



CANDIDATE NAME

UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS General Certificate of Education Ordinary Level

CENTRE NUMBER

CANDIDATE NUMBER

BUSINESS STUDIES

7115/02

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	
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Total	

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



	*	
	2 AM. D.	
	The state of the s	
)	Dilip is a sole trader. Identify and explain one advantage and one disadvantage of being a sole trader.	For iner's
	Dilip is a sole trader. Identify and explain one advantage and one disadvantage of being a sole trader. Advantage:	Tage
		OW
	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

1

- forming a partnership
- overdraft.

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

		4	
		4	
		4	
(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.	For iner's
	Question 1:		Se.Co
	Explanation:		111
	Question 2:		
	Explanation:		
	Question 3:		
	Explanation:		
	Question 4:		
	Explanation:		
		[8]	

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

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

(a) Identify and explain two advantages of using interviews to research the market for

3

www.PapaCambridge.com Dilip's holiday houses. Advantage 1: **Explanation:** Advantage 2: Explanation: [8]

	25
(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
	Effects on product:
	Effects on promotion:

For iner's

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:**

	42
	9 MAL DAY
(b)	Do you think Dilip should sign a contract to supply vegetables to the Europe supermarket chain? Justify your answer using the information in the break-even chain Appendix 2 and other information in the case.
	[12]

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

www.PapaCambridge.com The government of country A wants to encourage small farmers to grow 'fair trade' production (b) Do you think that all farmers in country A should produce only 'fair trade' products Justify your answer.

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