Cambridge Assessment International Education

Cambridge International AS & A Level

BUSINESS **9609/12**

Paper 1 Short Answer and Essay **May/June 2022**

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.

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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 'piece rate'. [2]

(b) Explain **two** advantages to a business of using a time based payment method. [3]

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

(b) Explain **two** advantages to a business of buying a franchise. [3]

3 Explain why a business manager needs to understand the difference between capital expenditure and revenue expenditure. [5]

4 **(a)** Define the term 'price elasticity of demand'. [2]

(b) Explain **two** benefits to a business of knowing the price elasticity of demand of its products. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Analyse the advantages to a business of using mass customisation. [8]

(b) Discuss the importance to a hotel of having effective inventory control. [12]

6 Discuss the importance of emotional intelligence to a manager of a luxury holiday resort. [20]

7 **(a)** Analyse the advantages to a business of using online advertising. [8]

(b) Discuss the usefulness to a furniture retailer of using secondary market research when planning to enter a new market. [12]

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