



Cambridge O Level

CANDIDATE
NAMECENTRE
NUMBER

--	--	--	--	--

CANDIDATE
NUMBER

--	--	--	--

BUSINESS STUDIES

7115/21

Paper 2 Case Study

October/November 2025

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. Any blank pages are indicated.



- 1 (a) Explain **two** advantages and **two** disadvantages of a business being a private limited company.

Advantage 1:

.....

.....

.....

Advantage 2:

.....

.....

.....

Disadvantage 1:

.....

.....

.....

Disadvantage 2:

.....

.....

.....

[8]



(b) Consider the following **three** economies of scale for LB. Which economy of scale is likely to have benefited LB the most? Justify your answer.

- Financial
- Purchasing
- Managerial

Financial:

.....

.....

.....

.....

.....

Purchasing:

.....

.....

.....

.....

.....

Managerial:

.....

.....

.....

.....

.....

Conclusion:

.....

.....

.....

.....

.....

[12]





2 (a) Explain **two** advantages and **two** disadvantages to LB of using primary market research.

Advantage 1:

.....

.....

.....

Advantage 2:

.....

.....

.....

Disadvantage 1:

.....

.....

.....

Disadvantage 2:

.....

.....

.....

[8]





(b) Consider the advantages and disadvantages of the **two** options LB could use to distribute its new product range in country X. Which channel of distribution should LB use? Justify your answer.

- Selling to specialist retail shops
- Selling directly to customers through LB's website

Selling to specialist retail shops:

.....

.....

.....

.....

.....

.....

.....

.....

Selling directly to customers through LB's website:

.....

.....

.....

.....

.....

.....

.....

.....

Recommendation:

.....

.....

.....

.....

.....

.....

.....

.....





3 (a) Explain **two** reasons why working capital is important to LB.

Reason 1:

.....

Explanation:

.....

.....

.....

.....

.....

Reason 2:

.....

Explanation:

.....

.....

.....

.....

.....

[8]



(b) Using Appendix 2 and other information, consider the **three** employees that LB could make redundant. Which employee should LB choose? Justify your answer.

- Naga
- Reeta
- Amy

Naga:

.....

.....

.....

.....

.....

Reeta:

.....

.....

.....

.....

.....

Amy:

.....

.....

.....

.....

.....

Recommendation:

.....

.....

.....

.....

.....





- 4 (a) Explain **two** factors LB's managers should consider when deciding which method of communication to use to inform its employees about the expansion plans.

Factor 1:

.....

Explanation:

.....

.....

.....

.....

.....

Factor 2:

.....

Explanation:

.....

.....

.....

.....

.....

[8]





- (b) Using Appendix 3 and other information, consider the benefits and drawbacks for country Y of LB building its new factory there. Do you think the benefits for country Y are greater than the drawbacks? Justify your answer.

Benefits:

.....

.....

.....

.....

.....

.....

.....

.....

Drawbacks:

.....

.....

.....

.....

.....

.....

.....

.....

Conclusion:

.....

.....

.....

.....

.....

.....

.....

.....

[12]









Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.

