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.

© UCLES 2024

[Turn over

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

Reason 1: .....

.....

.....

.....

Reason 2: .....

.....

.....

.....

Reason 3: .....

.....

.....

.....

Reason 4: .....

.....

.....

..... [8]

© UCLES 2024

(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: .....

.....

.....

.....

.....

.....

Additional health and safety regulations: .....

.....

.....

.....

.....

.....

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

.....

.....

.....

.....

.....

Conclusion: .....

.....

.....

.....

.....

..... [12]

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

Benefit 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Benefit 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

(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: .....

.....

.....

.....

.....

.....

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

.....

.....

.....

.....

.....

Advertising - using social media: .....

.....

.....

.....

.....

.....

Conclusion: .....

.....

.....

.....

.....

..... [12]

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

Way 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Way 2: .....

.....

Explanation: .....

.....

.....

.....

.....

..... [8]

© UCLES 2024

(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: .....

.....

.....

.....

.....

.....

.....

.....

Buying more of their existing equipment: .....

.....

.....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

..... [12]

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: .....

.....

.....

.....

Advantage 2: .....

.....

.....

.....

Disadvantage 1: .....

.....

.....

.....

Disadvantage 2: .....

.....

.....

..... [8]

© UCLES 2024

(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: .....

.....

.....

.....

.....

.....

.....

.....

Meal 2: .....

.....

.....

.....

.....

.....

.....

.....

Recommendation: .....

.....

.....

.....

.....

.....

.....

..... [12]

BLANK PAGE

BLANK PAGE

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 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.

© UCLES 2024