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0450/02

May/June 2009

Candidates answer on the Question Paper.
Additional Materials: Insert.

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.

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) 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:

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.....

Disadvantage:

.....

Explanation:

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[8]

- (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:

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Method 2:

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Method 3:

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Recommendation:

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[12]

- 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.

For
Examiner's
Use

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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..... [8]

- [12]

- [8]

- (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.

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Use

Element 1 of marketing mix:

Need to change this element?

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Element 2 of marketing mix:

Need to change this element?

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Element 3 of marketing mix:

Need to change this element?

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Element 4 of marketing mix:

Need to change this element?

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..... [12]

- [8]

- [12

- 5 (a) Identify and explain **two** reasons why governments encourage exports.
(See Appendix 3).

For
Examiner's
Use

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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..... [8]

- (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.

For
Examiner's
Use

Factor 1:

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Factor 2:

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Factor 3:

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Factor 4:

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[12]

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0450/02/M/J/09