



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
International General Certificate of Secondary Education

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**BUSINESS STUDIES**

**0450/21**

Paper 2

**October/November 2010**

**1 hour 45 minutes**

Candidates answer on the Question Paper.

Additional Materials:     Insert

**READ THESE INSTRUCTIONS FIRST**

Write your Centre number, candidate number and name on all the work you hand in.  
Write in dark blue or black pen.  
Do not use staples, paper clips, highlighters, glue or correction fluid.  
**DO NOT WRITE IN ANY BARCODES.**

Answer **all** questions.  
The Insert contains the case study.  
The businesses described in this question paper are 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.

For Examiner's Use	
<b>1</b>	
<b>2</b>	
<b>3</b>	
<b>4</b>	
<b>5</b>	
<b>Total</b>	

This document consists of **11** printed pages, **1** blank page and **1** insert.



1 (a) (i) What is meant by the term 'fixed costs'? Give **two** examples of fixed costs for the hotel.

Meaning of 'fixed costs': .....  
.....  
.....  
.....

Example 1: .....  
.....

Example 2: .....  
..... [4]

(ii) What is meant by the term 'variable costs'? Give **two** examples of variable costs for the hotel.

Meaning of 'variable costs': .....  
.....  
.....  
.....

Example 1: .....  
.....

Example 2: .....  
..... [4]



2 (a) Communication is important in any business. Identify and explain **four** different communication methods the hotel could use.

Method 1: .....

Explanation: .....

.....

.....

Method 2: .....

Explanation: .....

.....

.....

Method 3: .....

Explanation: .....

.....

.....

Method 4: .....

Explanation: .....

.....

.....[8]

(b) Using the information in Appendix 2 and other information in the case, suggest **four** ways the organisation chart could be changed to make the business more efficient. Justify why you think efficiency will be increased.

*For  
Examiner's  
Use*

Way 1: .....

.....

Explanation: .....

.....

.....

.....

Way 2: .....

.....

Explanation: .....

.....

.....

.....

Way 3: .....

.....

Explanation: .....

.....

.....

.....

Way 4: .....

.....

Explanation: .....

.....

.....

.....[12]

3 (a) Explain **two** advantages and **two** disadvantages to Jenn and Kiang of the business being a partnership.

Advantage 1: .....

Explanation: .....

.....

Advantage 2: .....

Explanation: .....

.....

Disadvantage 1: .....

Explanation: .....

.....

Disadvantage 2: .....

Explanation: .....

.....

.....[8]

(b) If Jenn and Kiang want to expand the number of Dream Hotels they can either offer to franchise the hotel name to other hotel owners or open new hotels themselves. What do you think they should do? Justify your answer.

*For  
Examiner's  
Use*

Franchise the hotel name: .....

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Open new hotels themselves: .....

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Recommendation: .....

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.....[12]

- 4 (a) Identify and explain **two** reasons why providing a quality service in the restaurant is important to the Dream Hotel.

*For  
Examiner's  
Use*

Reason 1: .....

.....

Explanation: .....

.....

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Reason 2: .....

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Explanation: .....

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[8]





- 5 (a) Identify and explain **two** ways the Dream Hotel could use the Internet to help increase the number of guests staying at the hotel.

Way 1: .....

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Explanation: .....

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Way 2: .....

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Explanation: .....

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[8]



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