



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

CANDIDATE
NAME

CENTRE
NUMBER

--	--	--	--	--

CANDIDATE
NUMBER

--	--	--	--



BUSINESS STUDIES

0450/21

Paper 2

October/November 2012

1 hour 45 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.
Do not use staples, paper clips, highlighters, glue or correction fluid.
DO NOT WRITE IN ANY BARCODES.

Answer **all** questions.
The Insert contains the case study.
The businesses described in this question paper are 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.

For Examiner's Use	
1	
2	
3	
4	
5	
Total	

This document consists of **11** printed pages, **1** blank page and **1** insert.



- 1 (a) Identify and explain **four** reasons why Kolo might want to set up his own business rather than work for an employer.

Reason 1:

Explanation:

.....

.....

Reason 2:

Explanation:

.....

.....

Reason 3:

Explanation:

.....

.....

Reason 4:

Explanation:

.....

..... [8]

(b) Kolo will need money to finance the stock of parts used in car repairs. Consider the advantages and disadvantages of the following options for raising finance. Recommend which option he should choose. Justify your choice.

For
Examiner's
Use

Trade credit:

.....

.....

.....

.....

.....

.....

Owner's savings:

.....

.....

.....

.....

.....

.....

Bank overdraft:

.....

.....

.....

.....

.....

.....

Recommendation:

.....

.....

.....

.....

.....

.....

[12]

- 2 (a) Kolo wants to get information about his competitors. Identify and explain **four** ways Kolo could research this information.

Way 1:

Explanation:

.....

.....

Way 2:

Explanation:

.....

.....

Way 3:

Explanation:

.....

.....

Way 4:

Explanation:

.....

..... [8]

- 3 (a) Kolo needs to buy parts to repair cars. He plans to buy these parts directly from large manufacturers. Identify and explain **one** advantage and **one** disadvantage for a small business of buying from large companies.

Advantage:

.....

Explanation:

.....

.....

.....

.....

.....

Disadvantage:

.....

Explanation:

.....

.....

.....

.....

..... [8]

(b) There are three possible sites for the new garage. Consider the advantages and disadvantages of each site. Recommend which site Kolo should choose. Justify your choice.

For
Examiner's
Use

Site A:
.....
.....
.....
.....
.....

Site B:
.....
.....
.....
.....
.....

Site C:
.....
.....
.....
.....
.....

Recommendation:
.....
.....
.....
.....
..... [12]

- 4 (a) Explain **how** the economic data from Appendix 3 could affect the success of Kolo's new garage.

Unemployment:

.....

.....

.....

.....

.....

.....

.....

.....

Economic growth:

.....

.....

.....

.....

.....

.....

.....

.....

..... [8]

- 5 (a) Kolo plans to use different methods of payment for mechanics (car repair workers) and sales staff. Identify and explain a suitable method of payment for mechanics and a suitable method of payment for sales staff.

Payment method for mechanics:

.....

Explanation:

.....

.....

.....

.....

.....

Payment method for sales staff:

.....

Explanation:

.....

.....

.....

.....

..... [8]

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.

University of 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.