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

BUSINESS STUDIES **9707/12**

Paper 1 Short Answer and Essay **May/June 2010**

1 hour 15 minutes

Additional Materials: Answer Booklet/Paper

6938477403

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.

UNIVERSITY *of* CAMBRIDGE
International Examinations

Section A (Short Answer)

Answer **all** questions.

1 **(a)** Define the term 'span of control'. [2]

(b) Briefly explain **two** problems that might arise with a wide span of control. [3]

2 **(a)** Define market research. [2]

(b) Briefly explain the difference between primary and secondary research. [3]

3 Briefly explain **two** economies of scale that a hotel chain might achieve if it purchases another hotel company. [5]

4 **(a)** Outline the main features of pie charts. [2]

(b) Briefly explain the main advantages of using bar charts as a method of presenting information. [3]

Section B (Essay)

Answer **one** question only.

5 **(a)** Explain why retail businesses should prepare cash flow forecasts. [8]

(b) Discuss ways in which a business might improve its cash flow. [12]

6 Discuss how the objectives of stakeholder groups in a profitable business might be in conflict. [20]

7 **(a)** Explain how a business might use financial rewards to motivate workers. [8]

(b) Discuss why a business might use non-financial rewards to motivate its workers. [12]