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Arranged & Designed by

Muhammad Majid Hussain

Legal Advisor

Ch. Muhammad Naseer (Kakuana)
Advocate Hight Court 0300-7658213 Chamber # 26, Randhawa Law Building Near CPO office Distt. Katchery, Faisalabad.

Mian Zahid Iqbal
Advocate Hight Court 0321-7618063 Chamber # 26, Randhawa Law Building Near CPO office Distt. Katchery, Faisalabad.

For Order / Complaints

Rabbani Publications
36-Z, Commercial Center, Near Mujahid Hospital, Madina Town, Faisalabad. 0332-6682372, 0300-4537372 (rabanipublications@gmail.com)

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PREFACE

IN THE NAME OF ALLAH, MOST GRACIOUS AND MOST MERCIFUL.

We are pleased to present this carefully compiled edition of Cambridge O Level / IGCSE Business Studies Topical Unsolved Past Papers with Mark Scheme (All Variants), designed specifically for students preparing for examinations in 2026, 2027 and 2028.

This book has been arranged strictly according to the latest Cambridge syllabus and provides comprehensive topical coverage of the subject. Questions from 2018 to 2025 examination sessions have been systematically classified sub-topic by sub-topic, enabling students to focus on individual syllabus areas and strengthen their conceptual understanding through targeted practice.

The book covers 6 Chapters and 23 Sub-Topics, ensuring complete syllabus coverage in a structured and student-friendly format. Each question has been carefully categorized according to its relevant syllabus area, allowing learners to practice specific topics with confidence and efficiency.

The inclusion of questions from all available variants ensures extensive exposure to different question styles and examination patterns. Furthermore, detailed mark schemes are provided to help students understand examiner expectations, improve answer-writing techniques, and achieve higher grades.

This resource is intended to support effective revision, self-assessment, classroom teaching, and independent learning. By practicing topical questions alongside the mark schemes, students can identify their strengths and weaknesses and develop the analytical and evaluative skills required for success in Cambridge examinations.

Features of this Edition

- Latest syllabus coverage for examinations in 2026–2028
- Coverage of 6 Chapters and 23 Sub-Topics
- Questions arranged sub-topic by sub-topic according to the syllabus
- Past paper questions from 2018–2025
- All examination variants included
- Detailed mark schemes for effective self-assessment
- Ideal for revision, classroom use, and exam preparation

Subject Codes

Cambridge O Level Business Studies – 7115

Cambridge IGCSE Business Studies – 0450

We sincerely hope that this book will serve as a valuable companion for both students and teachers and contribute to outstanding examination performance.

We wish all students every success in their examinations and future endeavors.

Rabbani Publications

Team Coordinator

in case of any suggestion for improvement Team Head can be contacted at

Cell: 0332-6682372 / Email: rabanipublications@gmail.com

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Quality Policy

- Customer satisfaction is our priority and achieve this goal we will always, work as a team.
- Produce and supply finest quality goods meeting all the specification including Environmental concern and safety
- Every employee will influence to contribute towards
- Quality improvement to sustain through ideas and innovation.

- گاہک کا اطمینان ہماری اولین ترجیح ہے۔
- اپنے مقصد کے حصول کیلئے ہم ہمیشہ بحیثیت ایک ٹیم کام کرتے ہیں۔
- گاہک کی ضروریات اور ماحولیاتی حالات اور احتیاطی تدابیر کہ مدنظر رکھتے ہوئے معیاری اشیاء فراہم کرتے ہیں۔
- ہر فرد اپنے خیالات اور تخلیقات کے ذریعے بہتر کوالٹی اور اس کو برقرار رکھنے کیلئے موثر کردار ادا کرتا ہے۔

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Q4(b)/12/M/J/22 Q4(b)/12/M/J/22 O-LEVEL IGCSE

1 Tom wants to leave his job to become an entrepreneur. He and his sister plan to start a window cleaning business. Tom has been told that new businesses are at a greater risk of failure than established businesses. Tom has to decide whether a partnership is a suitable form of business organisation for the new business. He has calculated the business will need $700 as start-up capital. Tom knows that every decision he makes will have an opportunity cost.

(b) Define 'opportunity cost'.

.....

.....

.....

..... [2]

Q1(a)/11/M/J/23 Q1(a)/11/M/J/23 O-LEVEL IGCSE

2 WLT manufactures carpets. It exports 40% of its products. Globalisation has created opportunities and threats for WLT. Its method of production allows WLT to use specialisation. All of its 60 employees understand that quality assurance is important. WLT's directors are considering the best way to increase efficiency.

