

Cambridge IGCSE[™]

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		

5788632074

BUSINESS STUDIES

0450/23

Paper 2 Case Study

May/June 2020

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. Blank pages are indicated.

(a) Explain four reasons why governments support business start-ups.

Reason 1:	
Reason 2:	
Reason 3:	
Reason 4:	
	[8]

1

	nswer.
0	n-the-job training:
•••	
••	
••	
0	off-the-job training:
R	ecommendation:
•••	

2	(a)	Explain one advantage and one disadvantage for EC's senior managers when they delegtasks.	gate
		Advantage:	
		Explanation:	
		Disadvantage:	
		Fordered	
		Explanation:	
			[8]

- (b) Consider how the following **two** changes in the market are likely to affect EC:
 - Change in customer spending patterns away from diesel cars to electric cars

Which change is likely to have the most effect on EC's profit? Justify your answer.

Markets for petrol and diesel cars are becoming more competitive

Change in customer spending patterns away from diesel cars to electric cars: Markets for petrol and diesel cars are becoming more competitive:.....

3	(a)	Explain four sources of finance that EC could use for the investment in the new product.	
		Source 1:	
		Source 2:	
		Source 3:	
		Source 5.	
		Source 4:	
			[8]

Consider the information for the two car models outlined in Appendix 2. Which car model should EC start producing? Justify your answer using break-even calculations.										
Model 1:										
Model 2:										
Woder 2.										
Recommendation:										

(a) Explain two ways import tariffs might affect EC.

Way 1:
Explanation:
Way 2:
Explanation:

(b) Using Appendix 3, consider the advantages and disadvantages of locating EC's new factory

Country A:		 	 	 	
Country B:					
Recommen	dation:	 	 	 	

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