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 **October/November 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 Answers)

Answer **all** questions.

1 **(a)** Define the term 'retained profit'. [2]

(b) Briefly explain the difference between financial accounting and management accounting. [3]

2 **(a)** Define the term 'diseconomies of scale'. [2]

(b) Briefly explain **two** reasons why a business could experience diseconomies of scale. [3]

3 Explain why many businesses have corporate responsibility as an objective. [5]

4 **(a)** Define the term 'workforce planning'. [2]

(b) Briefly explain **two** benefits to a business of effective workforce planning. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Explain the interrelationships that exist between marketing and other departments within a business. [8]

(b) Discuss the advantages and disadvantages of niche marketing for a small manufacturer of fashion clothing. [12]

6 Discuss the usefulness of profitability ratios and liquidity ratios for senior managers when analysing the performance of their business and their competitors. [20]

7 **(a)** Explain the aims of a 'social enterprise' organisation. [8]

(b) Discuss the importance of 'business enterprise' in your country. [12]

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