

**CAMBRIDGE INTERNATIONAL EXAMINATIONS**  
**General Certificate of Education Advanced Level**

**9707/4**

**MAY/JUNE SESSION 2002**

**BUSINESS STUDIES**

PAPER 4 Essays

1 hour 30 minutes

Additional materials:  
Answer paper

**TIME** 1 hour 30 minutes

**INSTRUCTIONS TO CANDIDATES**

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

Answer **two** questions.

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.**



- 1 (a) Explain the significance of the following for businesses:
- (i) Health and Safety Legislation [5]
  - (ii) Training. [5]
- (b) To what extent should ethical issues influence business decision-making? [10]
- 2 Evaluate the importance of product portfolio management for businesses. [20]
- 3 (a) Evaluate the usefulness of setting budgets to the management of a multi-product business. [10]
- (b) How might business managers decide on the promotional budget? [10]
- 4 Evaluate the usefulness of investment appraisal techniques when choosing between alternative investment projects. [20]
- 5 (a) To what extent is product quality affected by production methods? [8]
- (b) Evaluate the methods a business might use to ensure that it produces products of good quality. [12]
- 6 (a) Why is it important for managers to distinguish between 'authority' and 'responsibility'? [8]
- (b) Discuss the factors that might influence the decision whether or not to decentralise decision-making within an organisation. [12]