

## Cambridge International AS & A Level

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BUSINESS 9609/03

Paper 3 Business Decision-Making

For examination from 2023

SPECIMEN PAPER

1 hour 45 minutes

You must answer on the question paper.

You will need: Insert (enclosed)

## **INSTRUCTIONS**

- Answer all questions.
- Use a black or dark blue pen.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do not use an erasable pen or correction fluid.
- Do not write on any bar codes.
- You may use an HB pencil for any diagrams, graphs or rough working.

## **INFORMATION**

- The total mark for this paper is 60.
- The number of marks for each question or part question is shown in brackets [].
- The insert contains the case study.

This document has 10 pages. Any blank pages are indicated.

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| Analyse <b>two</b> possible advantages to DL of centralisation as the business continues to expar |
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| luction line project. | • |
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| 3 (a) | Using the data in Table 1, calculate the payback period for the production line project.          |  |  |  |  |  |  |
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|       |                                                                                                   |  |  |  |  |  |  |
|       | [1]                                                                                               |  |  |  |  |  |  |
| (b)   | Using the data in Table 1, calculate the net present value (NPV) for the production line project. |  |  |  |  |  |  |
|       |                                                                                                   |  |  |  |  |  |  |
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|       | [3]                                                                                               |  |  |  |  |  |  |
| (c)   | Evaluate whether DL should go ahead with the proposed production line project.                    |  |  |  |  |  |  |
|       |                                                                                                   |  |  |  |  |  |  |
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| [4.2] |

| 4 | (a) | Using the data in Table 2, calculate the promotional elasticity of demand (PrED) for Devonice ice cream.                   |
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|   |     | [4]                                                                                                                        |
|   |     |                                                                                                                            |
|   | (b) | Evaluate whether DL should, in order to increase sales, reduce the price of ice cream or increase promotional expenditure. |
|   | (b) |                                                                                                                            |

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