The total mark for this paper is 80.
- The number of marks for each question or part question is shown in brackets [ ].
- The insert contains the case study.

This document has **12** pages. Blank pages are indicated.

1 (a) Explain **four** reasons why governments support business start-ups.

Reason 1: ....

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Reason 2:..

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Reason 3: ....

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Reason 4:..

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.... [8]

(b) Explain the benefits and limitations to EC of using on-the-job training and off-the-job training. Which method of training should EC use when changing production methods? Justify your answer.

On-the-job training: ....

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Off-the-job training: ....

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Recommendation: ....

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.... [12]

2 **(a)** Explain **one** advantage and **one** disadvantage for EC's senior managers when they delegate tasks.

Advantage:...

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Explanation:...

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Disadvantage: ....

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Explanation:...

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(b) Consider how the following **two** changes in the market are likely to affect EC:

- Change in customer spending patterns away from diesel cars to electric cars
- Markets for petrol and diesel cars are becoming more competitive

Which change is likely to have the most effect on EC's profit? Justify your answer.

Change in customer spending patterns away from diesel cars to electric cars: ....

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Markets for petrol and diesel cars are becoming more competitive:................................

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Conclusion: ....

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.... [12]

3 **(a)** Explain **four** sources of finance that EC could use for the investment in the new product.

Source 1: ....

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Source 2: ....

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Source 3: ....

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Source 4: ....

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.... [8]

(b) Consider the information for the **two** car models outlined in Appendix 2. Which car model should EC start producing? Justify your answer using break-even calculations.

Model 1: ....

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Model 2: ....

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Recommendation: ....

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4 **(a)** Explain **two** ways import tariffs might affect EC.

Way 1: ....

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Explanation: ....

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Way 2: ....

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Explanation: ....

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.... [8]

(b) Using Appendix 3, consider the advantages and disadvantages of locating EC's new factory in country A and country B. Which country should EC choose? Justify your answer.

Country A: ....

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Country B: ....

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Recommendation: ....

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