



# Mock Exam 3

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**BUSINESS**

**9609**

Paper 1 Short Answer and Essay

**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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**Section A**

Answer **all** Questions

- 1 (a) Define the term customer market orientation. (2)
- (b) Explain two advantages to a business of selling in international markets. (3)
- 2 (a) Define the term capital intensive production. (2)
- (b) Explain two ways a business might raise productivity levels. (3)
- 3 (a) Define the term debt factoring. (2)
- (b) Briefly explain two reasons why the effective management of working capital is important for all businesses. (3)
- 4 Explain the benefits of a co-operative to its members. (5)

**Section B**

Answer **one** question only

**EITHER**

- 5 (a) Analyse the importance for a business of distinguishing between revenue expenditure and capital expenditure. (8)
- (b) Discuss the benefits and drawbacks to a business of using only internal sources of finance to fund expansion. (12)

**OR**

- 6 (a) Analyse the possible benefits to a business of increasing its market share. (8)
- (b) Discuss whether an airline business might increase its profits by more effective market segmentation. (12)