(a) Define 'specialisation'.

.....

.....

.....

..... [2]

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Q1(e)/12/O/N/24 Q1(e)/12/O/N/24 O-LEVEL IGCSE

3 Avtar owns a car repair business which operates in the private sector. It is a small business with 2 full-time employees. Avtar wants to find out the best way for a business to increase added value. Avtar's business needs finance for many reasons. Avtar wants to know how an economic recession might affect his business.

(e) Explain **two** ways a business can increase added value. Which is likely to be the best way for a business to use? Justify your answer.

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..... [6]

RABBANI BROTHERS & SON's

Q1(d)/11/M/J/25 Q1(d)/11/M/J/25 O-LEVEL IGCSE

4 Brendan wants to be a successful entrepreneur. He plans to start up a flower shop using government support. Brendan's brother has offered to form a business partnership with him. Brendan knows it is important for a new business to use a suitable pricing method. He has already identified ways the business can increase added value. Brendan wants to know how an economic boom might affect his business.

(d) Explain **two** ways Brendan could increase added value for his business.

Way 1: .....

.....

Explanation: .....

.....

.....

.....

Way 2: .....

.....

Explanation: .....

.....

.....

..... [6]

RABBANI BROTHERS & SON's

Q1(b)/11/O/N/25 Q1(b)/11/O/N/25 O-LEVEL IGCSE

5 WMH is a business which operates in the secondary sector. It makes furniture including tables and chairs. WMH's employees are all members of a trade union. The Managing Director knows the business is likely to remain small. She is considering introducing new technology into WMH's factory. She also knows it is important for a manufacturing business to choose a suitable location for a factory.

(b) Define 'secondary sector'.

.....

.....

.....

..... [2]

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Q4(d)/12/O/N/25 Q4(d)/12/O/N/25 O-LEVEL IGCSE

6 DJU manufactures clothing including jeans and trousers. There are 90 employees working in its factory. DJU uses specialisation when making its products. The Managing Director is reviewing DJU's cost and output data. An extract is shown in Table 4.1. She wants to know how lower interest rates might affect the business. DJU's directors are considering different ways a business could grow including taking over a competitor.

Table 4.1

Extract from DJU's cost and output data (per week)	
Fixed costs	$400 000
Total costs	$595 000
Total output	85 000 units

(d) Explain **one** advantage and **one** disadvantage to DJU of using specialisation when making its products.

Advantage: .....

.....

Explanation: .....

.....

.....

.....

Disadvantage: .....

.....

Explanation: .....

.....

.....

..... [6]

RABBANI BROTHERS & SON's

1

Question	Answer	Marks	Notes
4(b)	**Define 'opportunity cost'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. The next best alternative given up by choosing another item [2] OR The benefit that could have been gained from an alternative use of the same resource [2] OR A benefit, profit or value that a firm has to give up in order to achieve something else [2] Partial definition e.g. what you have to give up / forgo [1]	2	**Do not award** examples as this does not define the term.

2

Question	Answer	Marks
1(a)	**Define 'specialisation'.** Award 2 marks for a full definition. Award 1 mark for the partial definition. When people/businesses/countries concentrate on what they are best at [2] OR Focusing an individual or group on one particular skill or process that they are suited to or for which they possess the correct skills [2] OR Way in which work is divided so each worker concentrates on a specific task [1] so they become expert at it [1] Partial definition, e.g. Workers do only one job [1] Other appropriate responses should also be credited.	2

RBC

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3

Question	Answer	Marks	Notes
1(e)	**Explain <u>two</u> ways a business can increase added value. Which is likely to be the best way for a business to use? Justify your answer.** Award up to 2 marks for identification of relevant points. Award up to 2 marks for relevant development of points. Award up to 2 marks for a justified decision as to which is the best way for a business to increase added value. Points might include: Ways to increase price: • (Improve) quality of product/service [k] so customers may be prepared to <u>pay higher prices</u> [an] • (Build a) brand image/marketing/packaging [k] so customers think the product is <u>worth more</u> [an] • (Improve) product features / change/create a unique design [k] making the product more desirable than similar products so willing to <u>pay more</u> [an] • Convenience [k] customers may <u>pay more</u> for a product they can have straightaway [an] Ways to lower (input/raw material) costs: • Buy cheaper raw materials / find cheaper suppliers [k] reduces material/input costs [an] widening the gap between cost and price [an] • Reduce the number of materials used [k] Other appropriate responses should also be credited. Justification might include: One way is improving the quality [k] as customers may be willing to pay a higher price [an]. It could buy cheaper raw materials [k] which may reduce material costs [an]. Improving quality is better because cheaper materials could damage the reputation leading to fewer sales [eval] while improving quality could even help attract new customers [eval].	6	This is a general question so there are no marks for application. To access [eval], must discuss two valid ways. The second [eval] mark must be awarded for a comparison between two valid ways. Some points could be [k] or [an] but do not award the same point twice. Some analysis can be used for more than one point, but only award once. Analysis can be awarded for explaining: • The reason why price /cost may be higher/lower • How way increases added value

