



# Cambridge International AS & A Level

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## BUSINESS

9609/11

Paper 1 Short Answer and Essay

May/June 2020

1 hour 15 minutes



You must answer on the enclosed answer booklet.

You will need: Answer booklet (enclosed)

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## 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 [ ].

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This document has 4 pages. 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 'leadership'. [2]  
(b) Explain **two** qualities of a good leader. [3]
- 2 (a) Define the term 'opportunity cost'. [2]  
(b) Explain **two** reasons why many new businesses fail in their first year of operation. [3]
- 3 Explain why it is important for a manufacturing business to manage its inventory effectively. [5]
- 4 (a) Define the term 'price discrimination'. [2]  
(b) Explain **two** disadvantages to a business of using price discrimination. [3]

### Section B (Essay)

Answer **one** question only

- 5 (a) Analyse the possible benefits to a business of increasing its market share. [8]  
(b) Discuss whether a change in consumer income is the most important factor influencing the demand for restaurant meals. [12]
- 6 'In a large computer manufacturing business, the operations department is more important for achieving success than the marketing department.'  
  
Discuss the extent to which you agree with this view. [20]
- 7 (a) Analyse the benefits to a new business of using break-even analysis. [8]  
(b) Discuss the view that profitability ratios are more important than liquidity ratios to a business that sells expensive jewellery. [12]

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