



Cambridge International Examinations
Cambridge International General Certificate of Secondary Education (9–1)

CANDIDATE
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BUSINESS STUDIES

0986/02

Paper 2

For Examination from 2019

SPECIMEN PAPER

1 hour 30 minutes

Candidates answer on the Question Paper.

Additional Materials: Insert.

READ THESE INSTRUCTIONS FIRST

Write your Centre number, candidate number and name in the spaces at the top of this page.

Write in dark blue or black pen.

You may use an HB pencil for any diagrams, graphs or rough working.

Do not use staples, paper clips, glue or correction fluid.

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.

The total number of marks for this paper is 80.

This document consists of **9** printed pages and **1** blank page and **1** Insert.

- 1 (a) One of the objectives of Bimisi Buses is higher profits. Identify and explain **two** other objectives Bimisi might have for the business.

Objective 1:

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Explanation:

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Objective 2:

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Explanation:

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[8]

(b) Bimisi wants to increase the profit margins of the business. Using Appendix 1, identify and explain **three** ways in which he might achieve this. Justify the best way for Bimisi to increase profit margins.

Way 1:

Explanation:

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Way 2:

Explanation:

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Way 3:

Explanation:

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Best way:

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[12]

- 2 (a) Identify and explain **two** reasons why employees at Bimisi Buses might want to be members of a trade union.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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[8]

(b) If Bimisi decides to expand the business he may need to employ more bus drivers and tourist guides.

Do you think that Bimisi should use on-the-job training **or** off-the-job training for each of these types of employee? Justify your answers.

Bus drivers:

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Tourist guides:

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Recommendation:

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..... [12]

- 3 (a) If Bimisi decides to expand the business he will need a bank loan. Identify and explain **two** pieces of information that Bimisi will need to provide to the bank in order to get the bank loan.

First piece of information:

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Explanation:

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Second piece of information:

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Explanation:

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[8]

(b) Bimisi has decided to expand his business. Consider the advantages **and** disadvantages of Option A and Option B and then recommend which one he should choose. Justify your answer. (Options are described in the case study.)

Option A:

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Option B:

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Recommendation:

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..... [12]

4 A bus company which offers tourist bus trips has stopped trading.

(a) Identify and explain **two** reasons why businesses offering services to tourists, from home and abroad, could fail.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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[8]

(b) If Bimisi chooses Option A to expand the business he will need to promote the new services. Consider the advantages **and** disadvantages of each of the following **three** methods of promotion Bimisi could use. Recommend which would be the best method for him to use. Justify your answer.

Advertising on social networking sites:

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Advertising through Bimisi Buses' website:

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Advertising on television:

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Recommendation:

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[12]

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