

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

**BUSINESS STUDIES**

**9707/01**

Paper 1 Short Answer and Essay

October/November 2003

**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 on both sides of the paper.  
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 the public sector and private sector of an economy. [2]  
(b) Explain why some goods and services are provided by the public sector in your country. [3]
- 2 Outline how the market for soft drinks might be segmented in your country. [5]
- 3 (a) Distinguish between the mean and the median of a set of data. [2]  
(b) Explain one business situation where the mode would be a useful measure. [3]
- 4 (a) Define diseconomies of scale. [2]  
(b) Explain **two** different types of economies of scale from which a large retailer might benefit. [3]

**Section B (Essay)**

Answer **one** question only.

- 5 (a) Analyse the benefits to your country's economy of a multinational manufacturer of consumer goods locating a factory there. [8]  
(b) Discuss how an exporter of consumer goods might choose between different channels of distribution in a new overseas market. [12]
- 6 (a) Outline the main contents of published company accounts. [8]  
(b) Discuss why the owners of a private limited company might wish to convert it into a public limited company. [12]
- 7 Discuss the importance of delegation for effective management. [20]