Cambridge International AS & A Level

**Cambridge International Examinations**
Cambridge International Advanced Subsidiary and Advanced Level

**BUSINESS** **9609/13**

Paper 1 Short Answer and Essay **October/November 2018**

**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.

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## Section A (Short Answer)

Answer **all** questions.

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

**(b)** Briefly explain **one** advantage and **one** disadvantage to a business of operating as a public limited company, rather than as a private limited company. [3]

**2** **(a)** Define the term 'debt factoring'. [2]

**(b)** Briefly explain **two** disadvantages of using debt factoring to improve the cash flow of a business. [3]

**3** Explain how an understanding of the product life cycle might help a business manage its product portfolio. [5]

**4** **(a)** Define the term 'lead time'. [2]

**(b)** Briefly explain **two** advantages to a business of effective inventory management. [3]

## Section B (Essay)

Answer **one** question only.

**5** **(a)** Analyse the advantages of a partnership as a legal structure for the owners of a small business. [8]

**(b)** Discuss the most important factors that could influence the success of a small business manufacturing highly priced 'designer' handbags. [12]

**6** A poorly performing business is considering changing its method of employee payment from a salary scheme to a performance related pay scheme.

Discuss the likely advantages and disadvantages to the business of this change. [20]

**7** **(a)** Analyse the importance to a business of having clear marketing objectives. [8]

**(b)** Discuss the view that marketing objectives will not be achieved without a close relationship between the marketing, finance and operations departments of a business. [12]

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