

Cambridge International Examinations

Cambridge International General Certificate of Secondary Education

CANDIDATE NAME			
CENTRE NUMBER		CANDIDATE NUMBER	
BUSINESS STU	UDIES		0450/23
Paper 2		Oct	tober/November 2017
			1 hour 30 minutes
Candidates ans	wer on the Question Paper.		

READ THESE INSTRUCTIONS FIRST

No Additional Materials are required.

Write your Centre number, candidate number and name in the spaces at the top of this page.

Write in dark blue or black pen.

You may use an HB pencil for any diagrams, graphs or rough working.

Do not use staples, paper clips, glue or correction fluid.

DO NOT WRITE IN ANY BARCODES.

Answer **all** questions.

The Insert contains the case study.

The business described in this question paper is entirely fictitious.

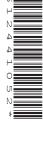
At the end of the examination, fasten all your work securely together.

The number of marks is given in brackets [] at the end of each question or part question.

The total number of marks for this paper is 80.

The syllabus is approved for use in England, Wales and Northern Ireland as a Cambridge International Level 1/Level 2 Certificate.





1	(a)	Identify and explain one advantage and one disadvantage of BB being a private limited company.
		Advantage:
		Explanation:
		Disadvantage:
		Fundamentian.
		Explanation:
		[8]

	er.
Government popul	lation statistics:
	of competitors' websites:
Interviews with par	rents at local schools:
	rents at local schools:
	rents at local schools:

2	(a)	Identify and explain two leadership styles Stella could use.
		Leadership style 1:
		Explanation:
		Leadership style 2:
		Explanation:

[8]

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Consider the advantages and disadvantages of the two options for BB to expand. Recomme the best option to choose. Justify your answer.
Option 1:
Option 2:
Recommendation:
neconineriaation.

[12]

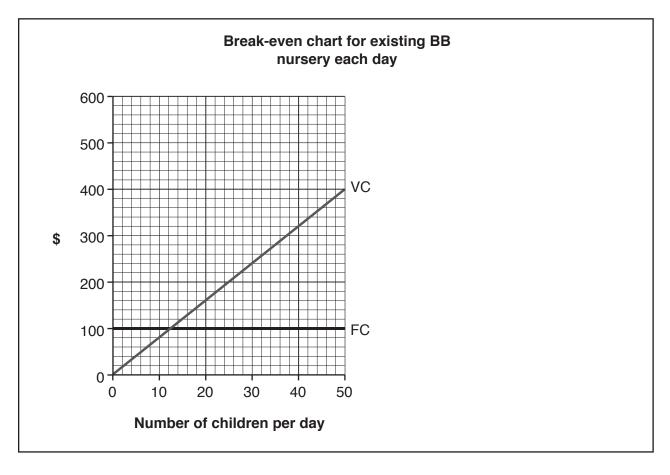
3	(a)	Refer to the organisation chart in Appendix 2. Identify and explain the chain of command for BB and the span of control for Stella.
		Chain of command for BB:
		Span of control for Stella:

[8]

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Please turn over. Question 3 continues on page 8.

(b) (i) Draw on the break-even chart below: Total Cost line, Total Revenue line and the Break-even point.



Price = \$12 per child per day

FC = Fixed cost

VC = Variable cost

[3]

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(ii)	Consider two ways BB could use to reduce this break-even output. Recommend the best way to choose. Justify your answer.
	Way 1:
	Way 2:
	Recommendation:
	[9

4	(a)	Identify and explain two reasons why profit is important to BB.
		Reason 1:
		Explanation:
		Reason 2:
		Explanation:
		[8]

the biggest effect on BB's profit? Justify your answer.
The economy enters recession:
The Government lowers income tax:
The Government opens nurseries offering free child places to low income families:

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