O-Level Business Studies

Paper 2

Unsolved Topical

Past Papers With Marking Scheme
According to New Syllabus (2023-2025)

2015-2022

PREFACE

Excellence in learning cannot be claimed without application of concepts in a dexterous way. In this regard one of the logical approach is to start in chunks; like chapter wise learning and applying the concept on exam based questions.

This booklet provides an opportunity to candidates to practice topic wise questions from previous years to the latest. Extensive working of Team MS Books has tried to take this booklet to perfection by collaborating with top of the line teachers.

We have added answer key / marks scheme at the end of each topic for the candidate to compare the his/her answer to the best.

MS Books strives to maintain actual spacing between consecutive questions and within options as per CAIE format which gives students a more realistic feel of attempting question.

Review, feedback and contribution in this booklet by various competent teachers of a subject belonging to renowned school chains make it most valuable resource and tool for both teachers and students.
With all belief in strength of this resource material I can confidently claim that it is worth in achieving brilliance.

Our sincere thanks and gratification to Mr. Tayyab Elahi who took out special time to help compile and manage this booklet. We would also like to appreciate **Business Studies** faculty for reviewing and indorsing it.

REVIEWED & RECOMMENDED BY

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CONTENT TABLE
BUSINESS STUDIES PAPER 2

OPPORTUNITY COST

David invested all of his own savings

David has appointed managers to control each department (see Appendix 1) and the company employs 125 people.

Q1(a)/21/M/J/15

1　(a)　Identify and explain **two** characteristics David needs to be a successful entrepreneur.

Characteristic 1: ....

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Explanation: ....

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Characteristic 2: ....

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Explanation: ....

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....[8]
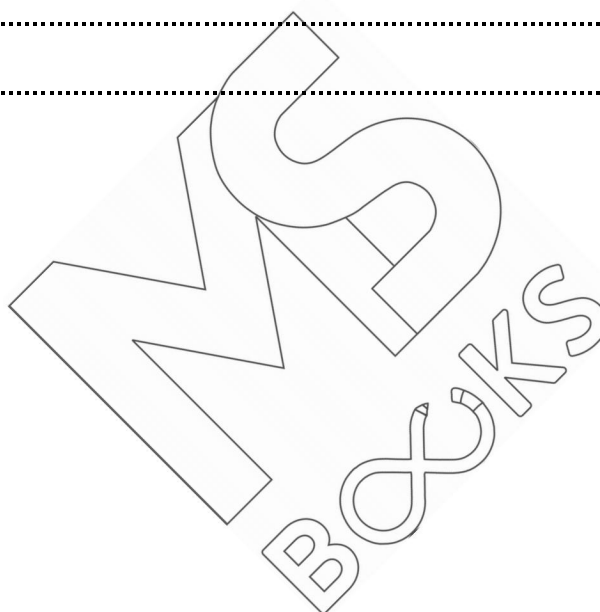
Simon wants to provide people with a healthy alternative to the mass produced drinks that are available in most shops.

Simon is willing to work hard to make FJ a success. He has lots of ideas for new drinks. He has been making the drinks at his house and selling them at a market stall.

Q1(a)/21/M/J/20

2 **(a)** Explain **four** characteristics that make Simon a successful entrepreneur.

Characteristic 1: ....

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Characteristic 2: ....

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Characteristic 3: ....

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Characteristic 4: ....

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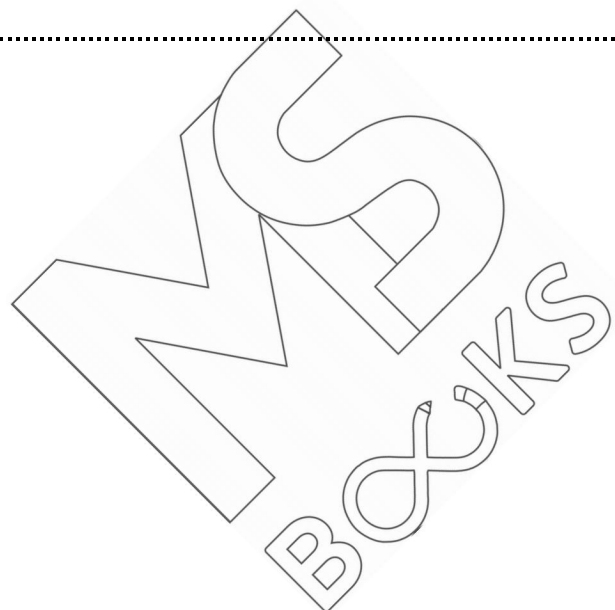
Q1(a)/21/M/J/15   Q1

