

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

**BUSINESS STUDIES**

**9707/01**

Paper 1 Short Answer and Essay

October/November 2005

**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 on both sides of the paper.  
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 Answers)**

Answer **all** questions.

- 1 (a) State **two** reasons why the market for a product might reduce in size. [2]  
(b) Distinguish between market size and market share. [3]
- 2 Explain how a manufacturing business might be affected by ethical issues. [5]
- 3 (a) State **two** ways in which a business may achieve added value. [2]  
(b) Why is added value important for businesses? [3]
- 4 (a) Define work study. [2]  
(b) Give **three** ways in which businesses might use the results of work study. [3]

**Section B (Essay question)**

Answer **one** question only.

- 5 (a) Explain the purposes of a company's Balance Sheet and Profit & Loss Account. [8]  
(b) Discuss the usefulness of published company accounts to both managers and shareholders. [12]
- 6 To what extent is it important for a business to have a Human Resources Manager? [20]
- 7 (a) Explain the advantages and disadvantages of being a small business in food retailing. [8]  
(b) Discuss whether the government should support small businesses in your country. [12]

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