Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Short Answer and Essay **February/March 2021**

1 hour 15 minutes

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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 [ ].

This document has **4** pages. Any blank pages are indicated.

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 'opportunity cost'. [2]

(b) Explain **two** qualities an entrepreneur is likely to need for success. [3]

2 **(a)** Define the term 'demand'. [2]

(b) Explain **two** factors which might influence supply of a product. [3]

3 Explain the effects on a business of having a high level of working capital. [5]

4 **(a)** Define the term 'transformation process'. [2]

(b) Explain **two** ways in which a business could improve its intellectual capital. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Analyse the benefits to a business of recruiting employees from outside the business. [8]

(b) Discuss whether the use of Herzberg's two factor theory could improve employee motivation in a school. [12]

6 A furniture manufacturer is planning to introduce CAD and CAM into the production process.

Discuss the extent to which this could make the business more competitive. [20]

7 **(a)** Analyse why a business might invest in market research. [8]

(b) Discuss whether an airline business might increase its profits by more effective market segmentation. [12]

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