OXFORD

INTERNATIONAL
AQA EXAMINATIONS

Please write clearly in block capitals.

Centre number | | | | | | Candidate number | | | | |

Surname _____

Forename(s) _____

Candidate signature _____

I declare this is my own work.

INTERNATIONAL AS
BUSINESS

Unit 1: Business and Markets

Time allowed: 1 hour 30 minutes

Materials

For this paper you must have:
- a calculator, which you are expected to use where appropriate.

Instructions
- Use black ink or black ball-point pen.
- Fill in the boxes at the top of the page.
- Answer **all** questions.
- You must answer the questions in the spaces provided.
  Do not write outside the box around each page or on blank pages.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- All working must be shown.
- Do all rough work in this book. Cross through any work you do not want to be marked.
- You may **not** use an English dictionary.

Information
- The marks for questions are shown in brackets.
- The maximum mark for this paper is 80.

Advice
- You may use a bilingual dictionary.

For Examiner's Use	
Question	Mark
1	
2	
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TOTAL	

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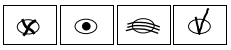
Section A

Answer **all** questions in the spaces provided.

Only **one** answer per question is allowed.

For each question completely fill in the circle alongside the appropriate answer.

CORRECT METHOD 

WRONG METHODS 

If you want to change your answer you must cross out your original answer as shown. 

If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown. 

0 1 According to the Boston Matrix, which of the following is a product with a high market share of a low growth market?

[1 mark]

A Cash Cow ⬭

B Dog ⬭

C Question Mark/Problem Child ⬭

D Star ⬭

1

0 2 A business launches a new product. It decides to charge a high price initially and lower it over time. This is best known as:

[1 mark]

A Dynamic pricing ⬭

B Price discrimination ⬭

C Price penetration ⬭

D Price skimming ⬭

1

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0 3 Which of the following is typically a characteristic of an entrepreneur?

[1 mark]

A Cautious ⬭

B Inflexible ⬭

C Motivated ⬭

D Nervous ⬭

1

0 4 Calculate the market capitalisation for the business in **Table 1** using the following data:

Table 1

Number of shares issued	30 000
Initial share price	$4.50
Current share price	$5.45

[2 marks]

2

Turn over for the next question

Do not write outside the box

0 5 Explain **one** reason why a business with a low customer retention rate may find it difficult to survive in a highly competitive industry.

[3 marks]

3

0 6 Explain how dynamic pricing could help an airline to increase its profit margin.

[3 marks]

3

0 7 A business sells a product which has a price elasticity of demand of –1.4.

Explain whether the business should increase or decrease price to increase its revenue.

[3 marks]

3

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0 8 Explain **one** potential impact of rising interest rates on a theme park.

[3 marks]

3

Turn over for the next section

Do not write outside the box

Section B

Answer **all** questions in the spaces provided.

0 9 The government has introduced a tax which will reduce company profits by 8%.

Analyse the impact of this change in government policy on **two** different stakeholders of a company.

[9 marks]

Extra space

9

Do not write outside the box

1 0 Analyse **one** advantage and **one** disadvantage to a retail business of using big data.

[9 marks]

Extra space

9

Turn over ►

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1 1 Analyse **two** benefits to a cinema of using market segmentation.

[9 marks]

Extra space

9

Do not write outside the box

Section C

Answer **all** questions in the spaces provided.

1 2 A fast food retailer is considering investing in m-commerce to increase profits.

Assess the arguments for and against this investment and make a judgement as to whether it will increase profits.

[12 marks]

Do not write outside the box

Extra space

12

Do not write outside the box

1 3 To improve its brand image, a budget clothing retailer is considering switching to a more ethical supplier which operates a fair-trade policy.

Assess the arguments for and against switching and make a judgement.

[12 marks]

Do not write outside the box

Extra space

12

Do not write outside the box

1 4 A public limited company has made $1m profit this year. It has decided to invest it back into marketing rather than pay this as dividends to shareholders.

Assess the arguments for and against the decision and make a judgement whether to invest the profit back into the business.

[12 marks]

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Extra space

END OF QUESTIONS

12

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ANSWER IN THE SPACES PROVIDED

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