Centre No.							Pape	er Refer	ence			Surname	Initial(s)
Candidate No.					4	3	3	0	/	2	H	Signature	
		Pape	r Reference((s)									

4330/2H

Edexcel IGCSE

Business Studies

Paper 2H

Higher Tier

Monday 7 June 2010 – Morning

Time: 1 hour 30 minutes

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.

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.

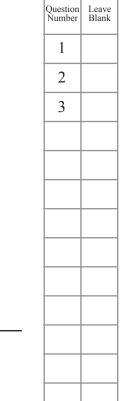
Advice to Candidates

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



W850/4330/57570 6/6/3/

Read this page, then answer the questions which follow.

Context

HH Ltd is a private limited company that makes pianos, organs and other keyboard instruments. Its main factory and offices are located in the United Kingdom.

HH Ltd is organised into different departments. Each department is under the control of a specialist manager. It is a company that is rapidly growing as it continues to benefit from economies of scale.

HH Ltd carries out primary (field) and secondary (desk) market research to discover trends in the demand for keyboard instruments. The company is researching into new electronic keyboard instruments so that it can compete successfully with other manufacturers.

HH Ltd supplies the instruments it makes directly to shops specialising in selling musical instruments. Keitel's is a chain of shops that sells musical instruments, and is a customer of HH Ltd.



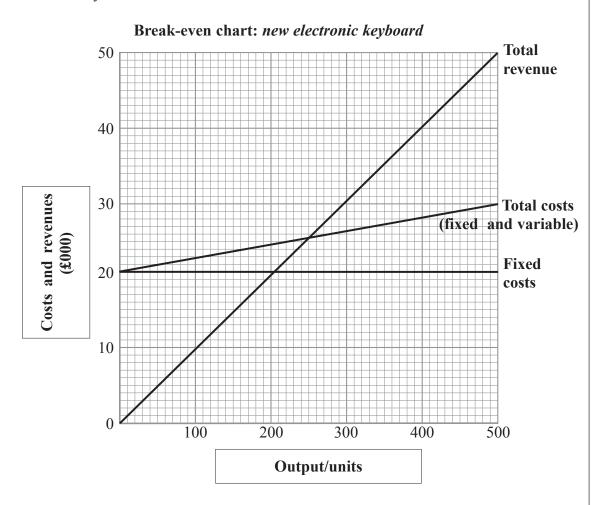






Answer ALL the questions.

1. The directors of *HH Ltd* are planning to make a new electronic keyboard. A break-even chart for this keyboard is shown below.



(2)	
Give two likely variable costs for <i>HH Ltd</i> .	(ii)
(2)	

(a) (i) What is the difference between fixed costs and variable costs?

	at would be the break-even output and the break-even revenue for the new tronic keyboard?
Brea	ak-even output
Brea	ak-even revenue £(2)
(ii) Usir	ng the chart, identify the profit or loss if HH Ltd made and sold
•	200 new electronic keyboards
•	400 new electronic keyboards.
In ea	ach case, state whether it is a profit or a loss.
200	
400	
	(4)
The director keyboard.	rs of HH Ltd will want to measure the success of the new electronic
keyboard. (c) State the successf	ree ways that they could measure whether the new electronic keyboard is ful.
keyboard. (c) State the successf	ree ways that they could measure whether the new electronic keyboard is
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keyboard. (c) State the successf	ree ways that they could measure whether the new electronic keyboard is iul.

Turn over for question 1(d)



The new electronic keyboard will be sold in a very competitive market. *HH Ltd* will need to set a price for the electronic keyboard. The directors will choose one of the following pricing strategies for the electronic keyboard.

• Cost plus

• Competition.

		•••••
	directors have now decided to price the new electronic keyboard using cos	
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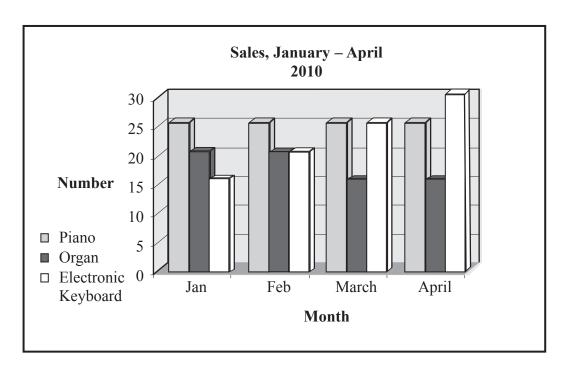
Q1

(Total 20 marks)



Kei	itel's	is a chain of shops that sells musical instruments made by HH Ltd.
Kei	itel's	Finance Department prepares its final accounts.
(a)	Stat	te the purpose of each of the following final accounts.
	(i)	Trading
	(ii)	Profit and Loss
	(11)	
		(1)
	(iii)	Balance Sheet
		(2)
		(2)
	e ow	ners of Keitel's are studying the business's sales performance in an attempt to
imp	orove Ana	ners of <i>Keitel's</i> are studying the business's sales performance in an attempt to it. Alyse two ways that market segmentation could help the owners improve the sales
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The chart below shows recent sales figures for three types of instruments sold by *Keitel's*.



2010.	nart, discuss	the sales	performance	of Kellel's	nom January	ю Арт
						(6)

To what extent is this change of payment system likely to motivate the sales staff? (6)	n e	st of <i>Keitel's</i> sales staff are paid a fixed salary. <i>Keitel's</i> owners are planning to change payment system. They will pay the sales staff a smaller salary, but with commission every sale they make.
(6)	d)	To what extent is this change of payment system likely to motivate the sales staff?
(6)		
(6)		
(6)		
(6)		
(6)		
(6)		
(6)		
(6)		
(6)		
(6)		
(Total 20 marks)		
(Total 20 marks)		(Total 20 marks)

Leave
blank

3.	HH Ltd is a growing and successful company. Its directors are considering financing the opening of another factory that will specialise in making electronic keyboards. The directors will arrange to buy the specialist equipment needed.
	(a) Using the above information, explain one economy of scale that <i>HH Ltd</i> is likely to benefit from.
	(3)

Leave blank

If the directors decide to open another factory they will locate it in a different city, at least 100 kilometres away from the present factory. (b) Analyse three influences that the directors will need to consider when deciding where to locate the new factory. **(9)**



H Ltd's success is built on making and selling reliable musical instruments.	
To what extent is quality control likely to be important to HH Ltd?	
	••••••
	••••••
	•••••
	•••••
	(8)
	20 marks)
TOTAL FOR PAPER: 60	U MARKS
END	