

**CAMBRIDGE INTERNATIONAL EXAMINATIONS**

**General Certificate of Education Advanced Subsidiary Level**

**BUSINESS STUDIES**

**8707/1**

**PAPER 1 Short Answer and Essay**

**OCTOBER/NOVEMBER SESSION 2001**

1 hour 15 minutes

Additional materials:  
Answer paper

**TIME** 1 hour 15 minutes

**INSTRUCTIONS TO CANDIDATES**

Write your name, Centre number and candidate number in the spaces provided on the answer paper/answer booklet.

**Section A**

Answer **all** questions.

**Section B**

Answer **one** question.

Write your answers on the separate answer paper provided.

If you use more than one sheet of paper, fasten the sheets together.

**INFORMATION FOR CANDIDATES**

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

You are reminded of the need for good English and clear presentation in your answers.

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**This question paper consists of 2 printed pages.**



**Section A (Short Answer)**

Answer **all** questions.

- 1 (a) What is meant by the term 'market segmentation'? [2]  
(b) Why might a business segment the market for its products? [3]
- 2 Briefly explain how the Government assists businesses in your country. [5]
- 3 (a) State **two** reasons why a business should ensure the quality of its products. [2]  
(b) Outline **one** way a business might ensure the high quality of its products. [3]
- 4 (a) Distinguish between 'revenue expenditure' and 'capital expenditure'. [2]  
(b) Briefly explain why a business should depreciate its fixed assets. [3]

**Section B (Essay)**

Answer **one** question only.

- 5 Evaluate the importance of packaging to the successful launch of a new product. [20]
- 6 (a) Outline the process of work study. [8]  
(b) How useful might the results of work study be in motivating workers? [12]
- 7 (a) How might the main stakeholder groups of a business use the information contained in the published accounts? [12]  
(b) Discuss the limitations of published accounts as a source of information for stakeholder groups. [8]