

Paper 2

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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			
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Total			

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



		2
1	(a)	2 Dilip is a sole trader. Identify and explain one advantage and one disadvantage of being a sole trader. Advantage:
		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:

- bank loan
- forming a partnership
- overdraft.

	12
	3
(b)	3 Consider the advantages and disadvantages of the three options and advise twich would be the most suitable source of finance to use. Justify recommendation. Option 1 (bank loan):
	Option 1 (bank loan):
	Ontion 2 (forming a partnership):
	Option 2 (forming a partnership):
	Option 3 (overdraft):
	Recommendation:
	[12]

		444	
		4	
(a)	houses (see	4 or recruit employees to look after the tourists who would stay at the Appendix 3). Identify four questions Dilip should ask when intervie these jobs. Explain why each question should be asked.	For iner's
	Question 1:		°.C.
	Explanation:		133
	Question 2:		
	Explanation:		
	Question 3:		
	Explanation:		
	Question 4:		
	Explanation:		
		[8]	

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5
5 Dilip wants well motivated employees. Do you think the leadership style used the will be the most effective way to achieve well motivated employees? Justify answer.
[12]
[12]

		6 Primary research was carried out, using interviews, to research the market Appendix 3). Identify and explain two advantages of using interviews to research the market for Dilip's holiday houses.	
		Primary research was carried out, using interviews, to research the market Appendix 3).	For iner's
3	(a)	Identify and explain two advantages of using interviews to research the market for Dilip's holiday houses.	Se.com
		Advantage 1:	
		Explanation:	
		Advantage 2:	
		Explanation:	

.....

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[8]

	Mary Mary
(b)	7 In what ways do you think the market research results will affect the 'product's promotion' parts of the marketing mix for Dilip's holiday houses? Justify your answer the free to be a set of the product in the product is the product in the product is the prod
	Effects on product:
	Effects on promotion:
	[12]

	12	
	8	
(a)	8 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:	For iner's
	Stakeholder 1:	'Se.co
	Explanation:	213
	Stakeholder 2:	
	Explanation:	
	Stakeholder 3:	
	Explanation:	
	[8]	

4

	the second
	9
(b)	9 Do you think Dilip should sign a contract to supply vegetables to the Euspermarket chain? Justify your answer using the information in the break-even critic in Appendix 2 and other information in the case.
	[12]

		12	
		10	
5	(a)	10 Identify and explain two disadvantages to the farmers in country A of an increated appreciation) in country A's exchange rate. Disadvantage 1: Explanation:	For iner's
		Disadvantage 1:	1000
		Explanation:	COM
		Disadvantage 2:	
		Explanation:	
		[8]	
			1

	14
	11
The gov	vernment of country A wants to encourage small farmers to grow 'fair trade' produced
(b)	11 vernment of country A wants to encourage small farmers to grow 'fair trade' production Do you think that all farmers in country A should produce only 'fair trade' products Justify your answer.
	[12]



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