

---

# INTERNATIONAL AS & A-Level BUSINESS STUDIES

## 9725

Unit 1 Business and markets

---

Specimen paper      X am UK Time      Time allowed: 1 hour 15 minutes

**Materials**

You will need no other materials.

**Instructions**

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this 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.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- Do all rough work in this book. Cross through any work you do not want to be marked.

**Information**

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 60.

**Section A**

Answer **all** questions in the spaces provided.

0	1
---	---

Describe one typical characteristic of a successful entrepreneur.

**[2 marks]**

---

---

---

---

0	2
---	---

Describe one feature of an effective business objective.

**[2 marks]**

---

---

---

---

0	3
---	---

Describe one factor which might affect the demand for a product.

**[2 marks]**

---

---

---

---

0	4
---	---

Describe one benefit to a business of producing a business plan.

**[2 marks]**

---

---

---

---

0	5
---	---

Describe one benefit of using sampling when undertaking market research.

**[2 marks]**

---

---

---

---

10
----

**Turn over for the next section**

### Section B

Answer all questions in this section.

0	6
---	---

The sales of business X are \$21,600. Its profits are \$12,000.

The total sales of all businesses in the market are 50,000 units with a value of \$240,000.

Calculate the market share by value of business X.

**[2 marks]**

---



---



---



---

0	7
---	---

Sales of product X last year = 20,000 units

Sales of product X this year = 22,000 units

Average consumer income increases from \$50,000 last year to \$65,000 this year

Calculate the income elasticity of demand for this product.

Give your answer to 2 decimal places.

**[4 marks]**

---



---



---



---



---



---



---



---

0	8
---	---

The following financial information relates to a business for the last financial year:

Number of issued shares= 120 million

Total annual dividends = \$15 million

Market price of shares= \$2.50

Calculate the dividend yield.

**[4 marks]**

---

---

---

---

---

---

---

---

10
----

**Turn over for the next section**

## Section C

Answer all questions in this section.

0	9
---	---

Analyse **two** benefits to a car manufacturer of using market segmentation.

**[8 marks]**

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.

1	0
---	---

Sami wants to set up his own business with his two brothers.

Analyse **one** advantage and **one** disadvantage to Sami of being a family business.

**[8 marks]**

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

16
----

**Turn over for the next section**

1	1
---	---

**[12 marks]**

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are no margins, text, or other markings on the paper.



---

---

---

---

---

1	2
---	---

Over the last 12 months consumer incomes in the country have not been growing and ETK Ltd ,a luxury watch manufacturer, has experienced falling sales.

ETK Ltd is considering launching a new range of watches at a low price.

Assess the arguments for and against and make a judgement on whether this is a good idea.

**[12 marks]**

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

---

---

---

---

---

---

---

---

---

**END OF QUESTIONS**

Permission to reproduce all copyright material has been applied for. In some cases, efforts to contact copyright-holders may have been unsuccessful and Oxford AQA International Qualifications will be happy to rectify any omissions of acknowledgements. If you have any queries please contact the Copyright Team, AQA, Stag Hill House, Guildford, GU2 7XJ.