



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
General Certificate of Education  
Advanced Subsidiary Level and Advanced Level

---

**BUSINESS STUDIES**

**9707/13**

Paper 1 Short Answer and Essay

**October/November 2013**

**1 hour 15 minutes**

Additional Materials: Answer Booklet/Paper

---

**READ THESE INSTRUCTIONS FIRST**

If you have been given an Answer Booklet, follow the instructions on the front cover of the Booklet.

Write your Centre number, candidate number and name on all the work you hand in.

Write in dark blue or black pen.

Do not use staples, paper clips, highlighters, glue or correction fluid.

**Section A**

Answer **all** questions.

**Section B**

Answer **one** question.

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

At the end of the examination, fasten all your work securely together.

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

---

This document consists of **2** printed pages.



**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) Explain 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) Explain **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]

---

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.

University of 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.