1 **(a) Identify and explain <u>two</u> characteristics David needs to be a successful entrepreneur.**
[8]

Knowledge (2 × 1) – award one mark for each <u>relevant</u> characteristic identified
Analysis (2 × 1) – award one mark for a <u>relevant</u> explanation of each characteristic
Application (2 × 2) – award two application marks for each <u>relevant</u> characteristic

Relevant characteristics might include:

Award one mark for each relevant characteristic (maximum of two), such as:

- Hard working
- Risk taker
- Creative
- Optimistic
- Self-confident
- Innovative
- Independent
- Effective communicator
- Forward thinker
- Determined

Award a maximum of three additional marks for **each** explanation – **2 of which must be applied to this context** – of why these characteristics are needed to be a successful entrepreneur.

Indicative response:

Hard working (k) as the business has only been established for 10 years and has non-current assets worth $100m (ap). David worked long hours 7 days a week to find customers so the business has grown (ap). He has had to work hard to manage the business effectively so that it is successful (an).

Possible application marks: cake manufacturing; food; shareholder; private limited company; started 10 years ago in country x; invested all his savings; profits have been constantly increasing every year; constantly develops a new range of cakes; works 7 days a week; has four managers for each department; e-commerce; Figures from Appendix 2; new markets abroad.

There may be other examples in context which have not been included here.

Q1(a)/21/M/J/20   Q2

1(a)   **Explain four characteristics that make Simon a successful**   **8**
         entrepreneur.

Award 1 mark for each relevant characteristic (maximum of four):

Relevant characteristics might include:

- Self-confident – decision to leave full-time job 6 months ago
- Creative – created new drinks to attract additional customers
- Independent – willing to go with own ideas to produce new types of drinks
- Hard worker – prepared to do all the work himself by making all the drinks at his home and selling them at a market stall
- Risk taker – gave up a well-paid job and risked losing personal assets
- Effective communicator – persuades others to buy his new drinks when he is selling them on a market stall
- Optimistic – think positively about new business and wants to rapidly expand it
- Innovative – creating a healthy alternative to mass produced drinks

Award a maximum of one additional mark for each application of the characteristic to the context.

Indicative response:

Simon is a risk taker (1) as he risked giving up his well-paid job to start his own business (app).
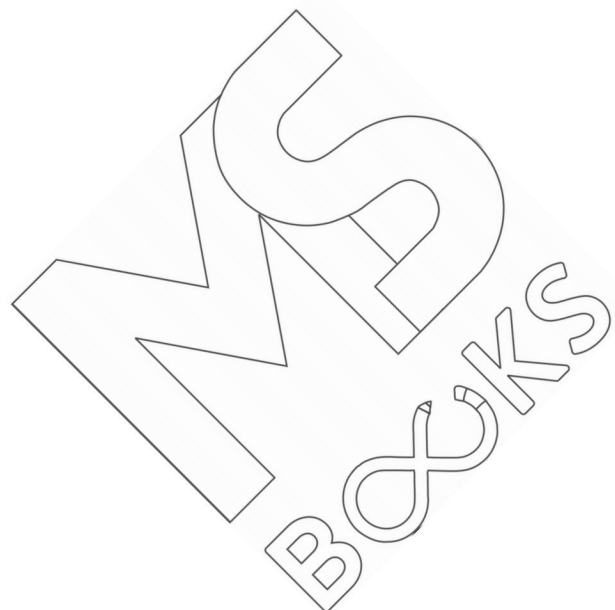
ENTREPRENUERSHIP

Q4(a)/21/O/N/16

1 **(a)** Identify and explain **two** reasons why added value is important to P & P.

Reason 1: ....

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Explanation: ....

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Reason 2: ....

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Explanation: ....

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Q2(a)/22/O/N/17

2 **(a)** Identify and explain **two** ways GS can increase added value.

Way 1: ....

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Explanation: ....

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Way 2: ....

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Explanation: ....

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[8]

Q1(a)/22/O/N/19

3 **(a)** Identify and explain **two** ways QC can create added value for its new service.

Way 1: ....

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Explanation: ....

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Way 2: ....

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Explanation: ....

