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BUSINESS STUDIES

Paper 2

7115/22

May/June 2014

1 hour 45 minutes

Candidates answer on the Question Paper.

No Additional Materials are required.

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, 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.

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



1 (a) Identify and explain **two** disadvantages to Manuel of operating as a sole trader.

Disadvantage 1:

.....

Explanation:

.....

.....

.....

.....

.....

Disadvantage 2:

.....

Explanation:

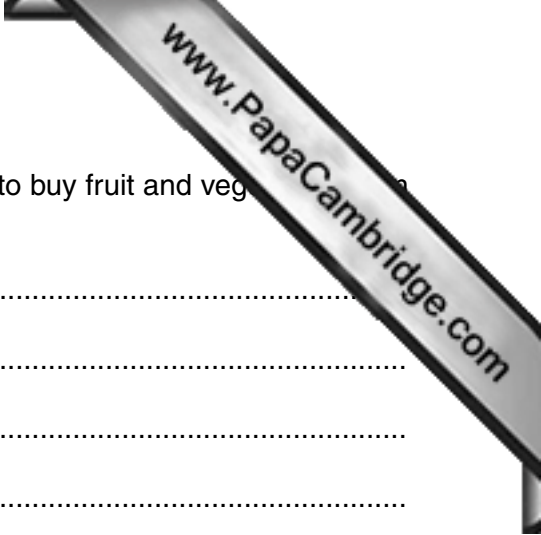
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2 (a) Identify and explain **four** reasons why customers may prefer to buy fruit and veg from Manuel's shop rather than from large supermarkets.

Reason 1:

.....

Explanation:

.....

Reason 2:

.....

Explanation:

.....

Reason 3:

.....

Explanation:

.....

Reason 4:

.....

Explanation:

.....[8]



3 (a) Identify and explain **two** reasons why many Governments help small businesses like Manuel's.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

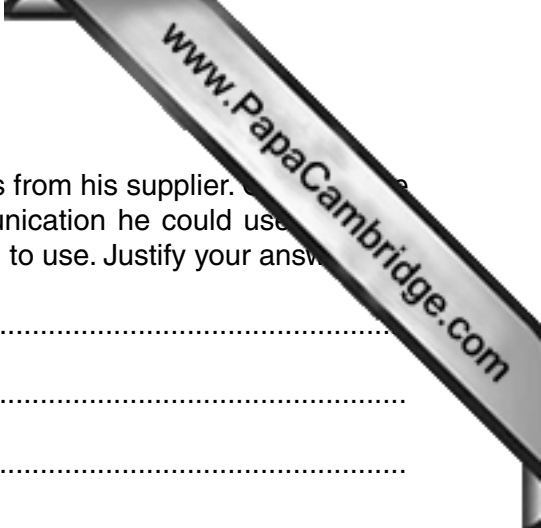
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(b) Manuel needs to order fruit and vegetables on a regular basis from his supplier. Consider the advantages and disadvantages of **three** methods of communication he could use to place orders with his supplier. Recommend the best method for him to use. Justify your answer.

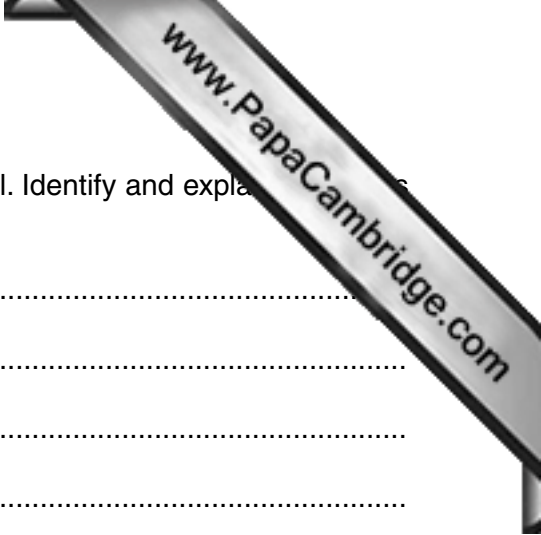
Method 1:
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Method 2:
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Method 3:
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Recommendation:
.....
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.....
.....

[12]



- 4 (a) Having well motivated employees is very important to Manuel. Identify and explain two ways Manuel could use to motivate his shop employees.

Way 1:

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Explanation:

.....

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.....

.....

Way 2:

.....

Explanation:

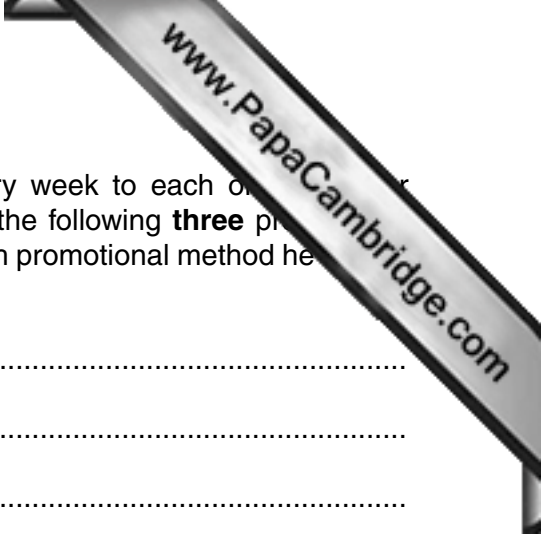
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(b) Manuel plans to deliver a box of fruit and vegetables every week to each of his customers. Consider the advantages and disadvantages of the following **three** promotional methods he could use for this new service. Recommend which promotional method he should use. Justify your answer.

Advertising on local radio:

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Leaflets:

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Posters/billboards:

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Recommendation:

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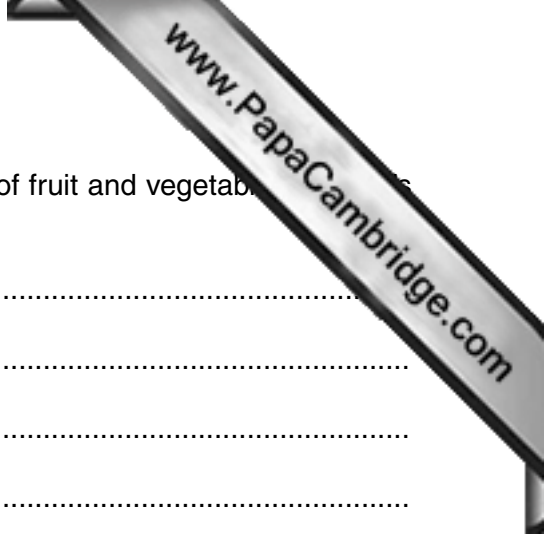
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[12]



5 (a) Identify and explain **four** factors that affect how much stock of fruit and vegetables a shop should have.

Factor 1:
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Explanation:
.....

Factor 2:
.....

Explanation:
.....

Factor 3:
.....

Explanation:
.....

Factor 4:
.....

Explanation:
.....

[8]

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