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Cambridge Assessment International Education

# Cambridge O Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

*5916148619*

**BUSINESS STUDIES** **7115/21**

Paper 2 Case Study **October/November 2025**

**1 hour 30 minutes**

You must answer on the question paper.

You will need: Insert (enclosed)

**INSTRUCTIONS**

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- 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 a calculator.

**INFORMATION**

- The total mark for this paper is 80.
- The number of marks for each question or part question is shown in brackets [ ].
- The insert contains the case study.

This document has **12** pages. Any blank pages are indicated.


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**1** **(a)** Explain **two** advantages and **two** disadvantages of a business being a private limited company.

Advantage 1: .....

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Advantage 2: .....

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Disadvantage 1: .....

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Disadvantage 2: .....

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**(b)** Consider the following **three** economies of scale for LB. Which economy of scale is likely to have benefited LB the most? Justify your answer.

- Financial
- Purchasing
- Managerial

Financial: .....

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Purchasing: .....

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Managerial: .....

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Conclusion: .....

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[12]

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**2** **(a)** Explain **two** advantages and **two** disadvantages to LB of using primary market research.

Advantage 1: .....

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Advantage 2: .....

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Disadvantage 1: .....

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Disadvantage 2: .....

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**(b)** Consider the advantages and disadvantages of the **two** options LB could use to distribute its new product range in country X. Which channel of distribution should LB use? Justify your answer.

- Selling to specialist retail shops
- Selling directly to customers through LB's website

Selling to specialist retail shops: .....

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Selling directly to customers through LB's website: .....

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Recommendation: .....

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**3** **(a)** Explain **two** reasons why working capital is important to LB.

Reason 1: .....

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Explanation: .....

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Reason 2: .....

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Explanation: .....

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**(b)** Using Appendix 2 and other information, consider the **three** employees that LB could make redundant. Which employee should LB choose? Justify your answer.

- Naga
- Reeta
- Amy

Naga: .....

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Reeta: .....

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Amy: .....

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Recommendation: .....

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**4** **(a)** Explain **two** factors LB's managers should consider when deciding which method of communication to use to inform its employees about the expansion plans.

Factor 1: .....

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Explanation: .....

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Factor 2: .....

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Explanation: .....

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**(b)** Using Appendix 3 and other information, consider the benefits and drawbacks for country Y of LB building its new factory there. Do you think the benefits for country Y are greater than the drawbacks? Justify your answer.

Benefits: .....

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Drawbacks: .....

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Conclusion: .....

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