* 0000800000001 * DFD

CAMBRIDGE
International Education

Cambridge IGCSE™

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

5130999399

BUSINESS STUDIES **0450/11**

Paper 1 Short Answer and Data Response **May/June 2026**

1 hour 30 minutes

You must answer on the question paper.

No additional materials are needed.

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen. You may use an HB pencil for any diagrams or graphs.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen. Do **not** use correction fluid or tape.
- Do **not** write on any bar codes.
- 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 [ ].

This document has **12** pages. Any blank pages are indicated.

06_0450_11_2026_1.20

1 Peter wants to start up a small business as a photographer who takes photographs at weddings. He has been told that there is government support available for new businesses. Peter will operate his business as a sole trader. He is considering using crowdfunding as a source of finance. Peter knows that many businesses fail.

(a) Identify **two** ways the size of a business can be measured.

way 1 ....

....

way 2 ....

....
[2]

(b) Identify **two** reasons why governments support new businesses.

reason 1 ....

....

reason 2 ....

....
[2]

(c) Identify **four** reasons why a business might fail.

reason 1 ....

....

reason 2 ....

....

reason 3 ....

....

reason 4 ....

....
[4]

(d) Explain **one** advantage and **one** disadvantage to Peter of using crowdfunding as a source of finance.

advantage ....

....

explanation ....

....

....

....

disadvantage ....

....

explanation ....

....

....

.... [6]

(e) Do you think the advantages of being a sole trader are greater than the disadvantages? Justify your answer.

....

....

....

....

....

....

....

....

....

....

....

.... [6]

2 OBZ uses job production to manufacture carpets. The business has 80 employees. OBZ's operations manager is considering different ways to maintain quality production in the factory. The finance manager knows OBZ needs to manage its cash. She is reviewing OBZ's financial data. An extract is shown in Table 2.1.

Table 2.1
Extract from OBZ's financial data at 30 December 2025 ($000)

non-current assets	800
current assets	300
current liabilities	240

(a) Define 'non-current assets'.

....

....

....

.... [2]

(b) Calculate OBZ's working capital. Show your working.

working capital .... [2]

(c) Outline **two** reasons why OBZ needs to manage its cash.

reason 1 ....

....

....

....

reason 2 ....

....

....

.... [4]

(d) Explain **two** ways OBZ could maintain quality production.

way 1 ....

....

explanation ....

....

....

....

way 2 ....

....

explanation ....

....

....

.... [6]

(e) Do you think the advantages to a business of using job production are greater than the disadvantages? Justify your answer.

....

....

....

....

....

....

....

....

....

....

....

.... [6]

3 SDY sells hats and scarves. One of SDY's objectives is to increase the number of sales. SDY has 240 shops and 3000 employees. All its shop managers use a democratic leadership style. The human resources director is currently recruiting new employees to work in SDY's shops. External recruitment will be used. All new employees will be given induction training.

(a) Define 'democratic leadership style'.

....

....

....

.... [2]

(b) Identify **two** functions of management.

function 1 ....

....

function 2 ....

....
[2]

(c) Outline **two** ways SDY could increase the number of sales.

way 1 ....

....

....

....

way 2 ....

....

....

....
[4]

(d) Explain **one** advantage and **one** disadvantage of SDY using induction training for its new employees.

advantage ....

....

explanation ....

....

....

....

disadvantage ....

....

explanation ....

....

....

....

[6]

(e) Explain **two** methods of external recruitment a business could use. Which is likely to be the best method for a business to use? Justify your answer.

....

....

....

....

....

....

....

....

....

....

....

.... [6]

4 TRC manufactures fruit smoothies in country X. Many of the ingredients used, including mangoes and strawberries, are imported. TRC will be affected by a depreciation in the exchange rate of country X. TRC is always developing new products. The marketing manager has to decide on suitable packaging for these new products. She also knows it is important that businesses respond to environmental pressures.

(a) Define 'exchange rate depreciation'.

....

....

....

.... [2]

(b) Identify **two** reasons why a business might import raw materials.

reason 1 ....

....

reason 2 ....

....

[2]

(c) Outline **two** benefits to TRC of developing new products.

benefit 1 ....

....

....

....

benefit 2 ....

....

....

....

[4]

(d) Explain **two** roles of packaging for TRC.

role 1 ....

....

explanation ....

....

....

....

role 2 ....

....

explanation ....

....

....

....
[6]

(e) Explain **two** reasons why a business might respond to environmental pressures. Which reason is likely to be the most important? Justify your answer.

....

....

....

....

....

....

....

....

....

....

....

.... [6]

BLANK PAGE

BLANK PAGE

BLANK PAGE