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 2013**

1 hour 15 minutes

Additional Materials: Answer Booklet/Paper

6302789796

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 'retained profit'. [2]

(b) Briefly explain **two** advantages for a business of using retained profit as a source of finance. [3]

2 **(a)** Define the term 'random sampling'. [2]

(b) Briefly explain **two** advantages of using quota sampling. [3]

3 Explain how ethics could influence the objectives and activities of a private sector business. [5]

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

(b) Briefly explain **two** ways in which a business could increase levels of productivity in its operations. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Explain the potential benefit to a business if employees are involved in the decision-making process. [8]

(b) Discuss the possible impact on the motivation of employees in a hotel of the appointment of a General Manager who introduces an autocratic leadership style. [12]

6 Discuss whether technological developments offer more threats than opportunities for operations decisions made by businesses in your country. [20]

7 **(a)** Explain why a luxury car manufacturer should consider **both** the tangible and intangible attributes of its products. [8]

(b) Discuss the advantages and disadvantages of using extension strategies to lengthen the life of a product. [12]

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