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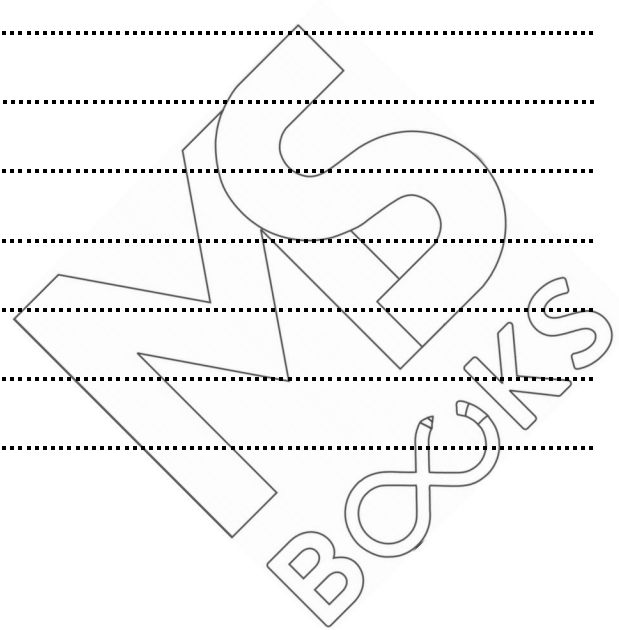
Q4(a)/21/O/N/16   Q4

4   (a) Identify and explain **two** reasons why added value is important to P & P.

Reason 1: ....

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Explanation: ....

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Reason 2: ....

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Explanation: ....

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Q2(a)/22/O/N/17   **Q5**

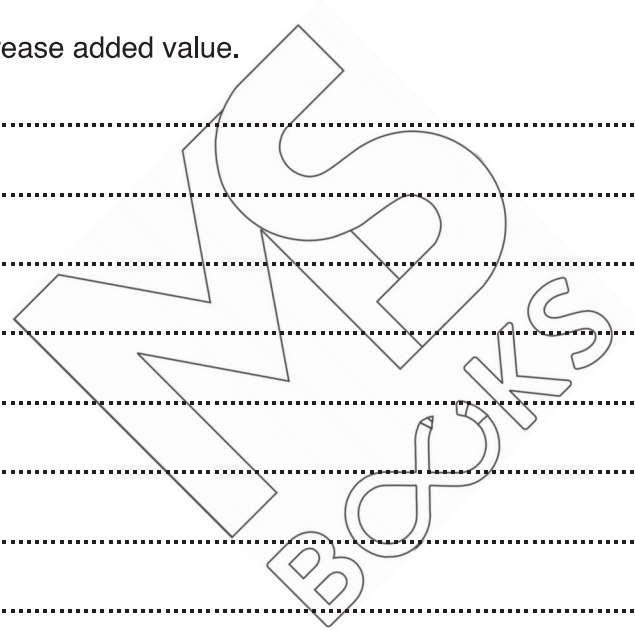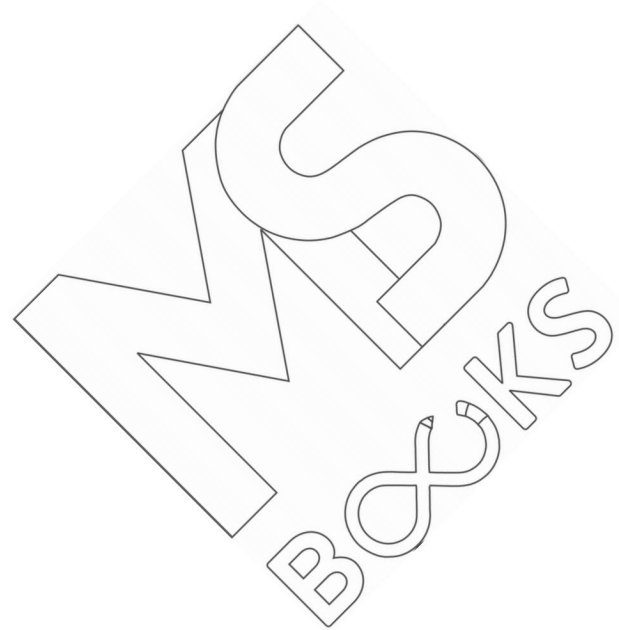**2**   **(a)**   Identify and explain **two** ways GS can increase added value.

Way 1: ....

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Explanation: ....

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Way 2: ....

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Explanation: ....

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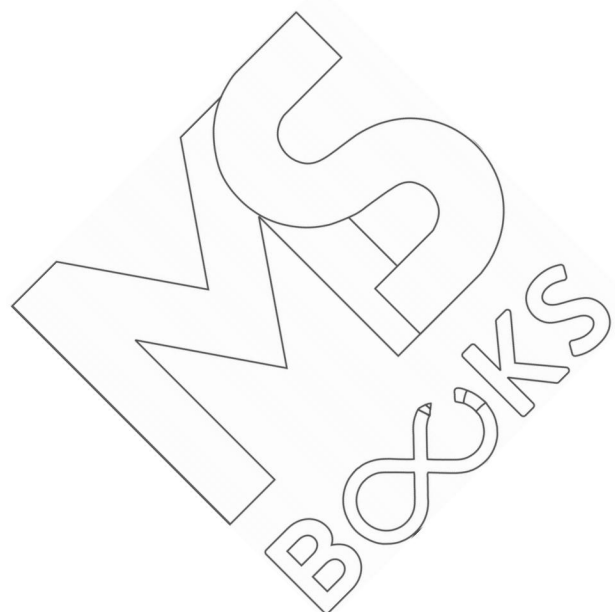
[8]

Q1(a)/22/O/N/19   **Q6**

1   **(a)** Identify and explain **two** ways QC can create added value for its new service.

