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 2013**

1 hour 15 minutes

Additional Materials: Answer Booklet/Paper

9444460443 0

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 2013

Section A (Short Answer)

Answer **all** questions.

1 **(a)** Define the term 'share capital'. [2]

(b) Briefly explain **two** disadvantages for a company of using additional share capital as a source of finance. [3]

2 **(a)** Define the term 'product life cycle'. [2]

(b) Briefly explain **two** actions that a business could take to extend a product's life cycle. [3]

3 Explain the 'transformation process' in the production of goods and services. [5]

4 **(a)** State **two** features of a 'public limited company'. [2]

(b) Briefly explain **two** advantages to a sole trader of changing to a partnership. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Explain why a Marketing Director needs to understand price elasticity of demand. [8]

(b) A new bus company has decided to enter a highly competitive city centre transport market. Discuss the factors that the company needs to consider when deciding on its pricing strategy. [12]

6 Discuss the factors a Human Resources Director could consider when seeking to improve staff morale. [20]

7 **(a)** Explain the likely conflict between the 'triple bottom line' objectives of a social enterprise operating in your country. [8]

(b) Discuss the role business entrepreneurs could play in the future development of your country. [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 2013