

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS International General Certificate of Secondary Education

	CANDIDATE NAME			
	CENTRE NUMBER		CANDIDATE NUMBER	
* 1 2 8 6 9	BUSINESS STU Paper 2	JDIES		0450/02 May/June 2009 1 hour 45 minutes
0 0 1 8	Candidates ans Additional Mate	wer on the Question Paper. rials: 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 Exam	iner's Use
1	
2	
3	
4	
5	
Total	

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



UNIVERSITY of CAMBRIDGE International Examinations

[Turn over

(a) Python Bicycles use batch production. Identify and explain one advantage and one disadvantage of batch production to Python Bicycles.

For Examiner's Use

Advantage:	
Explanation:	
Disadvantage:	
Explanation:	
	[8]

0450/02/M/J/09

www.Students-Resource.com

1

(b) The new owners want to increase the profitability of Python Bicycles. Consider **three** methods that could be used to increase the profitability of Python Bicycles. Recommend which method you think would be the most effective. Justify your recommendation.

For Examiner's Use

Method 1:
Method 2:
Method 3:
Recommendation:
Recommendation:
[12]

0450/02/M/J/09

[Turn over

2 (a) The number of employees leaving each year is high as workers are not happy with their working conditions. Identify and explain **two** reasons why poor motivation among the workers may be damaging for Python Bicycles.

n For g Examiner's Use

Reason 1:
Explanation:
Reason 2:
Explanation:
[8]

0450/02/M/J/09

(b) Do you think that higher wages would be the most effective way of increasing the motivation of the employees at Python Bicycles? Justify your answer.

For Examiner's Use

3 (a) Before targeting a different market segment, Python Bicycles needs to carry out market research. Explain to the Marketing Manager of Python Bicycles how to carry out primary market research.

For Examiner's Use

[8]

0450/02/M/J/09

(b) Do you agree with the Marketing Manager that Python Bicycles will need to change each of the elements of the marketing mix if children's bicycles are to be sold? (See Appendix 2). Justify your answers.

7

For Examiner's Use

Element 1 of marketing mix:	
Need to change this element?	
Element 2 of marketing mix:	
Need to change this element?	
Element 3 of marketing mix:	
Need to change this element?	
Element 4 of marketing mix:	
Need to change this element?	
	[12]

4 (a) A cash flow forecast is used by the company to help it with its financial control. Explain why Python Bicycles would find a cash flow forecast useful.

For Examiner's Use

[8]

0450/02/M/J/09

(b) Do you think Python Bicycles is in a strong financial position? Explain your answer using information from Appendix 1 and the other case material given.

For Examiner's Use

5	(a)	Identify and explain two reasons why governments encourage exports. (See Appendix 3).
		Reason 1:
		Explanation:
		Reason 2:
		Explanation:
		[8]

10

For Examiner's Use

0450/02/M/J/09

Factor 1: Factor 2: -----..... Factor 3: Factor 4:

For Examiner's Use

(b) What do you think are the four most important factors that Python Bicycles should

consider when deciding whether to export their bicycles? Justify your answers.

© UCLES 2009

0450/02/M/J/09

[12]

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.

0450/02/M/J/09