Way 1: ....

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Explanation: ....

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Way 2: ....

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Explanation: ....

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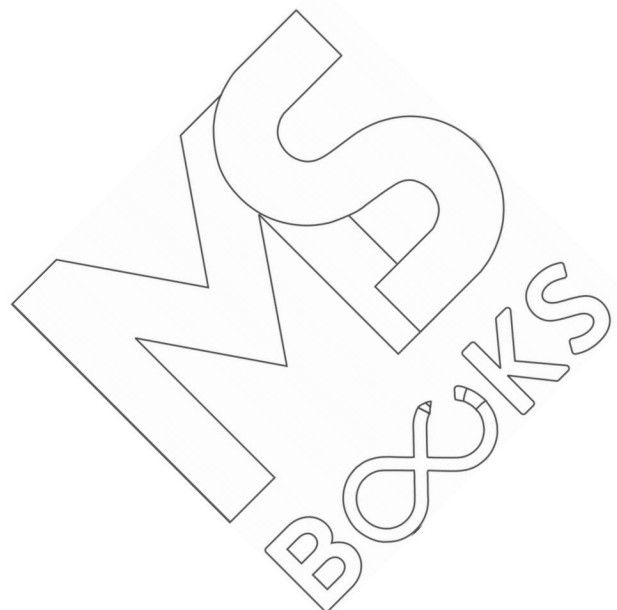
Q4(a)/21/O/N/16   **Q1**

4   (a)   Identify and explain <u>two</u> reasons why added value is important to P & P.   (8)

Knowledge [2 × 1] – award one mark for each relevant reason
Analysis [2 × 1] – award one mark for a relevant explanation for each reason
Application [2 × 2] – award two application marks for each reason

Relevant points might include:

Award one mark for each reason (maximum of two), such as:

- Allows costs to be paid
- Ensures a profit is made
- Prices could be increased

Award a maximum of three additional marks for **each** explanation – **2 of which must be applied to this context** – of the reason why added value is important.

Indicative response:

Allows costs to be paid (k) as wages and other factory costs are paid out of the revenue from sales of paint (ap) and the price of paint is higher than the total costs of producing it (ap). This means that P & P will make a profit (an).

Possible application marks: paint manufacturer; large limited company; imports raw materials; makes tins (cans) of paint; sells to large retailers; uses batch production; 150 production workers; new waterproof paint; target market professional painters; new paint for outside of houses; start exporting paint in 2018; increase in imports of paint.

There may be other examples in context which have not been included here.

Q2(a)/22/O/N/17   Q2

2(a)   **Identify and explain <u>two</u> ways GS can increase added value.**   **8**

Knowledge [2 · 1] – award one mark for each way
Analysis [2 · 1] – award one mark for a relevant explanation of each way
Application [2 · 2] – award two application marks for each way

Award one mark for each way (maximum of two).

∞   Increase price (1) – explained why/how prices can be increased (1) such as:
   –   improve quality of products such as plant pot containers
   –   improve reputation
   –   establish brand image
   –   improve product features such as excellent customer service

∞   Reduce raw material costs (1) explanation of how these can be reduced (1)
     such as:
   –   buy cheaper sources of flowers / find cheaper suppliers
   –   lower the quality of inputs such as cheaper seeds
   –   reduce the amount of inputs needed, e.g. less fertiliser

Award a maximum of three additional marks for **each** explanation – **2 of which must
be applied to this context** – of the way.

Indicative response:

Reduce raw material costs (k) such as buy cheaper seeds and fertilizer (ap). GS could
change to a cheaper supplier of flowers, plants and trees. (ap) This will increase the
gap between price and input costs and therefore increase added value. (an)

Possible application marks: Partnership; set-up last year; set up by 2 brothers; grows
plants and trees; partners invested $5000 each; looks after the gardens of luxury
hotels; holds high level of inventory; information on the three sites in the case;
information from Appendix 1; information from Appendix 2; information from Appendix
3; gardeners maintaining a good reputation for the business.

There may be other examples in context that have not been included here.