Cambridge International AS & A Level

Cambridge International Examinations
Cambridge International Advanced Subsidiary and Advanced Level

BUSINESS STUDIES **9707/12**

Paper 1 Short Answer and Essay **May/June 2014**

1 hour 15 minutes

No Additional Materials are required.

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READ THESE INSTRUCTIONS FIRST

An answer booklet is provided inside this question paper. You should follow the instructions on the front cover of the answer booklet. If you need additional answer paper ask the invigilator for a continuation booklet.

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

The number of marks is given in brackets [ ] at the end of each question or part question.

This document consists of **2** printed pages, **2** blank pages and **1** insert.

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Section A (Short Answer)

Answer **all** questions.

1 **(a)** Define the term 'market segmentation'. [2]

(b) Briefly explain **two** ways a hotel could segment the market for hotel accommodation. [3]

2 **(a)** State the formula for **one** accounting ratio that could be used to measure the liquidity of a business. [2]

(b) Briefly explain **two** factors that could affect the profitability of a business. [3]

3 Explain why the objectives of a business could change over time. [5]

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

(b) Briefly explain **two** ways operations management could contribute to the success of a business. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Explain the differences between McGregor's 'Theory X' and 'Theory Y'. [8]

(b) Discuss the benefits of team working for production workers and managers. [12]

6 Discuss how a cell (mobile) phone manufacturer could assess the effectiveness of its market research expenditure. [20]

7 **(a)** Explain how the effectiveness of the operations management function can be influenced by human resource management. [8]

(b) Discuss how the actions of competitors could influence the operations management decisions of a car manufacturer. [12]

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