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BUSINESS STUDIES

0450/23

Paper 2 Case Study

October/November 2022

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.


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This document has **12** pages. Any blank pages are indicated.

1 (a) Explain **four** factors Duncan should consider when choosing which method of communication to use with DD's employees.

Factor 1:

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Factor 2:

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Factor 3:

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Factor 4:

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[8]

(b) Consider **two** ways DD can increase added value. Which is the best way for DD to choose? Justify your answer.

Way 1:

Way 2:

Recommendation:

[12]

2 (a) Explain **four** roles of marketing for a business.

Role 1:

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Role 2:

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Role 3:

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Role 4:

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[8]

(b) Consider the advantages and disadvantages of the following **three** channels of distribution DD could use for its products. Which channel should DD choose? Justify your answer.

- Setting up a shop at the dairy.
- Selling to a number of large supermarkets.
- Selling to a wholesaler.

Setting up a shop at the dairy:

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Selling to a number of large supermarkets:

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Selling to a wholesaler:

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Recommendation:

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[12]

3 (a) Explain **two** possible reasons why DD might hold low levels of inventory.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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[8]

(b) Consider the following **three** methods DD could use to motivate its employees. Which is the best method to use? Justify your answer.

- Give employees a 50% discount on all DD products.
- Introduce profit sharing.
- Introduce job rotation.

Give employees a 50% discount on all DD products:

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Introduce profit sharing:

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Introduce job rotation:

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Recommendation:

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[12]

4 (a) Explain **two** ways a reduction in interest rates might affect DD.

Way 1:

Explanation:

Way 2:

Explanation:

[8]

(b) Using Appendix 3 and other information, consider the financial position of DD and its main competitor. Which company is in a better financial position? Justify your answer using suitable calculations.

DD's financial position:

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Competitor's financial position:

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Conclusion:

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[12]

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