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 **October/November 2011**

1 hour 15 minutes

Additional Materials: Answer Booklet/Paper

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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 'operational efficiency'. [2]

(b) Explain **one** way of measuring operational efficiency. [3]

2 **(a)** Define the term 'fixed cost'. [2]

(b) Briefly distinguish between 'variable' and 'marginal' costs. [3]

3 Explain **two** employee needs identified by motivational theorists. [5]

4 **(a)** Define the term 'objective' as used by a business. [2]

(b) Explain **two** objectives a small business might have in the first year of trading. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Explain the possible advantages to a business of autocratic leadership. [8]

(b) Discuss the qualities of an effective business leader. [12]

6 Discuss how the ethical decisions of a large clothing retailer might help or hinder its business performance. [20]

7 **(a)** Explain the usefulness of the 'product life cycle' for a marketing manager. [8]

(b) Discuss the advantages and disadvantages for a cinema of setting up a website to market its services. [12]

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