Cambridge International AS & A Level

Cambridge Assessment International Education
Cambridge International Advanced Subsidiary and Advanced Level

BUSINESS **9609/11**

Paper 1 Short Answer and Essay **May/June 2019**

1 hour 15 minutes

No Additional Materials are required.

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READ THESE INSTRUCTIONS FIRST

An answer booklet is provided inside this question paper. You should follow the instructions on the front cover of the answer booklet. If you need additional answer paper ask the invigilator for a continuation booklet.

Section A
Answer **all** questions.
Section B
Answer **one** question.
You are advised to spend no more than 35 minutes on Section A.

The number of marks is given in brackets [ ] at the end of each question or part question.

This document consists of **2** printed pages, **2** blank pages and **1** Insert.

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Section A (Short Answer)

Answer **all** questions.

1 **(a)** Define the term 'competitive pricing strategy'. [2]

(b) Briefly explain why a business might use a price skimming strategy. [3]

2 **(a)** Define the term 'retained earnings'. [2]

(b) Briefly explain the distinction between short-term and long-term sources of business finance. [3]

3 Explain factors that could influence the scale of operations of a business. [5]

4 **(a)** Define the term 'private limited company'. [2]

(b) Briefly explain **two** possible **disadvantages** to a sole trader of changing to a private limited company. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Analyse the difference between autocratic and laissez-faire leadership. [8]

(b) 'A democratic style of leadership is the most effective leadership style for a manufacturing business in a very competitive industry.'

Discuss this view. [12]

6 Discuss the view that the limitations of income statements and statements of financial position significantly reduce their usefulness as measures of business performance. [20]

7 **(a)** Analyse the advantages and disadvantages for a retail business of using Just in Time (JIT) to manage its inventory. [8]

(b) Discuss the importance of flexibility and innovation to a multinational furniture manufacturer. [12]

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