Centre No.					Pape	r Refer	ence			Surname	Initial(s)
Candidate No.			4	3	3	0	/	2	$ \mathbf{H} $	Signature	

Paper Reference(s)

4330/2H

Edexcel IGCSE

Business Studies

Paper 2H

Higher Tier

Tuesday 9 June 2009 – Afternoon

Time: 1 hour 30 minutes

Materials required for examination	Items included with question papers
Nil	Nil

Instructions to Candidates

In the boxes above, write your centre number, candidate number, your surname, initial(s) and signature.

Check that you have the correct question paper.

Answer ALL the questions. Write your answers in the spaces provided in this question paper. Do not use pencil. Use blue or black ink.

Information for Candidates

The marks for individual questions and the parts of questions are shown in round brackets: e.g. (2). There are 3 questions in this question paper. The total mark for this paper is 60. There are 12 pages in this question paper. Any blank pages are indicated.

Advice to Candidates

You will be assessed on your ability to organise and present information, ideas, descriptions and arguments clearly and logically, including your use of grammar, punctuation and spelling.

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Total

Examiner's use only

Team Leader's use only

Question Number

1

2

3

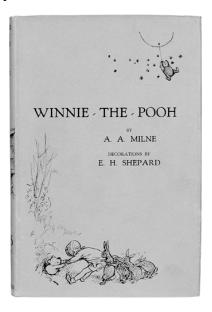


Turn over

Read this page, then answer the questions which follow.

Context

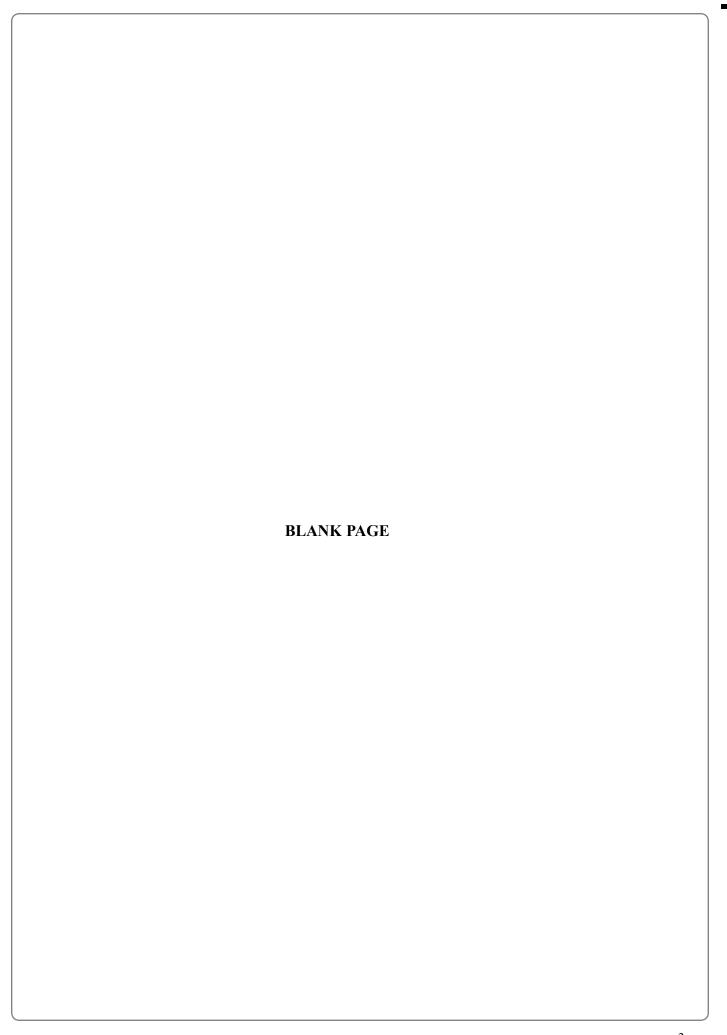
Across the world, people (known as book collectors) buy rare books. These books are often quite old. They can be very valuable if only a few original copies are left. For example, a rare copy of the children's book 'Winnie The Pooh', originally published over 80 years ago for less than £1, was recently bought by a book collector for £3 000.



Hari Petersen buys and sells rare books. *Hari Petersen Books (HP Books)* started in 1959 when Hari's father began selling rare books from a market stall. Hari became a partner in 1967. By 1991 Hari was running the business as a sole trader and had opened a shop in London. There are now over 10000 rare books for sale in the *HP Books* shop.

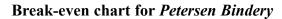
Specialist employees work in the shop. There is a monthly *Hari Petersen* catalogue containing details of books for sale, which is posted to existing customers, and a website where book collectors can see details of the rare books and buy them.

