

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.

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

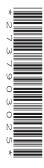
Answer all questions.

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.



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	Ехр	lain 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 effectiveness of business operations.	the [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		cuss the view that while market research can be very beneficial for a business it can also hous limitations.	nave [20]
7	(a)	Explain how the objectives of a social enterprise might differ from those of other private se businesses.	ector [8]
	(b)	Discuss why an entrepreneur might choose to become a franchisee rather than start independent restaurant business.	t an [12]

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