Cambridge IGCSE™

BUSINESS STUDIES **0450/21**

Paper 2 Case Study **May/June 2026**

INSERT **1 hour 30 minutes**

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INFORMATION
- This insert contains the case study.
- You may annotate this insert and use the blank spaces for planning. **Do not write your answers** on the insert.

This document has **4** pages. Any blank pages are indicated.

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Youth Clothes (YC)

Ashanti has just completed a degree in business studies at university. She plans to start up her own clothes shop called YC in Main City in country X. Ashanti will be a sole trader and thinks she has the right characteristics to be a successful entrepreneur. Her target market is customers between 16 and 30 years of age.

Ashanti has written a business plan to help her when she starts YC. She has $20 000 in savings which she could invest in the business. Ashanti needs to decide whether to use owners' savings, a bank loan or leasing to purchase the equipment for her shop.

Ashanti will employ an assistant manager and 3 more people to help her in the shop. She knows that legal controls over employment may benefit her employees. Ashanti wants to make sure her employees will be motivated, and she needs to decide the best way to do this.

Ashanti needs to decide on the product range to sell in her shop. Appendix 3 contains financial information about the two product ranges she is considering selling. Ashanti will only sell one of these product ranges when she first opens her shop and must decide which one to choose.

Appendix 1

Email from Ashanti's friend to Ashanti

To: Ashanti
From: Ashanti's friend
Date: 2 April 2026

The marketing mix you choose for YC will be important to the success of your clothes shop. Most people in country X live in Main City and 40% are in the 16–30 age group.

Here are my suggestions for the two elements of the marketing mix that you have asked me to consider:

- price – use competitive pricing
- promotion – use social media.

Let me know if you think these would be suitable as part of the marketing mix for the new shop.

Appendix 2

Newspaper article in Main News, May 2026

Good news for businesses and the unemployed!

The latest government report forecasts economic growth of 4% in country X, as the economy moves into the boom stage of the business cycle.

Interest rates are expected to increase from 2% to 5% in the next few months as the government tries to stop the economy growing too quickly.

Appendix 3

Forecast information about the two product ranges YC could sell

	product range A	**product range B**
average selling price	\$50	\$25
fixed cost per year	\$30 000	\$30 000
variable cost per item	\$30	\$18
number of sales in the first year	3000	10 000

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