Cambridge Assessment International Education

Cambridge IGCSE™

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

3654570393

BUSINESS STUDIES **0450/22**

Paper 2 Case Study **February/March 2024**

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.

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1 (a) Explain **four** reasons why governments support the start-up of new businesses.

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) Using Appendix 1 and other information, consider how AF may be affected by the following **three** changes in legal controls over employment issues in country X. Which legal control will have the most effect on AF? Justify your answer.

- Increase in the legal minimum wage
- Additional health and safety regulations
- Employees can only work a maximum of 50 hours each week

Increase in the legal minimum wage: ....

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Additional health and safety regulations: ....

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Employees can only work a maximum of 50 hours each week: ....

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Conclusion: ....

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.... [12]

2 (a) Explain **two** benefits to AF of segmenting its market.

Benefit 1: ....

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Explanation: ....

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Benefit 2: ....

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Explanation: ....

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(b) Using Appendix 2 and other information, consider each of the following elements of the marketing mix for AF’s new meal. Would this be a suitable marketing mix for the new meal? Justify your answer.

- Price - using penetration pricing
- Place - selling to food retailers in Main City
- Advertising - using social media

Price - using penetration pricing: ....

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Place - selling to food retailers in Main City: ....

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Advertising - using social media: ....

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Conclusion: ....

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.... [12]

3 **(a)** Explain **two** ways an appreciation in the exchange rate of country X might affect AF.

Way 1: ....

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Explanation: ....

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Way 2: ....

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Explanation: ....

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(b) Consider the following **two** ways AF could increase output in its factory. Which would be the best way to use? Justify your answer.

- Investing in new technology
- Buying more of their existing equipment

Investing in new technology: ....

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Buying more of their existing equipment: ....

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Recommendation: ....

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4 (a) Explain **two** advantages and **two** disadvantages for AF of using retained profit as a source of finance for the investment in the factory.

Advantage 1: ....

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Advantage 2: ....

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Disadvantage 1: ....

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Disadvantage 2: ....

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(b) Using Appendix 3 and other information, consider the advantages and disadvantages of the **two** new meals AF could choose to produce. Which meal should AF choose? Justify your answer using suitable calculations.

Meal 1: ....

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Meal 2: ....

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Recommendation: ....

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