

Cambridge International AS & A Level

BUSINESS 9609/11

Paper 1 Short Answer and Essay

May/June 2020

1 hour 15 minutes

You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Section A: answer all questions.
- Section B: answer one question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [].



Section A (Short Answer)

Answer all questions

You are advised to spend no more than 35 minutes on Section A.

1 (a) Define the term 'leadership'. [2] (b) Explain two qualities of a good leader. [3] 2 [2] (a) Define the term 'opportunity cost'. (b) Explain two reasons why many new businesses fail in their first year of operation. [3] 3 Explain why it is important for a manufacturing business to manage its inventory effectively. [5] [2] 4 (a) Define the term 'price discrimination'. **(b)** Explain **two** disadvantages to a business of using price discrimination. [3] Section B (Essay) Answer one question only 5 (a) Analyse the possible benefits to a business of increasing its market share. [8] (b) Discuss whether a change in consumer income is the most important factor influencing the demand for restaurant meals. [12] 'In a large computer manufacturing business, the operations department is more important for achieving success than the marketing department.' Discuss the extent to which you agree with this view. [20] 7 (a) Analyse the benefits to a new business of using break-even analysis. [8] (b) Discuss the view that profitability ratios are more important than liquidity ratios to a business that sells expensive jewellery. [12]

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