



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

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BUSINESS STUDIES

9707/13

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) Distinguish between piece rate and commission payment methods. [2]
 (b) Briefly explain **two** disadvantages of a piece rate payment method. [3]
- 2 (a) Define the term 'cost-based pricing'. [2]
 (b) Briefly explain when a business might use penetration pricing. [3]
- 3 Explain the difference between efficiency and effectiveness in business operations. [5]
- 4 (a) Define the term 'stakeholder'. [2]
 (b) Briefly explain **one** way in which conflict may arise between different stakeholder groups in a business. [3]

Section B (Essay)

Answer **one** question only.

- 5 (a) Explain the importance of inventory management to a retail business. [8]
 (b) Discuss the factors which could influence the successful operation of Just-in-Time (JIT) inventory management. [12]
- 6 'Effective business leaders need to be more emotionally intelligent than intellectually brilliant.' Discuss this statement. [20]
- 7 (a) Explain **why** it is important for a business to be able to identify and calculate its costs. [8]
 (b) Discuss how break-even analysis could be useful for a business decision on introducing a new product. [12]

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