



## Cambridge O Level

CANDIDATE  
NAME

CENTRE  
NUMBER

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CANDIDATE  
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### BUSINESS STUDIES

7115/21

Paper 2 Case Study

May/June 2023

1 hour 30 minutes

9380964301\*



You must answer on the question paper.

You will need: Insert (enclosed)

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#### 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.

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

1 (a) Explain **four** barriers to communication for a business.

Barrier 1: .....

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Barrier 2: .....

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Barrier 3: .....

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Barrier 4: .....

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[8]

(b) Consider the following **two** ways VP can purchase its inventory. Which way should it use? Justify your answer.

- Head Office purchases the inventory for all the restaurants.
- Restaurant Managers purchase their own inventory from local suppliers.

Head Office purchases the inventory for all the restaurants: .....

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Restaurant Managers purchase their own inventory from local suppliers: .....

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Recommendation: .....

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[12]

2 (a) Explain **two** advantages and **two** disadvantages of VP's Restaurant Managers delegating tasks to their Assistant Managers.

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) Using Appendix 2 and other information, consider the **two** countries VP could choose to locate its new restaurants. Which country should VP choose? Justify your answer.

Country A: .....

Country B: .....

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Recommendation: .....

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[12]

3 (a) Explain **two** possible reasons why VP wants to expand.

Reason 1: .....

Explanation: .....

Reason 2: .....

Explanation: .....

[8]

(b) Consider the benefits and limitations of the following **two** ways VP can enter a new market in another country. Which way should VP choose? Justify your answer.

- Joint venture
- Franchising

Joint venture: .....

Franchising: \_\_\_\_\_

Recommendation: .....

[12]

4 (a) Explain, using an example, **one** reason why VP might need:

- short-term finance
- long-term finance.

Short-term finance: .....

Long-term finance: .....

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[8]

(b) Using Appendix 3 and other information, consider how the following **three** changes in country Z may affect VP. Which change is likely to have the greatest effect on VP's profits? Justify your answer.

- Increase in interest rates.
- Depreciation of country Z's exchange rate.
- New legal controls which require all restaurants to list the ingredients in their meals.

Increase in interest rates: .....

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Depreciation of country Z's exchange rate: .....

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New legal controls which require all restaurants to list the ingredients in their meals: .....

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Conclusion: .....

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[12]

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