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Centre number		Candidate number	
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INTERNATIONAL AS BUSINESS

UNIT 1 BUSINESS AND MARKETS

Specimen 2017

Morning T

Time allowed: 1 hour 30 minutes

Materials

For this paper you must have:

• a calculator, which you are expected to use where appropriate.

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of the page.
- Answer all questions.
- You must answer the questions in the spaces provided.
 Do not write outside the box around each page or on blank pages.
- All working must be shown.
- Do all rough work in this book. Cross through any work you do not want to be marked.
- You may not use an English dictionary.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 80.

Advice

You may use a bilingual dictionary.

For Examiner's Use	
Question	Mark
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TOTAL	

Section A

		Answer all questions in the spaces provided.	
For each ar	nswer of to cha	per question is allowed. completely fill in the circle alongside the appropriate answer. wrong METHODS © © © © © nge your answer you must cross out your original answer as rn to an answer previously crossed out, ring the answer you	
0 1	The	e price elasticity of demand for a product is -0.2. This means:	[1 mark]
	Α	Demand is price-elastic	0
	В	Revenue will increase if price increases	0
	С	The quantity demanded will increase by 2% if the price increases by 1%	0
	D	The quantity demanded will decrease by 20% if the price increases by 10%	0
0 2		market research findings for a new product have a 95% confi means:	dence level. [1 mark]
	A	95% of customers who tried the product liked it	0
	В	95% of new products will fail	0
	С	The findings are likely to be correct 95% of the time	0
	D	The product will succeed 95 times out of 100	0

0 3	The	e share price of a company is \$2. The market capitalisation is dividend paid by the company per share is \$0.50. This mea	s \$40 billion. ins: [1 mark]
	Α	The dividend yield is 2.5%	0
	В	The profit per share is \$1.5	0
	С	There are 80 billion shares in the company	0
	D	The total dividends paid are \$10 billion	0
0 4	Exp	plain one reason why a government might encourage busine	ss start-ups. [3 marks]
	-		

0 5	Having limited liability is a benefit to a company when it wants to rais from investors. Explain one reason why.	e funds
		[3 marks]
0 6	In 2016 the value of the British pound fell against other currencies.	
	Explain how a fall in the value of the British pound against other currenight affect the sales of a UK exporter.	encies [4 marks]
		[+ marks]

5	
Mattel is a global toy business, producing products such as Barbi Hotwheels.	e and
Explain one benefit of segmentation to a toy manufacturer.	[4 marks]
Turn over for the next section	
	Mattel is a global toy business, producing products such as Barbi Hotwheels. Explain one benefit of segmentation to a toy manufacturer.

Section B

	Answer all questions in the spaces provided.
0 8	The profits of a retail business may be reduced by an increase in interest rates. Explain why. [9 marks]

	Extra space
0 9	The promotional mix is likely to differ for an industrial product, such as production machinery, compared to a consumer product, such as a newspaper.
	Analyse how the promotional mix might differ between industrial products and consumer products.
	[9 marks]

Extra space

1 0	Coca-Cola, the global drinks producer, has a portfolio of products included drinks, bottled water, energy drinks and fruit juices.	ing soft
	Having a portfolio of products can help ensure long-term sales growth for Coca-Cola. Analyse the reasons why.	
		marks]

Extra space

Section C

	Answer all questions in the spaces provided.
1	Sam is thinking of setting up a business with other members of his family.
	Do you think setting up as a family business is a good idea? Assess the advantages and disadvantages and make a judgement. [12 marks]

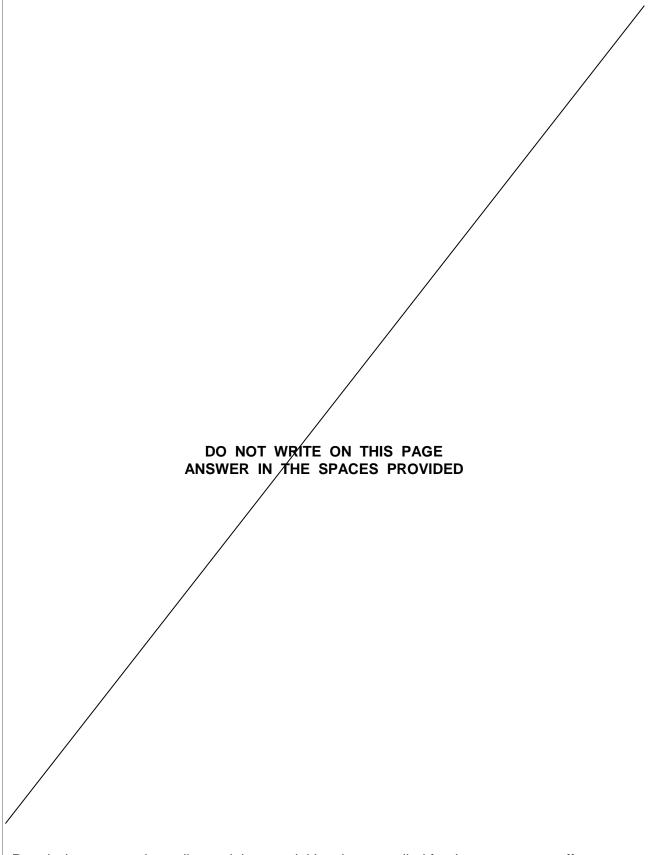
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Extra space _		
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1 2	Ahmed is considering spending money on primary market research before he starts up his own business as a website designer.				
	Would you recommend that he do this? Assess the arguments for and against and make a judgement.	[12 marks]			

Extra space

1 3	McDonald's is a global business that has many franchisees.				
	Do you think that franchising is a good way for a business to grow globally? Assess the arguments for and against and make a judgement.				
	[12 marks]			
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END OF QUESTIONS



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