Centre No.					Pape	er Refer	ence			Surname	Initial(s)
Candidate No.			4	3	3	0	/	0	3	Signature	

Paner Reference(s)

4330/03

# **Edexcel IGCSE**

## **Business Studies**

Paper 3 COMMON

Tuesday 23 November 2010 – Afternoon

Time: 1 hour

Materials required for examination	Items included with question paper
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.

Some questions must be answered with a cross in a box  $(\boxtimes)$ .

If you change your mind about an answer, put a line through the box  $(\boxtimes)$  and then mark your new answer with a cross  $(\boxtimes)$ .

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. (5). There are 2 questions in this question paper. The total mark for this paper is 40. There are 8 pages in this question paper. Any blank pages are indicated.

## **Advice to Candidates**

You are reminded of the importance of using good English in your answers.

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Total

Examiner's use only

Team Leader's use only

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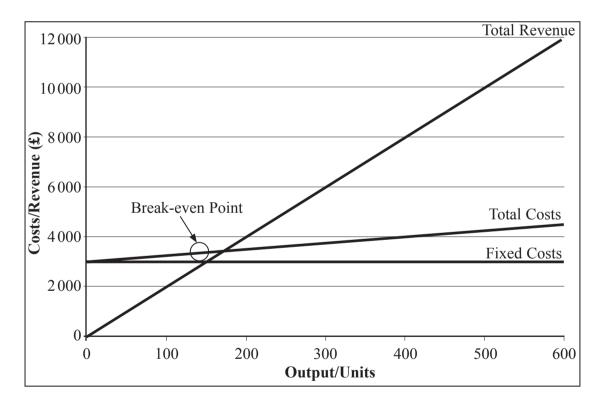
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## Answer ALL the questions. Write your answers in the spaces provided.

- 1. Economies of scale can be either internal or external.
  - (a) In the table below, indicate with a cross in a box (⋈) whether the economy of scale is internal or external. If you change your mind about an answer, put a line through the box (⋈) and then indicate your new answer with a cross (⋈).

Economy of scale	Internal	External	
Trading	$\boxtimes$	$\boxtimes$	
Location	$\boxtimes$	$\boxtimes$	
Skilled labour availability	$\boxtimes$	$\boxtimes$	
Financial	$\boxtimes$	$\boxtimes$	
Managerial	$\boxtimes$	$\times$	(5)
			(5)

Having drawn the break-even chart below, Balbao thinks that the selling price of £20 is higher than it needs to be and that it should be decreased.



(b) How will a decrease in the selling price affect the Total Revenue line, the Total Costs line and the Break-even Point? **(5)** Apple, a manufacturer of electronic products, sold the first iPhone in the United Kingdom (UK) in November 2007 after a large-scale marketing campaign. Its selling price was £269 and it was only available from one mobile telephone company, O<sub>2</sub>. Apple used the skimming pricing strategy. (c) Analyse why the skimming pricing strategy was used by Apple for the sale of iPhones in the UK. **(5)** 



3

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(5)
(Total 20 marks)

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Leave blank 2. Governments can influence business activity. One way this can be done is by tariffs. (a) (i) What is a tariff? **(1)** (ii) List four benefits for the country setting the tariff. **(4)** 



3

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	$\wedge$	
	Chair (1)	
	Managing Director (1)	
,	Directors (5)	
	Senior Managers (10)	
	Regional Managers (15)	
	Shop Managers (60)	
	Supervisors (120)	
,	Sales staff (300)	
	(0.00)	
Using the chart	above, explain why this is a hierarchical structure	e.
Using the chart		e.
		e.
	above, explain why this is a hierarchical structur	e.
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M 3 7 7 0 2 A 0 6 0 8

Businesses pay their employees a wage or a salary. Sometimes businesses will further reward their employees by paying commission and bonuses.

(c) Show the difference between commission and bonus as methods of rewarding staff.

M 3 7 7 0 2 A 0 7 0 8

Turn over

d) Consider the possible effects on a bu	siness if it has poor communication with its
employees.	
	(5)
	(Total 20 marks)
	TOTAL FOR PAPER: 40 MARKS
EN	D