

The City School

Unified Mid-Year Examinations
2018 - 2019
Class 10



SCHOOL NAME

INDEX NUMBER

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DATE

BUSINESS STUDIES
Paper 2 Case Study

7115/22
1 hour 30 minutes

You must answer on the question paper.

You will need: Insert

INSTRUCTIONS

- Answer all questions.
- Use a black or dark blue pen. You may use a pencil for any diagrams or graphs.
- Write your School name, Index number and Date in the spaces provided.
- Write your answer to each question in the space provided.
- Do not use an erasable pen or correction fluid.
- 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.

Invigilated By: _____ Checked By: _____ Marks Talled By: _____

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

1 (a) Explain four ways M & T should respond to increased competition from other firms.

Way 1:

Explanation:

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Way 2:

Explanation:

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Way 3:

Explanation:

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Way 4:

Explanation:

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..... [8]

(b) Analyze the market segments that M & T can sell to.

- Income
- Age
- Region

Which one do you think is most suitable? Justify your answer.

Income:

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Age:

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Region:

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Conclusion:

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[12]

- 2 (a) The Directors of M & T are thinking of introducing machinery into the production and packing process. Identify and explain **two** reasons why the workers might be happy with this decision.

Reason 1:

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Explanation:

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Reason 2:

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Explanation:

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..... [8]

(b) M & T need to raise finance for their new venture. Consider the advantages and disadvantages of the following three sources of finance which they could use.

- Retained Profits
- Issuance of More Shares
- Bank Loan

Recommend which source of finance M & T should choose. Justify your answer.

Retained Profits:

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Issuance of More Shares:

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Bank Loan:

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Recommendation:

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[12]

3 (a) Explain two ways by which the company can improve its net profits.

Way 1:

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Explanation:

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Way 2:

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Explanation:

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..... [8]

(b) Financial accounts are important to all businesses. Comment on the following:

- a cash flow forecast
- a profit and loss account
- a break even chart

Suggest how important they are to the successful financial management of M & T? Justify your answers.

Cash flow Forecast:

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Profit and Loss Account:

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Break-even Analysis:

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Recommendation:

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..... [12]

4 (a) Explain four types of economies of scale that M & T can benefit from.

Type 1:

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Explanation:

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Type 2:

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Explanation:

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Type 3:

.....

Explanation:

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Type 4:

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Explanation:

..... [8]

