

---

**BUSINESS STUDIES**

**9707/12**

Paper 1 Short Answer and Essay

**October/November 2014**

**1 hour 15 minutes**

No Additional Materials are required.

---

**READ THESE INSTRUCTIONS FIRST**

An answer booklet is provided inside this question paper. You should follow the instructions on the front cover of the answer booklet. If you need additional answer paper ask the invigilator for a continuation booklet.

**Section A**

Answer **all** questions.

**Section B**

Answer **one** question.

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

The number of marks is given in brackets [ ] at the end of each question or part question.



---

This document consists of **2** printed pages, **2** blank pages and **1** insert.

**Section A (Short Answers)**

Answer **all** questions.

- 1 (a) Define the term 'retained profit'. [2]  
(b) Briefly explain the difference between financial accounting and management accounting. [3]
- 2 (a) Define the term 'diseconomies of scale'. [2]  
(b) Briefly explain **two** reasons why a business could experience diseconomies of scale. [3]
- 3 Explain why many businesses have corporate responsibility as an objective. [5]
- 4 (a) Define the term 'workforce planning'. [2]  
(b) Briefly explain **two** benefits to a business of effective workforce planning. [3]

**Section B (Essay)**

Answer **one** question only.

- 5 (a) Explain the interrelationships that exist between marketing and other departments within a business. [8]  
(b) Discuss the advantages and disadvantages of niche marketing for a small manufacturer of fashion clothing. [12]
- 6 Discuss the usefulness of profitability ratios and liquidity ratios for senior managers when analysing the performance of their business and their competitors. [20]
- 7 (a) Explain the aims of a 'social enterprise' organisation. [8]  
(b) Discuss the importance of 'business enterprise' in your country. [12]



**BLANK PAGE**

---

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

Cambridge International Examinations is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of University of Cambridge Local Examinations Syndicate (UCLES), which is itself a department of the University of Cambridge.