UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
General Certificate of Education
Advanced Subsidiary Level and Advanced Level

BUSINESS STUDIES **9707/12**

Paper 1 Short Answer and Essay **May/June 2012**

1 hour 15 minutes

Additional Materials: Answer Booklet/Paper

7905479847

READ THESE INSTRUCTIONS FIRST

If you have been given an Answer Booklet, follow the instructions on the front cover of the Booklet.
Write your Centre number, candidate number and name on all the work you hand in.
Write in dark blue or black pen.
Do not use staples, paper clips, highlighters, glue or correction fluid.

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

At the end of the examination, fasten all your work securely together.
The number of marks is given in brackets [ ] at the end of each question or part question.

This document consists of **2** printed pages.

© UCLES 2012

Section A (Short Answer)

Answer **all** questions.

1 **(a)** Define the term 'economies of scale'. [2]

(b) Briefly explain **two** economies of scale a retail business could achieve as it expands. [3]

2 **(a)** State **two** methods of staff recruitment. [2]

(b) Distinguish between 'job description' and 'person specification'. [3]

3 Explain the main qualities of a successful entrepreneur. [5]

4 **(a)** Define the term 'cash flow forecast'. [2]

(b) Briefly explain **two** uses for a business of cash flow forecasts. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Explain the advantages of a 'co-operative' as a form of business. [8]

(b) Discuss the factors that could influence the success of a small business. [12]

6 Discuss the uses and limitations of 'break-even analysis' for business decision-making. Use an appropriate diagram in your answer. [20]

7 **(a)** Explain the benefit to an airline of using price discrimination for ticket sales. [8]

(b) Discuss the importance of 'branding' for product promotion. [12]

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

University of Cambridge International Examinations is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.

© UCLES 2012