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 **October/November 2011**

1 hour 15 minutes

Additional Materials: Answer Booklet/Paper

3099951072

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 'sole trader'. [2]

(b) State **three** problems of operating as a sole trader. [3]

2 **(a)** Define the term 'break-even point'. [2]

(b) Briefly explain **two** limitations of break-even analysis. [3]

3 Explain **two** limitations of using samples in market research. [5]

4 **(a)** What is meant by the term 'laissez-faire leadership'? [2]

(b) Briefly explain **two** disadvantages of autocratic leadership. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Explain the main economies of scale a construction business might gain as it grows. [8]

(b) Discuss the factors a multinational car manufacturer might find important when choosing to locate a new factory in your country. [12]

6 Discuss the importance of staff training and development in achieving business objectives. [20]

7 **(a)** Explain the importance of channels of distribution to a business. [8]

(b) Discuss how a mobile (cell) phone manufacturer might develop its marketing mix. [12]

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