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

BUSINESS STUDIES **9707/11**

Paper 1 Short Answer and Essay **May/June 2013**

1 hour 15 minutes

Additional Materials: Answer Booklet/Paper

4213426863

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.

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Section A (Short Answer)

Answer **all** questions.

1 **(a)** Define the term 'added value'. [2]

(b) Briefly explain **two** ways in which operations management decisions might add value to a product. [3]

2 **(a)** State **two** aims of a 'mission statement'. [2]

(b) Briefly explain how a 'mission statement' might be effectively communicated to the stakeholders of a business. [3]

3 Briefly explain the advantages of using 'sampling' in market research. [5]

4 **(a)** Define the term 'bank overdraft'. [2]

(b) Briefly explain **two** disadvantages for a business that uses a bank overdraft as a source of finance. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Explain why the marketing objectives of a business need to be closely linked to its corporate objectives. [8]

(b) A business designs and manufactures mobile (cell) phones. Discuss why portfolio analysis could be important if the business is to achieve its marketing objectives. [12]

6 Discuss the view that a 'leader' should set a clear direction and vision for an organisation, whereas a 'manager' should control and allocate resources. [20]

7 **(a)** Explain why a business environment might be described as dynamic. [8]

(b) Discuss the view that the only purpose of private sector businesses is to make profit, not to pursue corporate responsibility objectives. [12]

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