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4

Question	Answer	Marks	Guidance
1(d)	**Explain <u>two</u> ways Brendan could increase added value for his business.** Award 1 mark for identification of each relevant way (max 2). Award 1 mark for each relevant reference to this business (max 2). Award 1 mark for each relevant explanation (max 2). Points might include: • Set high prices [k] which widens the gap between the cost and price [an] for the flowers [app] • Lower (input) costs [k] by buying cheaper materials [an] for this new business [app] • Branding/marketing/packaging [k] to give the idea of higher quality [an] • Unique design/products [k] making it more desirable than similar products [an] which could influence its pricing method [app] • Improve convenience [k] so products are immediately available [an] in the shop [app] • (Improve) quality/service [k] Other appropriate responses should be credited.	6	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • Start-up/new business • Flower(s) or examples • Shop • Government support • Brother • (Business) partnership • Pricing method • (Successful) entrepreneur Other appropriate examples can be credited. Analysis can be awarded for: • explaining the reason why price or costs may be higher/lower • how the way increases the added value. Some points can be awarded as [k] or [an] but only award once. Do not award the same point of analysis twice.

5

Question	Answer	Marks	Guidance
1(b)	**Define 'secondary sector'.** Award 2 marks for a full definition. Award 1 mark for a partial definition. Businesses that: • Process/manufacture <u>goods</u> from natural resources [2] • Manufacture goods using the raw materials provided by the primary sector [2] • Use manufacturing to transform the raw materials generated in the primary sector into a product [2] • Converts raw materials into manufactured goods [2] Partial definition e.g. • Makes products [1] • Manufactures goods [1] • Refines/processes raw materials [1]	2	Do not award examples of manufactured goods

RABBANI BROTHERS & SON's

6

Qu	Answer	Marks	Guidance
4(d)	**Explain <u>one</u> advantage and <u>one</u> disadvantage to DJU of using specialisation when making its products.** Award 1 mark for identification of each relevant advantage/disadvantage (max 2). Award 1 mark for each relevant reference to this business (max 2). Award 1 mark for each relevant explanation (max 2). Points might include: Advantages: • Higher output/quantity produced [k] of clothing [app] so able to meet orders (on time) [an] • Quicker/cheaper to train employees [k] so does not increase total cost costs [an] above $595 000 (per week) [app] • Increased efficiency [k] which can increase output / lead to less waste [an] in the factory [app] • Employee should become a skilled/expert / employee can specialise <u>in what they are good at</u> [k] becoming more efficient in that task [an] • Easier to use machinery to perform tasks [k] which can speed up production [an] • Fewer mistakes/errors made / better quality [k] leading to fewer customer complaints / lower costs of production / better reputation / less waste [an] Disadvantages: • Workers less motivated [k] of the 90 employees [app] so maybe more likely to leave the business / more errors [an] • Workers cannot cover for absent colleagues / may be the only person who can do that task/job [k] which could mean manufacturing may stop / slow down [an] • Need to train employees [k] increasing training costs / increased cash outflows [an] • Not spread risk [k] Other appropriate responses should be credited.	6	To use words from the stem as application, the reference must be appropriate (i.e. make sense) in relation to the point being made. The following words are likely to be appropriate for this question: • Clothing or examples such as jeans and trousers • 90 (employees) • Factory • $595000 (total costs per week) • $400000 (fixed costs per week) • 85 000 (units per week) • (Different ways a) business can grow/takeover a competitor • Reduction in interest rates • $7 (average cost) OFR applies Other appropriate examples can be credited. Some points could be awarded as either [k] or [an] but do not award the same point twice e.g. higher quality, efficient, fewer mistakes. Some [an] can be used for different points but only award once. More sales/customers is [an] only. Can award points about a business specialising in producing a single product.

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