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0669321820

BUSINESS STUDIES **0450/11**

Paper 1 Short Answer and Data Response **October/November 2025**

1 hour 30 minutes

You must answer on the question paper.

No additional materials are needed.

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 [ ].

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

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1 WMH is a business which operates in the secondary sector. It makes furniture including tables and chairs. WMH's employees are all members of a trade union. The Managing Director knows the business is likely to remain small. She is considering introducing new technology into WMH's factory. She also knows it is important for a manufacturing business to choose a suitable location for a factory.

(a) Define 'trade union'.

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..... [2]

(b) Define 'secondary sector'.

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(c) Identify **four** reasons why a business might remain small.

Reason 1: .....

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Reason 2: .....

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Reason 3: .....

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Reason 4: .....

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(d) Explain **two** possible effects of WMH introducing new technology.

Effect 1: .....

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Explanation: .....

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Effect 2: .....

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Explanation: .....

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..... [6]

(e) Explain **two** factors a manufacturing business should consider when deciding on a suitable location for a factory. Which factor is likely to be the most important? Justify your answer.

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2 CPW is a private sector business which has many objectives. It sells electrical goods including kettles and ovens in its 36 shops in country X. CPW also offers a delivery service. The business buys all its inventory from local suppliers to avoid import tariffs. The Finance Director is analysing CPW's statement of financial position. An extract is shown in Table 2.1. He has been asked to find a source of finance to purchase 10 new delivery vehicles.

Table 2.1

Extract from CPW's statement of financial position for 2024 ($ million)	
Non-current assets	120
Current assets	70
Current liabilities	110
Non-current liabilities	75

(a) Define 'import tariff'.

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..... [2]

(b) Identify **one** non-current asset and **one** current liability.

Non-current asset: .....

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Current liability: .....

..... [2]

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(c) Outline **two** ways the information in Table 2.1 might be useful to CPW.

Way 1: .....

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Way 2: .....

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(d) Explain **two** factors CPW should consider when deciding on a source of finance for the new vehicles.

Factor 1: .....

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Explanation: .....

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Factor 2: .....

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Explanation: .....

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(e) Explain **two** objectives a private sector business might have. Which objective is likely to be the most important? Justify your answer.

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3 SBL is a fast food restaurant which sells 900 chicken burgers each week. It has 14 employees. The owner, Vicki, provides her employees with training but does not currently use delegation. She is preparing a break-even chart to help calculate SBL's margin of safety. A partially completed break-even chart is shown in Fig. 3.1. Vicki wants to know how an economic recession might affect her business.

Break-even chart for SBL

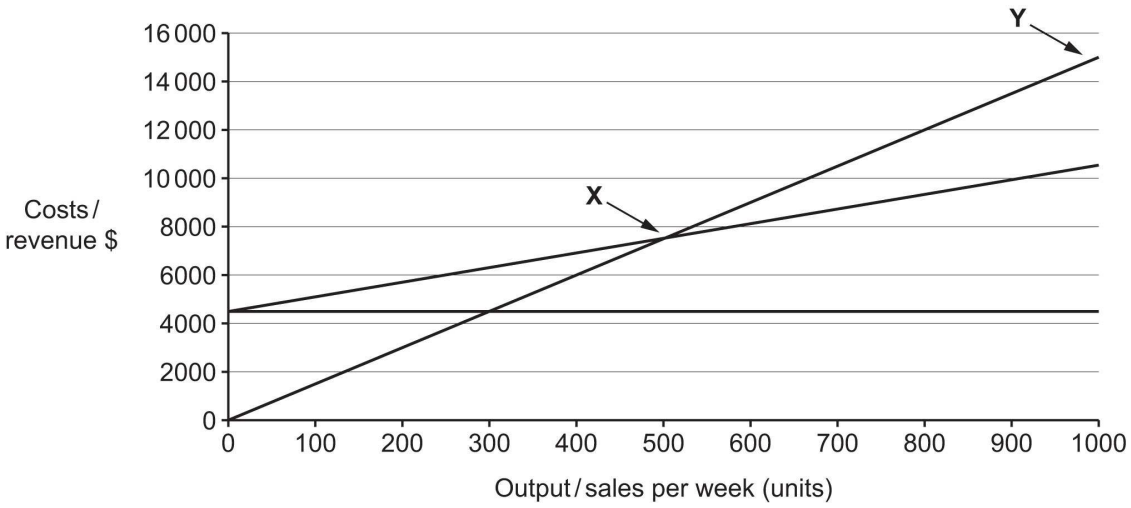

Fig. 3.1

(a) Identify **X** and **Y**.

X: .....

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Y: .....

..... [2]

(b) Define 'margin of safety'.

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..... [2]

(c) Outline **two** advantages of Vicki delegating tasks to her employees.

Advantage 1: .....

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Advantage 2: .....

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(d) Explain **two** possible effects an economic recession might have on Vicki's business.

Effect 1: .....

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Explanation: .....

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Effect 2: .....

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Explanation: .....

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(e) Explain **two** methods of training a business might use. Which is likely to be the best method for a service business to use? Justify your answer.

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4 MTL is a large business which sells children's toys. MTL wants to act ethically with all of its stakeholder groups including its 430 employees. The market MTL operates in has become more competitive. The business uses a range of methods to promote its products. Having a good brand image is important. MTL's directors are considering entering a new market in another country. They are aware there may be problems if they choose to do this.

(a) Define 'brand image'.

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..... [2]

(b) Identify **two** reasons why some markets have become more competitive.

Reason 1: .....

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Reason 2: .....

..... [2]

(c) Outline **one** way MTL could act ethically with each of the following stakeholder groups:

Employees: .....

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Customers: .....

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(d) Explain **two** problems MTL might have when entering a new market in another country.

Problem 1: .....

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Explanation: .....

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Problem 2: .....

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Explanation: .....

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(e) Explain **two** methods of promotion a business might use for its products. Which method is likely to be the best for a large business to use? Justify your answer.

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