

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

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BUSINES
CENTRE NUMBER
NAME

CANDIDATE NUMBER

SS STUDIES

0450/02

Paper 2

October/November 2009

1 hour 45 minutes

Candidates answer on the Question Paper.

Additional Materials: Insert

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)	Dilip is a sole trader. Identify and explain one advantage and one disadvantage of being a sole trader.
	Advantage:
	Explanation:
	Disadvantage:
	Explanation:
	[8]
	Dilip wants to raise \$50 000 to convert the old farm buildings into holiday houses. He is considering three options for financing this:
	hank loan

forming a partnership overdraft.

b)	Consider the advantages and disadvantages of the three options and advise by which would be the most suitable source of finance to use. Justify recommendation.
	Option 1 (bank loan):
	Option 2 (forming a partnership):
	Option 3 (overdraft):
	Recommendation:
	[40]

2	(a)	houses (see	recruit employees to look after the tourists who would stay at the Appendix 3). Identify four questions Dilip should ask when interview these jobs. Explain why each question should be asked.
		Question 1:	
		Explanation:	
		Question 2:	
		Explanation:	
		Question 3:	
		Explanation:	
		Question 4:	
		Explanation:	
			[8]

(b)	Dilip wants well motivated employees. Do you think the leadership style used will be the most effective way to achieve well motivated employees? Justify answer.
	[12]

Primary research was carried out, using interviews, to research the market Appendix 3).

3

WWW. Papa Cambridge.com (a) Identify and explain two advantages of using interviews to research the market for Dilip's holiday houses. Advantage 1: Explanation: Advantage 2: Explanation:

	To the state of th	
(b)	In what ways do you think the market research results will affect the 'production' parts of the marketing mix for Dilip's holiday houses? Justify your answer	For iner's
	Effects on product:	Tide
	In what ways do you think the market research results will affect the 'product' promotion' parts of the marketing mix for Dilip's holiday houses? Justify your answer Effects on product:	COM
	Effects on promotion:	
	Effects on promotion:	
	[40]	

WWW. PapaCambridge.com (a) Dilip keeps the financial accounts for the business. Identify three stakeholder would be interested in the business' accounts and explain why each would interested in the accounts. Stakeholder 1: **Explanation:** Stakeholder 2: **Explanation:** Stakeholder 3: **Explanation:**

(b)	Do you think Dilip should sign a contract to supply vegetables to the Europermarket chain? Justify your answer using the information in the break-even chain Appendix 2 and other information in the case.
	1401

	www.xtrapa	pers.com
	10 A. D.	
(a)	Identify and explain two disadvantages to the farmers in country A of an increa appreciation) in country A's exchange rate. Disadvantage 1: Explanation:	For iner's
	Disadvantage 1:	Tage
	Explanation:	COM
		L
	Disadvantage 2:	
	Explanation:	
	[8]	

'products

For iner's ade' products 11 The government of country A wants to encourage small farmers to grow 'fair trade' produc (b) Do you think that all farmers in country A should produce only 'fair trade' products Justify your answer.

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