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CANDIDATE
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BUSINESS

0264/02

Paper 2 Case Study

For examination from 2027

SPECIMEN PAPER

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. Do **not** use correction fluid or tape.
- 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 **10** pages. Any blank pages are indicated.

1 (a) Explain **two** advantages and **two** disadvantages of TT 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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[8]

(b) Consider the following **three** methods of market research TT could use when deciding which products to sell in the new cafe. Which method should TT use? Justify your answer.

competitors' websites

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focus groups

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observation in other cafes

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recommendation

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2 (a) Explain **two** benefits of TT providing employment contracts for its employees.

benefit 1

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explanation

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benefit 2

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explanation

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[8]

(b) Consider the advantages and disadvantages of the following **two** methods TT could use to motivate its employees. Which method should TT use? Justify your answer.

employee of the month

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job enrichment

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recommendation

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3 (a) (i) Calculate the average cost of each dessert. Show your working.

average cost = [2]

(ii) Calculate the variable cost of each dessert. Show your working.

variable cost = [2]

(iii) State **four** ways the cost data in **3(a)(i)** or **3(a)(ii)** might be used by a business.

way 1

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way 2

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way 3

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way 4

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[4]

- 4 (a) Explain **one** advantage and **one** disadvantage of TT using environmentally friendly packaging for its products.

advantage

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explanation

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disadvantage

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explanation

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[8]

(b) Use Appendix 3 and other information to consider how each of the following **three** changes might affect TT. Which change is likely to have the greatest effect on TT? Justify your answer.

a decrease in tax on people's income

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an increase in tax on business profits

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a decrease in interest rates

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conclusion

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[12]

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Copyright acknowledgements:

Appendix 1
Appendix 1

© Ref: 2GW206F; Panther Media GmbH / Alamy Stock Vector; *Different kinds of desserts on plates illustration*; www.alamy.com
© Ref: 2RFA3C8; Seamartini / Alamy Stock Vector; *Cartoon ice cream desserts isolated vector frozen creamy gelato ice cream, wafer cone. Caramel eskimo, popsicle or chocolate glaze sundae with nuts, whipped cream, fruit ice, vanilla scoops in bowls*; www.alamy.com

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