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 2013**

1 hour 15 minutes

Additional Materials: Answer Booklet/Paper

4846650197

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 'performance related pay'. [2]

(b) Briefly explain **two** disadvantages of 'performance related pay'. [3]

2 **(a)** Define the term 'primary research'. [2]

(b) Briefly explain **two** disadvantages of primary research. [3]

3 Explain the rights and responsibilities of employees as a business stakeholder group. [5]

4 **(a)** Distinguish between capital intensive production and labour intensive production. [2]

(b) Briefly explain **two** factors that could influence a decision to change to more capital intensive production methods. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Explain the difference between revenue expenditure and capital expenditure. [8]

(b) Discuss the appropriateness of using internal sources of finance to pay for capital expenditure. [12]

6 Discuss the differences and similarities between 'business enterprise' and 'social enterprise'. [20]

7 **(a)** Explain why some businesses might use both above the line and below the line methods of promotion. [8]

(b) Discuss the advantages to a designer of children's clothing of establishing a powerful brand identity. [12]

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