



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
General Certificate of Education Ordinary Level

CANDIDATE  
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**BUSINESS STUDIES**

**7115/22**

Paper 2

**October/November 2013**

**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, 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.

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



- 1 (a) Identify and explain **one** advantage and **one** disadvantage to Cagan of his business being a private limited company.

*For  
Examiner's  
Use*

Advantage: .....

.....

Explanation: .....

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Disadvantage: .....

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Explanation: .....

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..... [8]



- 2 (a) Cagan uses an accountant and a website designer to help him with his business. Explain how each of these people help Cagan's business.

Accountant: .....

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Website designer: .....

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..... [8]



3 (a) Identify and explain **four** suitable sources of finance that Cagan could use to buy equipment for making curtains.

Source 1: .....

Explanation: .....

.....

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Source 2: .....

Explanation: .....

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Source 3: .....

Explanation: .....

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Source 4: .....

Explanation: .....

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..... [8]

(b) Cagan needs to choose a method of production for his factory. Consider the advantages and disadvantages of job, batch and flow production. Recommend which would be the best method to use in this factory. Justify your answer.

For  
Examiner's  
Use

Job production: .....  
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Batch production: .....  
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Flow production: .....  
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Recommendation: .....  
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[12]

- 4 (a) Cagan is going to use market research to find out what type of curtains to make. Identify **two** items of information Cagan might want to find out. Explain why each of these items of information might be useful.

Item 1: .....

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Explanation: .....

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Item 2: .....

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Explanation: .....

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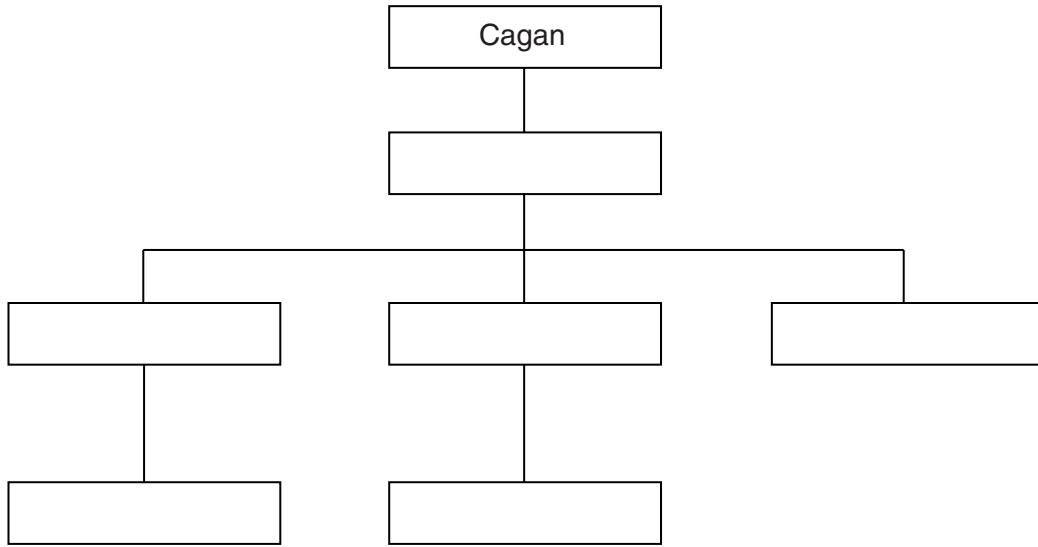
..... [8]





5 (a) (i) Using the information in Appendix 3, complete the organisation chart shown below for the factory. [4]

For  
Examiner's  
Use



(ii) Use the organisation chart to explain the term 'span of control'.

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.....[4]

(b) Consider how each of the following changes might affect the future demand for Cagan's curtains. Which factor do you think will be the most important? Justify your answer.

*For  
Examiner's  
Use*

Price of Cagan's raw materials increases: .....

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Price of competitors' products decreases: .....

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Unemployment falls: .....

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Conclusion: .....

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[12]

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