

CANDIDATE  
NAME

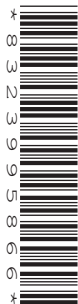
--

CENTRE  
NUMBER

--	--	--	--	--

CANDIDATE  
NUMBER

--	--	--	--



**BUSINESS STUDIES**

Paper 2

**7115/21**

**May/June 2017**

**1 hour 30 minutes**

Candidates answer on the Question Paper.

No Additional Materials are required.

**READ THESE INSTRUCTIONS FIRST**

Write your Centre number, candidate number and name in the spaces at the top of this page.

Write in dark blue or black pen.

You may use an HB pencil for any diagrams, graphs or rough working.

Do not use staples, paper clips, glue or correction fluid.

DO **NOT** WRITE IN ANY BARCODES.

Answer **all** questions.

The Insert contains the case study.

The business described in this question paper is 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.

The total number of marks for this paper is 80.

This document consists of **9** printed pages, **3** blank pages and **1** Insert.

1 (a) Identify and explain **two** ways in which TT might achieve quality production.

Way 1: .....

.....

Explanation: .....

.....

.....

.....

.....

.....

Way 2: .....

.....

Explanation: .....

.....

.....

.....

.....

.....[8]





- (b) TT should consider the following **three** changes before making a final decision about whether to start exporting its products. Which change will be the most important for the decision? Justify your answer.

Appreciation in the exchange rate of country P's currency: .....

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

Increased economic growth in many developed economies: .....

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

Increase in the import tariffs in many developed economies: .....

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

Conclusion: .....

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

[12]

- 3 (a) Identify **two** communication barriers which might occur within TT and explain how each barrier might be reduced.

Communication barrier 1: .....

.....

How barrier might be reduced: .....

.....

.....

.....

.....

.....

Communication barrier 2: .....

.....

How barrier might be reduced: .....

.....

.....

.....

.....

.....[8]

(b) Consider the following **three** channels of distribution TT could use for its products in country P. Recommend the best channel to gain the highest sales. Justify your answer.

Sell to a wholesaler: .....

.....  
.....  
.....  
.....  
.....

Sell directly to large retailers: .....

.....  
.....  
.....  
.....  
.....

Open its own shops in shopping malls: .....

.....  
.....  
.....  
.....  
.....

Recommendation: .....

.....  
.....  
.....  
.....  
.....

[12]

- 4 (a) Identify and explain **one** reason why TT will need short-term finance and **one** reason why TT will need long-term finance.

Short-term finance reason: .....

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

Long-term finance reason: .....

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

[8]









**BLANK PAGE**

---

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge International Examinations Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at [www.cie.org.uk](http://www.cie.org.uk) after the live examination series.

Cambridge International Examinations is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.