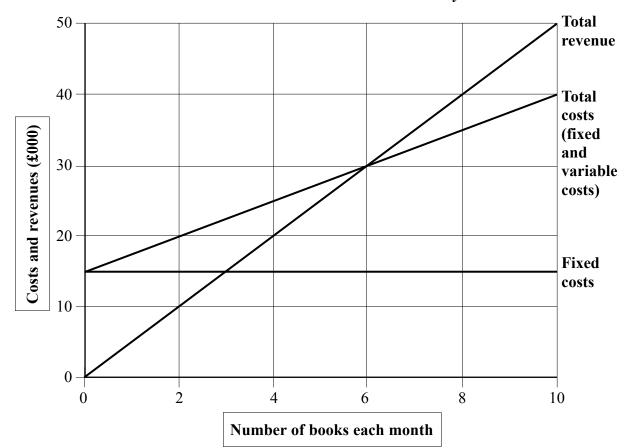
Some rare books bought by *HP Books* are in poor condition. Therefore, Hari plans to set up another business, *Petersen Bindery*. At *Petersen Bindery*, Hari will employ experts to re-bind (put new covers on) books where the covers need repairing or replacing.



1. Hari is setting up *Petersen Bindery*, a business that will re-bind (put new covers on) books. This will allow Hari to sell these books at higher prices.

Hari has constructed the break-even chart below for *Petersen Bindery*.





(a) Using the chart

(i) w	vhat would	be the break-even	number of books?
-------	------------	-------------------	------------------

(1)

(ii) what	would	be	the	break-even	revenue
-----	--------	-------	----	-----	------------	---------

£.....

•	4 books each month	
•	10 books each month?	
In each	h case, state whether it is a profit or a loss.	
4 book	KS	
10 boo	oks	
		(4)
What i	is the difference between fixed costs and variable costs?	
		(2)
-	ploying experts to re-bind the books, which he will sell in the HP Book overs for the books will be made from expensive leather.	(2)
new co		s shop
new co	overs for the books will be made from expensive leather.	s shop
new co	overs for the books will be made from expensive leather. one likely fixed cost and one likely variable cost for <i>Petersen Bindery</i> .	s shop
new co	overs for the books will be made from expensive leather. one likely fixed cost and one likely variable cost for <i>Petersen Bindery</i> .	s shop
new co	overs for the books will be made from expensive leather. one likely fixed cost and one likely variable cost for <i>Petersen Bindery</i> .	s shop
Name	overs for the books will be made from expensive leather. one likely fixed cost and one likely variable cost for <i>Petersen Bindery</i> .	2s shop
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Name	overs for the books will be made from expensive leather. one likely fixed cost and one likely variable cost for <i>Petersen Bindery</i> .	cs shop

	(4)
To what extent is budgeting likely to help	Hari when setting up <i>Petersen Bindery</i> ?
To what extent is budgeting likely to help	
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Leave

2.		e Hari Petersen catalogue is printed every month for book collectors. It contains details books for sale.
	Sor	ere have been some problems this month at the printers with the quality of the catalogue. ne photographs have not been copied clearly, and some of the information about the iks is wrong.
	(a)	What would be the likely effects on <i>HP Books</i> if the catalogue's quality does not improve?
		(6)
		(0)

Leave		
blank		

Batch production is used to print the catalogue.
(b) To what extent is batch production suitable for printing the catalogue?
(6)



Although HP Books does not have any separate departments, employees specialise in different business functions. For example: Hari is responsible for finance and updating the bookshop's website Doug controls marketing and sales, and creates the book catalogue Misha will deal with the production at Petersen Bindery. (c) Analyse the ways in which Hari (finance), Doug (marketing and sales) and Misha (production) work together at HP Books. **(8)** $\mathbf{Q2}$ (Total 20 marks)

Leave
blank

(4)

3. Hari and his father used to be in partnership. However, Hari's father died in 1991. Hari now runs *HP Books* as a sole trader.

Hari considered the following factors when deciding to run HP Books as a sole trader.

- Control
- Use of profits.

(a)	as a sole trader rather than to look for another partner.

Hari could measure the success of HP Books by the following.
• Profits made
• Customer satisfaction.
(b) Justify why each of these is important for Hari to use as a measure of success.
(6

TURN OVER FOR QUESTION 3(c)

Leave
blank

Hari wants to expand the business by selling old and valuable maps.

The shop next door to *HP Books* is now available to rent. If Hari rents this shop, it will give him more storage space for *HP Books*, and a place to sell the maps.

- (c) To what extent will primary **and** secondary market research help Hari decide whether to
 - sell the maps

rent the shop next door?

 •••••	 	

 	 •••••	
 	 •••••	

••••••	 	

 ••••••	

.....

(10)

(Total 20 marks)

Q3

TOTAL FOR PAPER: 60 MARKS

END OF PAPER