	Centre Numb	Candidate per Number
Candidate Name		

CAMBRIDGE INTERNATIONAL EXAMINATIONS

Joint Examination for the School Certificate and General Certificate of Education Ordinary Level

BUSINESS STUDIES

7115/1

PAPER 1

OCTOBER/NOVEMBER SESSION 2002

1 hour 45 minutes

Candidates answer on the question paper. No additional materials are required.

TIME 1 hour 45 minutes

INSTRUCTIONS TO CANDIDATES

Write your name, Centre number and candidate number in the spaces at the top of this page. Answer **all** questions.

Write your answers in the spaces provided on the question paper.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets [] at the end of each question or part question.

The businesses mentioned in the questions are entirely fictitious.

FOR EXAM	NER'S USE
1	
2	
3	
4	
5	
TOTAL	

This question paper consists of 11 printed pages and 1 blank page.

(a)	Giv	e an example of a business activity that would be classified as:
	(i)	a primary activity,
		[1]
	(ii)	a secondary activity.
		[1]
(b)		ntify and explain two advantages of a partnership form of business organisation appared to a sole trader.
		[4]
(-)	\	
(c)	vvn	at is meant by the term limited liability?
		[2]
(d)	(i)	Explain the purpose of the Annual General Meetings held by Public Limited Companies (plc).
		[3]

	(11)	can be learned from the analysis of such accounts?
		[5]
(e)	Ехр	lain why profits are important to businesses in the private sector.
		[4]

2	(a)	Ηον	w could a sports shoe manufacturer segment its market?
			[4]
	(b)	(i)	Define the term advertising.
			[2]
		(ii)	Explain why some advertising might not be cost effective.
			[3]

	hotel. Giving your reasons, suggest where you think they should advertise their hotel.
	[2
	"The only way to compete with rival businesses is to charge lower prices." Do you agre with this statement?
	[2
,	State three functions that packaging performs.

			ent assets fou			
(b)	Explain the dif	ference betwe	en profit and	revenue.		
				••••••		
				••••••		
(c)	Company	A (\$000	B o's)			
	Profit	10	5			
	O '' I		20			
	Capital	50 100				
Usir	Sales	100	60	/ in your viev	w has the be	tter performance.
Usir	Sales	100	60	/ in your viev	w has the be	tter performance.
Usir	Sales	100	60	/ in your viev	w has the be	tter performance.
Usir	Sales	100	60	/ in your viev	w has the be	tter performance.
Usir	Sales	100	60	/ in your viev	w has the be	tter performance.
Usir	Sales	100	60	/ in your viev	w has the be	tter performance.
Usir	Sales	100	60	y in your view	w has the be	tter performance.
Usir	Sales	100	60	y in your viev	w has the be	tter performance.
Usir	Sales	100	60	/ in your viev	w has the be	tter performance.
Usir	Sales	100	60	y in your view	w has the be	tter performance.
Usir	Sales	100	60	y in your view	w has the be	tter performance.
Usir	Sales	100	60	y in your view	w has the be	tter performance.

	are two car manufacturing companies. The wage rates in X are 25% higher than
Wh	y might these companies be paying different wage rates?
	[4]
Sho	ould a business pay its workers the lowest wage possible? Justify your answer.
	[4]
Sor	netimes a business will give fringe benefits to their employees.
(i)	Give two examples of fringe benefits.
	[2]
	Wh

(ii)	Why might businesses give such benefits?
	[3]
(d) Fig	1 above a simplified organisational abort for a company
(u) Fig	. 1 shows a simplified organisational chart for a company.
	Fig. 1
	В
	M N
p1	p2 p3 p4 p5 p6 p7 p8 p9 p10 p11 p12 p13
w1 w2 v	
<i>(</i> :)	Identify the energy of central of manager M
(i)	Identify the span of control of manager M.
	[1]
(ii)	What advantages and disadvantages can a wide span of control cause manager N?

.....[6]

•	(a)	dev	e planning authorities in country Y are considering a proposal for a major new road elopment. Some people have objected to the scheme. The building contractors are a tinational company.
		(i)	Outline the likely social benefits and costs that such a development could be expected to cause.
			[8]
		(ii)	Explain what is meant by a multinational company.

		to build the road?
		[4]
b)		omputer manufacturer based in Singapore wants to export its products to new kets in South Africa.
	Ider	ntify and explain two problems that they might face in entering a new export market.

BLANK PAGE