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

BUSINESS STUDIES **9707/13**

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

1 hour 15 minutes

Additional Materials: Answer Booklet/Paper

6351669473

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.

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Section A (Short Answer)

Answer **all** questions.

1 **(a)** Define the term 'process innovation'. [2]

(b) Briefly explain **two** benefits of a 'flow production' process. [3]

2 **(a)** Define the term 'contract of employment'. [2]

(b) Briefly explain the difference between 'redundancy' and 'dismissal'. [3]

3 Explain why a business could experience cash flow problems. [5]

4 **(a)** Define the term 'mission statement'. [2]

(b) Briefly explain **two** benefits of setting corporate objectives. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Explain the strengths and weaknesses of 'family owned' businesses. [8]

(b) Discuss internal growth as a way of expanding a business. [12]

6 A private limited company wants to build a new factory. Discuss the factors that the company should consider when choosing sources of finance. [20]

7 **(a)** Explain why 'customer relations' is important for a retail business. [8]

(b) Discuss how a retail business might improve its 'customer relations'. [12]

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