www.dynamicpapers.com

Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International GCSE

Time 1 hour 30 minutes

Paper reference **4BS1/01R**

Business

PAPER 1: Investigating small businesses

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.
- Answer the questions in the spaces provided – *there may be more space than you need.*
- Calculators may be used.

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.*

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 ▶

P70736A

©2022 Pearson Education Ltd.

Q:1/1/1/1/

P 7 0 7 3 6 A 0 1 2 0

Pearson

www.dynamicpapers.com

FORMULAE FOR INTERNATIONAL GCSE BUSINESS

Gross profit margin:

Gross profit = revenue – cost of sales

$$\text{Gross profit margin} = \frac{\text{gross profit}}{\text{revenue}} \times 100$$

Operating profit margin:

Operating profit = gross profit – other operating expenses

$$\text{Operating profit margin} = \frac{\text{operating profit}}{\text{revenue}} \times 100$$

Markup:

$$\text{Markup} = \frac{\text{profit per item}}{\text{cost per item}} \times 100$$

Return on capital employed (ROCE):

$$\text{ROCE} = \frac{\text{operating profit}}{\text{capital employed}} \times 100$$

Current ratio:

$$\text{Current ratio} = \frac{\text{current assets}}{\text{current liabilities}}$$

Acid test ratio:

$$\text{Acid test ratio} = \frac{\text{current assets} - \text{inventory}}{\text{current liabilities}}$$

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

1 *Can Culleretes* is a restaurant based in the Spanish city of Barcelona. Opening in 1786 it is the second oldest restaurant in Spain. It has been run by the Agut-Manubens family since 1958 and serves a variety of Mediterranean food. Sisters Montserrat and Alicia are co-owners of the restaurant with six members of the family working for them. The restaurant is near to popular tourist attractions and close to many other restaurants. It opens for lunch and dinner only.

(a) (i) Which **one** of the following could immediately improve cash flow?

Select **one** answer.

(1)

☒ **A** Allow customers to pay later

☒ **B** Launch an advertising campaign

☒ **C** Increase inventory of raw materials

☒ **D** Pay suppliers later

(ii) Which **one** of the following is an example of primary market research?

Select **one** answer.

(1)

☒ **A** Internet

☒ **B** Postal survey

☒ **C** Newspaper

☒ **D** Government report

(iii) Which **one** of the following is a fixed cost?

Select **one** answer.

(1)

☒ **A** Rent

☒ **B** Packaging

☒ **C** Weekly wages

☒ **D** Raw materials

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

(iv) Which **one** of the following is used to calculate the break-even point?

Select **one** answer.

(1)

- ☒ **A** Fixed costs × (selling price + variable costs)
- ☒ **B** Fixed costs × (selling price – variable costs)
- ☒ **C** Fixed costs ÷ (selling price + variable costs)
- ☒ **D** Fixed costs ÷ (selling price – variable costs)

For its Winter menu *Can Culleretes* buys 10 kilograms (kg) of salmon from Scotland every week at a cost of £19.17 per kilogram.

In November 2021 the exchange rate was £1 = €1.17

(v) Which **one** of the following is the total cost in euros of buying a two week supply of salmon?

Select **one** answer.

(1)

- ☒ **A** €191.70
- ☒ **B** €224.29
- ☒ **C** €383.40
- ☒ **D** €448.58

Can Culleretes buys its prawns from a local fishmonger at a cost of €11.50 a kilogram. It is then sold to customers for €13.70 a kilogram.

(vi) What is the markup on a kilogram of prawns?

Select **one** answer.

(1)

- ☒ **A** 11.5%
- ☒ **B** 13.7%
- ☒ **C** 19.1%
- ☒ **D** 23.0%

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(b) Define the term **job production**.

(1)

(c) Define the term **diseconomies of scale**.

(1)

(d) State **one** method *Can Culleretes* could use to collect quantitative market research.

(1)

Figure 1 is an extract from *Can Culleretes'* cash-flow forecast.

	June
Opening balance	€4 400
Cash inflow	€4 600
Cash outflow	€3 000
Net cash flow	

Figure 1

(e) Calculate the net cash flow for *Can Culleretes* in June. You are advised to show your working.

(2)

€.....

www.dynamicpapers.com

(f) Explain **one** benefit to a business of improving communication with its employees.

(3)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

Can Culleretes is looking to launch an app that allows customers to order their meals in the restaurant using their mobile phones.

(g) Analyse the likely impact on productivity if *Can Culleretes* launches this app.

(6)

(Total for Question 1 = 20 marks)

www.dynamicpapers.com

2 During the preparation of food, the chefs at *Can Culleretes* have to follow health and safety regulations. New regulations are made from time to time.

(a) State **one** impact government legislation could have on *Can Culleretes*.

(1)

(b) State **one** way *Can Culleretes* might add value to its business.

(1)

(c) Explain **one** method a business could use to encourage repeat purchase of its products.

(3)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(d) Explain **one** disadvantage of using personal savings as a source of finance for a business.

(3)

(e) Explain **one** benefit for a business of motivating its employees.

(3)

www.dynamicpapers.com

Can Culleretes is looking to improve its revenue and is considering two options:

Option 1: increase advertising

Option 2: opening for breakfast.

(f) Justify which **one** of these two options *Can Culleretes* should choose.

(9)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

(Total for Question 2 = 20 marks)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

3 (a) Define the term **non-current assets**.

(1)

(b) Outline **one** disadvantage to *Can Culleretes* of increasing the amount of inventory it holds.

(2)

Figure 2 is an extract of financial information from *Can Culleretes*.

Sales revenue	€19 220
Cost of sales	€14 720
Gross profit	€4 500

Figure 2

(c) Calculate, to 2 decimal places, the gross profit margin. You are advised to show your working.

(2)

.....%

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

(d) Analyse the impact of customers using social media to review *Can Culleretes*.

(6)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

Can Culleretes is planning to introduce a new range of desserts. To do this it would have to recruit a new dessert chef.

Can Culleretes is considering two options:

Option 1: offer the new chef a permanent contract

Option 2: offer the new chef a temporary contract.

(e) Justify which **one** of these two options *Can Culleretes* should choose.

(9)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

(Total for Question 3 = 20 marks)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

4 *Can Culleretes* offers a fixed price dinner menu at €38.40 per person. Groups of five or more are given a discount of 12.5% on their total bill.

(a) Calculate the total cost of a group of 12 people ordering from the fixed price dinner menu. You are advised to show your working.

(2)

€.....

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

The city of Barcelona has seen a number of new restaurants offering various menus such as Italian and Turkish.

(b) Analyse the importance of *Can Culleretes* responding to changes in its market.

(6)

www.dynamicpapers.com

Can Culleretes is opening Can Café near its restaurant. Can Café will be a smaller premise providing a variety of drinks and smaller plates of food for people in a hurry.

(c) Evaluate the impact of using venture capital as a source of finance to fund the opening of Can Café. You should use the information provided as well as your own knowledge of business.

(12)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS

www.dynamicpapers.com

BLANK PAGE

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA