



Cambridge International AS & A Level

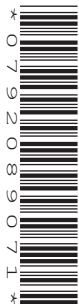
CANDIDATE
NAME

CENTRE
NUMBER

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CANDIDATE
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BUSINESS

9609/32

Paper 3 Case Study

February/March 2020

3 hours

You must answer on the question paper.

You will need: Insert (enclosed)

INSTRUCTIONS

- Section A: answer **all** questions.
- Section B: answer **one** question.
- Use a black or dark blue pen.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use an HB pencil for any diagrams, graphs or rough working.

INFORMATION

- The total mark for this paper is 100.
- The number of marks for each question or part question is shown in brackets [].
- The insert contains the case study.

This document has **20** pages. Blank pages are indicated.

Answer **all** questions in Section A and answer **one** question in Section B.

You are advised to spend no more than 40 minutes on Section B.

Section A

Answer **all** questions in this section.

- 1 Analyse the likely impact of changes in interest rates on FE.

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2 (a) Refer to lines 29–31. Calculate the forecast capacity utilisation for 2020 in FE's factory.

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..... [2]

(b) Refer to Table 1. Calculate the difference in unit cost of towers produced by expanding the factory or outsourcing.

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..... [3]

(c) Refer to your results from 2(a) and 2(b) and other information. Recommend to FE's directors whether to outsource production of the towers.

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4 (a) Refer to Tables 2 and 3. Calculate for 2019:

(i) inventory turnover

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(ii) gearing

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(iii) current ratio.

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(b) Evaluate the usefulness of ratio analysis to FE’s managers when making decisions.

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