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 2015**

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 Answer)

Answer **all** questions.

1 **(a)** Define the term 'break-even'. [2]

(b) Briefly explain **two** limitations of break-even analysis. [3]

2 **(a)** Define the term 'piece rate payment method'. [2]

(b) Briefly explain **two** possible disadvantages of piece rate payment methods for employers. [3]

3 Explain why small businesses are important for many economies. [5]

4 **(a)** Define the term 'intellectual capital'. [2]

(b) Briefly explain how the input of capital (including intellectual capital) can contribute to the effectiveness of business operations. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Explain why the motivation of employees is an important objective of managers. [8]

(b) Discuss the view that Taylor's theory fully explains employee motivation. [12]

6 Discuss the view that while market research can be very beneficial for a business it can also have serious limitations. [20]

7 **(a)** Explain how the objectives of a social enterprise might differ from those of other private sector businesses. [8]

(b) Discuss why an entrepreneur might choose to become a franchisee rather than start an independent restaurant business. [12]

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