



Cambridge International AS & A Level

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BUSINESS**9609/31**

Paper 3 Business Decision-Making

May/June 2026**1 hour 45 minutes**

You must answer on the question paper.

You will need: Insert (enclosed)

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen. Do **not** use correction fluid or tape.
- Do **not** write on any bar codes.
- You may use an HB pencil for any diagrams, graphs or rough working.

INFORMATION

- The total mark for this paper is 60.
- The number of marks for each question or part question is shown in brackets [].
- The insert contains the case study.

This document has **12** pages. Any blank pages are indicated.

1 Analyse **two** impacts on SLS of operating in a market with many competitors.

[8]

2 Analyse **two** reasons why quality is important to SLS.

[8]

- 3 (a) Refer to lines 33–35, calculate the price elasticity of demand of increasing the price per individual carton of ice cream from \$3.50 to \$4.00.

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..... [2]

- (b) Refer to lines 30–32, calculate the income elasticity of demand for SLS's products sold through retailers.

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- (c) Evaluate the likely impact on the marketing behaviour of SLS of an increase in the average income in country A.

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[12]

- 4 (a)** Using data in Table 1.1, calculate the new gearing ratio if SLS borrows \$3 million to open a factory and a regional office in country Z.

[4]

- (b)** Evaluate the likely impact on the shareholders of SLS of the decision to increase long-term borrowing by \$3 million.

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[12]

[12]

- 5 Evaluate the likely benefits to SLS of decentralising decision making to its new regional office in country Z.

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