Cambridge International Examinations
Cambridge International Advanced Subsidiary and Advanced Level

BUSINESS 9609/01
Paper 1 Short Answer and Essay
SPECIMEN PAPER

For Examination from 2016

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 any 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.
Section A (Short Answer)

Answer all questions.

1 (a) Distinguish between piece rate and commission payment methods. [2]

(b) Briefly explain two disadvantages of a piece rate payment method. [3]

2 (a) Define the term ‘cost-based pricing’. [2]

(b) Briefly explain when a business might use penetration pricing. [3]

3 Explain the difference between efficiency and effectiveness in business operations. [5]

4 (a) Define the term ‘stakeholder’. [2]

(b) Briefly explain one way in which conflict may arise between different stakeholder groups in a business. [3]

Section B (Essay)

Answer one question only.

5 (a) Analyse the importance of inventory management to a retail business. [8]

(b) Discuss the factors which could influence the successful operation of Just-in-Time (JIT) inventory management. [12]

6 ‘Effective business leaders need to be more emotionally intelligent than intellectually brilliant.’ Discuss this statement. [20]

7 (a) Analyse why it is important for a business to be able to identify and calculate its costs. [8]

(b) Discuss how break-even analysis could be useful for a business decision on introducing a new product. [12]