Cambridge International Examinations
Cambridge International General Certificate of Secondary Education

CANDIDATE NAME			
CENTRE NUMBER		CANDIDATE NUMBER	

4080576251

BUSINESS STUDIES **0450/23**

Paper 2 **May/June 2016**

1 hour 30 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.
You may use an HB pencil for any diagrams, graphs or rough working.
Do not use staples, paper clips, 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.
The total number of marks for this paper is 80.

The syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.

This document consists of **9** printed pages, **3** blank pages and **1** Insert.

DC (RCL (KM)) 115448/1
© UCLES 2016

CAMBRIDGE
International Examinations

1 **(a)** Identify **four** stakeholder groups of DADS from the case study and explain **one** objective of each stakeholder group.

Stakeholder group 1: ....

Explanation: . ...

....

....

Stakeholder group 2: ....

Explanation: ....

....

....

Stakeholder group 3: ....

Explanation: ....

....

....

Stakeholder group 4: ....

Explanation: ....

....

....[8]

© UCLES 2016

(b) Consider the following **three** location factors when deciding where to relocate the dance studio. Which do you think is the most important factor for DADS? Justify your answer.

Where customers live: ....

....

....

....

....

....

Size of building: ....

....

....

....

....

....

Other businesses in the area: ....

....

....

....

....

....

Most important factor: ....

....

....

....

....

....[12]

2 **(a)** Identify and explain **two** reasons why well qualified employees are important for this business.

Reason 1: ....

....

Explanation: ....

....

....

....

....

....

Reason 2: ....

....

Explanation: ....

....

....

....

....

....[8]

© UCLES 2016

(b) Look at the financial information in Appendix 2. Do you think DADS is in a good financial position? Justify your answer using liquidity ratios.

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....

....[12]

© UCLES 2016

3 **(a)** Identify and explain **one** advantage and **one** disadvantage of delegating marketing tasks to the new manager.

Advantage: ....

....

Explanation: ....

....

....

....

....

....

Disadvantage: ....

....

Explanation: ....

....

....

....

....

....[8]

(b) Consider the following **three** methods of market research Danielle could use to find out which classes will be most popular at the new location. Recommend which method she should choose. Justify your answer.

Secondary research on competitors: ....

....

....

....

....

....

Questionnaires given out to existing customers: ....

....

....

....

....

....

Interviews with parents of children who attend classes: . ...

....

....

....

....

....

Recommendation: ....

....

....

....

....

....[12]

4 **(a)** The Government wants to encourage people to get fit and become healthier (see Appendix 3). Identify and explain **two** possible external benefits of an increase in the number of dance studios.

External benefit 1: ....

....

Explanation: ....

....

....

....

....

....

External benefit 2: ....

....

Explanation: ....

....

....

....

....

....[8]

(b) Consider the effects of the following **three** changes in the economy. Which change do you think will have the greatest effect on DADS? Justify your answer.

Reduction in unemployment: ....

....

....

....

....

....

Increase in the annual tax paid on buildings used by the business: ....

....

....

....

....

....

Increase in the number of children wanting to dance: ....

....

....

....

....

....

Greatest effect: ....

....

....

....

....

....[12]

BLANK PAGE

BLANK PAGE

© UCLES 2016

BLANK PAGE

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 International Examinations Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cie.org.uk after the live examination series.

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