



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
General Certificate of Education  
Advanced Subsidiary Level and Advanced Level

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**BUSINESS STUDIES**

9707/12

Paper 1 Short Answer and Essay

October/November 2013

1 hour 15 minutes

Additional Materials: Answer Booklet/Paper

**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.

This document consists of 2 printed pages.



### Section A (Short Answer)

Answer **all** questions.

- 1 (a) Define the term 'price discrimination'. [2]  
 (b) Briefly explain **two** conditions necessary for a business to be able to operate a price discrimination strategy. [3]
- 2 (a) Define the term 'private sector'. [2]  
 (b) Briefly explain **two** distinctive characteristics of public sector enterprises (for example public corporations or nationalised industries). [3]
- 3 Explain why teamworking may not always be beneficial for a business. [5]
- 4 (a) Define the term 'intellectual capital'. [2]  
 (b) Briefly explain how intellectual capital could increase the value of a business. [3]

### Section B (Essay)

Answer **one** question only.

- 5 (a) Explain the importance of cash flow forecasts to a newly established business. [8]  
 (b) Discuss how a business could solve cash flow problems. [12]
- 6 Discuss the important factors that will need to be considered by a business in deciding where to locate a new adventure and amusement park. [20]
- 7 (a) Explain the differences between Herzberg's hygiene factors and motivating factors. [8]  
 (b) Discuss the relevance to employees of a fast food restaurant of the motivational theories of Maslow and Herzberg. [12]

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