

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Pearson Edexcel
International
Advanced Level

Centre Number

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Candidate Number

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Monday 7 January 2019

Morning (Time: 1 hour 30 minutes)

Paper Reference **WBS01/01**

Business Studies

International Advanced Subsidiary

Unit 1: Business Enterprise

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions in Section A and Section B.
- Answer the questions in the spaces provided
– *there may be more space than you need.*

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*
- In your responses, you should take care with your punctuation and grammar, as well as the clarity of expression.
- Calculators may be used.

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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SECTION A

Answer ALL the questions in this section. Write the letter of your chosen answer in the box and then explain your choice in the space provided.

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You should spend 30 minutes on this section. Use the data to support your answers where relevant. You may annotate and include diagrams in your answers.

1 China Construction Bank plc is one of the world's biggest public limited companies.

(a) Which **one** of the following is an advantage of being a public limited company for China Construction Bank?

(1)

- A It publishes its annual accounts
- B It can control who buys its shares
- C Its shareholders have unlimited liability
- D It can raise funds through the stock exchange

Answer

(b) Explain why this answer is correct.

(3)

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(Total for Question 1 = 4 marks)



2 *S.B. Roofing Ltd* has cash flow problems. It needs to pay its employees their wages but is waiting for £4 300 from customers.

(a) Which **one** of the following is the **most suitable** source of finance to overcome this problem? (1)

- A Leasing
- B Overdraft
- C Debenture
- D Bank loan

Answer

(b) Explain why this answer is correct. (3)

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(Total for Question 2 = 4 marks)

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3 *Aldi* is an international supermarket chain offering high-quality products at prices 30% lower than rival supermarkets.

(a) The **most likely** reason for *Aldi* to use this strategy is to

(1)

- A sample the market
- B gain a competitive advantage
- C test the market
- D reduce production costs

Answer

(b) Explain why this answer is correct.

(3)

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(Total for Question 3 = 4 marks)

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4 In 2004 Poland joined the European Union (EU). Many Polish workers then migrated to other European countries to seek work.

(a) The **most likely** impact of this migration on businesses in Poland is (1)

- A** average wage rates are reduced
- B** economic growth is sustained
- C** more people are willing to work
- D** skills gaps cannot be filled

Answer

(b) Explain why this answer is correct. (3)

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(Total for Question 4 = 4 marks)

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5 *Stand 4 Socks* is a social enterprise manufacturing 'socks with impact'. For every pair sold, it pays to plant ten trees or vaccinate three children.

(a) The **most likely** motivation for *Stand 4 Socks* being in business is to (1)

- A make a contribution to society
- B pay employees the minimum wage
- C maximise and retain its profits
- D keep costs to a minimum

Answer

(b) Explain why this answer is correct. (3)

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(Total for Question 5 = 4 marks)

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6 The United Nations predicts a world population of 9.1 billion by 2050. This will require a 70% increase in current global food production to be able to feed everyone.

(a) Which **one** of the following is a **direct** factor in the supply of food?

(1)

- A Changing tastes and fashions
- B Growth in disposable income
- C Advertising to consumers
- D Levels of technology

Answer

(b) Explain why this answer is correct.

(3)

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(Total for Question 6 = 4 marks)

TOTAL FOR SECTION A = 24 MARKS



SECTION B

Answer ALL questions in this section.

You should spend 60 minutes on this section.

Evidence A: About *careercake.com*

careercake.com

Founded by Aimee Bateman, *careercake.com* is an award-winning, online learning platform. It sells on-demand career advice and training courses, with interactive access at any time, day or night. Courses are delivered by world-leading experts in their chosen industries.

5

We pride ourselves on providing a personal service to all our customers at each stage of their career development. We give you the skills to take control of your own careers and build confidence to inspire others.

(Source: adapted from © Copyright 2017 Careercake Limited)

Evidence B: Aimee Bateman of *careercake.com*

Since graduating from Glamorgan University in 2003, Aimee worked for some of the UK's largest recruitment companies including *Hays Plc*, *Reed Recruitment* and *Robert Half International*.

Her achievements include an Honorary Fellowship from Cardiff Metropolitan University for her contribution to careers and the community.

5

She is the Welsh Ambassador for National Careers Week and the official Careers Coach for the Association of Accounting Technicians.

Aimee is a successful, award-winning entrepreneur, speaker, business ambassador and recognised employment expert, and was a judge at the 2017 Great British Entrepreneur Awards.

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(Source: adapted from © Cardiff Metropolitan University)

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Evidence C: *Careercake.com* courses

The following are a sample of the training courses and business support offered by *careercake.com*.

Maximising your productivity

Aimee identifies some of the characteristics that highly successful people have in common. She will demonstrate how to complete a 90-day priority plan, and share a list of strategies that you can adopt to ensure you achieve your goals. 5

Grow your business using *LinkedIn*

Aimee built her global business using *LinkedIn* and shares her learning with you, so you know how to use this social media platform to get clients and help to grow your business. 10

How to write a business plan

A business plan is so important and is the key to creating a successful enterprise.

(Source: adapted from © Copyright 2017 Careercake Limited)

Evidence D: Some *careercake.com* details

- Working in 21 countries
- 17 million *YouTube* hits
- Working with more than 20 UK universities

(Source: adapted from © Copyright 2017 Careercake Limited)

Evidence E: *Careercake.com* course - Entrepreneurship

Ideas are great. It is the 'doing' that is the hard part of running a business.

If you want to make it as an entrepreneur, you need to learn how to think differently and develop skills you never thought you would need.

Careercake.com offers a range of courses for today's entrepreneurs, passionate people who want to make their business a success. 5

Our experts offer real-life guidance based on their personal experience that you can apply to your business idea the minute you finish the course.

(Source: adapted from © Copyright 2017 Careercake Limited)



7 Explain **one** benefit to a new entrepreneur of having a business plan.

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(Total for Question 7 = 6 marks)

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8 Aimee has decided to produce a cash flow forecast for *careercake.com*.

(a) Explain **one** advantage and **one** disadvantage of cash flow forecasting for *careercake.com*.

(6)

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(b) Explain **two** non-price factors that could affect demand for *careercake.com*'s services.

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9 In 2016 it is estimated that *careercake.com* made £150 000 in revenues and £84 000 in gross profit.

(a) Using the data, calculate *careercake.com*'s gross profit margin.
(Show your working.)

(4)

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Aimee uses a competitive pricing strategy for her online entrepreneurship training courses.

(b) Assess whether this is the most appropriate pricing strategy to use.

(8)

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(Total for Question 9 = 12 marks)



10 Assess how economic influences may affect *careercake.com*.

(12)

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(Total for Question 10 = 12 marks)



11 Assess how useful ICT might be as a market research tool for *careercake.com*.

(14)

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(Total for Question 11 = 14 marks)

TOTAL FOR SECTION B = 56 MARKS

TOTAL FOR PAPER = 80 MARKS



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