Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/13**

Paper 1 Short Answer and Essay **May/June 2021**

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 [ ].

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

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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 'stakeholders'. [2]

(b) Explain **two** responsibilities of a stakeholder group. [3]

2 **(a)** Define the term 'economies of scale'. [2]

(b) Explain **two** possible causes of diseconomies of scale. [3]

3 Explain why cost-based pricing might be an effective pricing strategy for a small business. [5]

4 **(a)** Define the term 'labour turnover'. [2]

(b) Explain **two** ways in which the recruitment and selection process of a business could help to improve labour turnover. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Analyse the possible disadvantages to a business of changing from batch production to flow production. [8]

(b) Discuss the benefits to a clothing business of holding buffer inventory rather than using a Just in Time (JIT) inventory system. [12]

6 Discuss the view that product differentiation is the only way for a business to ensure success in a highly competitive technology industry. [20]

7 **(a)** Analyse the benefits to an entrepreneur of using micro-finance as a source of start-up capital. [8]

(b) Discuss the usefulness of accounting ratios to a business considering entry into new markets. [12]

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