



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

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**BUSINESS STUDIES**

**9707/01**

Paper 1 Short Answer and Essay

**May/June 2007**

**1 hour 15 minutes**

Additional Materials: Answer Booklet/Paper

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**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.

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This document consists of **2** printed pages.



**Section A (Short Answer)**Answer **all** questions.

- 1 (a) Explain **one** objective of a **public sector organisation** in your country. [2]
- (b) Briefly outline the main features of a '**public limited company**'. [3]
- 2 (a) State the formula for an accounting ratio that might be used to measure the profitability of a business. [2]
- (b) Explain **two** factors that might affect the profitability of a business. [3]
- 3 Briefly explain **two** ways in which a manufacturer of tinned foods might find break-even analysis useful. [5]
- 4 (a) Distinguish between the mean and the median. [2]
- (b) Briefly describe **one** business situation in which the median might be a more useful measure than the mean. [3]

**Section B (Essay)**Answer **one** question only.

- 5 (a) Outline the main factors which a manager of a large hotel might consider when carrying out manpower planning. [8]
- (b) Discuss the extent to which the hotel manager might improve workers' motivation by re-designing their jobs. [12]
- 6 Discuss the suitability of the various sources of finance a large business might use when replacing old machinery. [20]
- 7 (a) Outline the main determinants of demand for consumer goods in your country. [8]
- (b) Discuss how a clothes retailer might segment the market for its goods. [12]

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