



Cambridge O Level

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BUSINESS STUDIES

7115/21

Paper 2 Case Study

May/June 2024

1 hour 30 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

INSTRUCTIONS

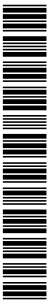
- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction 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** drawbacks for EP of having a tall organisational structure.

Drawback 1:

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Explanation:

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Drawback 2:

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Explanation:

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[8]

(b) Consider the following **two** ways EP could use to increase added value. Which way should EP use? Justify your answer.

- Increasing prices
- Reducing raw material costs

Increasing prices:

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Reducing raw material costs:

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Recommendation:

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[12]

- 2 (a) Explain **two** advantages and **two** disadvantages of using external recruitment to find EP's new manager.

Advantage 1:

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Advantage 2:

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Disadvantage 1:

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Disadvantage 2:

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[8]

(b) Consider the following **three** ways EP could use to increase the sales of its products. Which would be the best way for EP to use? Justify your answer.

- Advertising using social media
- Emailing special offers to existing customers
- Setting up a website

Advertising using social media:

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Emailing special offers to existing customers:

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Setting up a website:

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Recommendation:

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[12]

3 (a) Explain **four** reasons why consumer spending patterns for a product might change.

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

(b) Consider the following **two** ways EP could increase efficiency in its factory. Which would be the best way for EP to use? Justify your answer.

- Improving labour skills
- Introducing more automation and technology

Improving labour skills:

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Introducing more automation and technology:

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Recommendation:

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[12]

4 (a) Explain **two** factors EP should consider when choosing a source of finance.

Factor 1:

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Explanation:

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Factor 2:

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Explanation:

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[8]

(b) Using Appendix 3 and other information, consider the following **two** products EP makes. Which product should EP stop making? Justify your answer.

- Product A
- Product B

Product A:

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Product B:

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Recommendation:

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[12]

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