



Cambridge International AS & A Level

BUSINESS

9609/12

Paper 1 Short Answer and Essay

February/March 2021

1 hour 15 minutes



You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

INSTRUCTIONS

- Section A: answer **all** questions.
- Section B: answer **one** question.
- Follow the instructions on the front cover of the answer booklet. If you need additional answer paper, ask the invigilator for a continuation booklet.

INFORMATION

- The total mark for this paper is 40.
- The number of marks for each question or part question is shown in brackets [].

This document has **4** pages. Any blank pages are indicated.

Section A (Short Answer)

Answer **all** questions.

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

- 1 (a) Define the term 'opportunity cost'. [2]
(b) Explain **two** qualities an entrepreneur is likely to need for success. [3]
- 2 (a) Define the term 'demand'. [2]
(b) Explain **two** factors which might influence supply of a product. [3]
- 3 Explain the effects on a business of having a high level of working capital. [5]
- 4 (a) Define the term 'transformation process'. [2]
(b) Explain **two** ways in which a business could improve its intellectual capital. [3]

Section B (Essay)

Answer **one** question only.

- 5 (a) Analyse the benefits to a business of recruiting employees from outside the business. [8]
(b) Discuss whether the use of Herzberg's two factor theory could improve employee motivation in a school. [12]
- 6 A furniture manufacturer is planning to introduce CAD and CAM into the production process.
Discuss the extent to which this could make the business more competitive. [20]
- 7 (a) Analyse why a business might invest in market research. [8]
(b) Discuss whether an airline business might increase its profits by more effective market segmentation. [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.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

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