

Cambridge  
International  
AS & A Level

**Cambridge International Examinations**  
Cambridge International Advanced Subsidiary and Advanced Level

**BUSINESS**

**9609/13**

Paper 1 Short Answer and Essay

**May/June 2017**

**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 Answer)**

Answer **all** questions.

- 1 (a) Define the term 'opportunity cost'. [2]
- (b) Briefly explain how business decisions involve opportunity cost, using an appropriate example. [3]
- 2 (a) Define the term 'buffer inventory'. [2]
- (b) Briefly explain **two** likely consequences for a business of poor inventory management. [3]
- 3 Explain how viral marketing could be an important part of marketing for a business. [5]
- 4 (a) Define the term 'share capital'. [2]
- (b) Briefly explain **one** advantage and **one** disadvantage of grants as a source of business finance. [3]

**Section B (Essay)**

Answer **one** question only.

- 5 (a) Analyse how the features of an international market may differ from the features of a national market. [8]
- (b) Discuss the advantages and disadvantages for a multi-product business of using product life cycles to help make effective marketing decisions. [12]
- 6 'Senior business managers must have a high level of emotional intelligence to be effective.'
- Do you agree with this view? Justify your answer. [20]
- 7 (a) Analyse the rights and responsibilities of employees as stakeholders in a business. [8]
- (b) Discuss how the stakeholders of a public sector organisation might be affected by a reduction in Government financial support for the organisation. [12]



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