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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 **4BS1/02R**

Business

PAPER 2: Investigating large 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.*

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.*
- 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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Q:1/1/1

P 7 0 3 5 0 A 0 1 2 0

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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:

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

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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 *Cadbury* was founded in 1842 when John Cadbury opened a shop in Birmingham in the UK. The shop sold cocoa and drinking chocolate. *Cadbury* is now one of the major chocolate manufacturers in the world.

In 1918 the first overseas *Cadbury* factory was opened in Hobart, Tasmania in Australia. Another factory opened in South Africa in 1938. *Cadbury* chocolates are sold across the world and other factories have been opened. *Cadbury* produces many well-known brands, such as Dairy Milk, Buttons and Crunchie. It also produces ice cream and cakes.

Cadbury is now part of *Mondelez*, the largest snack business in the world.

(a) (i) Which **one** of the following types of business ownership would usually be formed by a business of two solicitors?

Select **one** answer.

(1)

☒ **A** Sole trader

☒ **B** Partnership

☒ **C** Public Corporation

☒ **D** Public Limited Company

(ii) Which **one** of the following would show a business its cash flow forecast?

Select **one** answer.

(1)

☒ **A** Cash inflows and outflows

☒ **B** Money owed to its creditors

☒ **C** Net cash flow

☒ **D** Opening and closing balances

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In the UK an 850 gram *Cadbury* Dairy Milk Bar costs £9.99 (GBP).

The exchange rate is £1.00 = 20.58 ZAR (South African Rand)

(iii) Which **one** of the following would a customer in South Africa pay in ZAR for two 850 gram *Cadbury* Dairy Milk Bars?

Select **one** answer.

(1)

- ☒ **A** 41.60
- ☒ **B** 205.60
- ☒ **C** 411.19
- ☒ **D** 411.60

(iv) Which **one** of the following functional areas would a skilled machinist work in?

Select **one** answer.

(1)

- ☒ **A** Finance
- ☒ **B** Human Resources
- ☒ **C** Production
- ☒ **D** Marketing

A *Cadbury* Crunchie Bar normally costs £0.95. It is on special offer for £0.87.

(v) What is the percentage decrease in the price of the *Cadbury* Crunchie?

Select **one** answer.

(1)

- ☒ **A** 0.92%
- ☒ **B** 1.09%
- ☒ **C** 8.00%
- ☒ **D** 8.42%

(vi) Which **one** of the following is an example of secondary market research?

Select **one** answer.

(1)

- ☒ **A** Telephone Survey
- ☒ **B** Market Report
- ☒ **C** Test Marketing
- ☒ **D** Focus Group

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(b) Define the term **personal savings**.

(1)

(c) Define the term **sole trader**.

(1)

(d) State **one** reason why *Cadbury* might pay its UK employees above the minimum wage.

(1)

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Cadbury makes a chocolate cake for £6.50. A tax of 20% is added to give the selling price.

(e) Calculate the selling price of the chocolate cake. You are advised to show your working.

(2)

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(f) Explain **one** advantage for businesses if banks reduce their interest rates.

(3)

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(g) Analyse **two** factors that could influence *Cadbury* when locating a new factory.

(6)

(Total for Question 1 = 20 marks)

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2 *Cadbury* wants to appoint committed people who will become valued employees.

(a) State **one** item of information that an applicant might include in their Curriculum Vitae (CV) when applying for a position with *Cadbury*.

(1)

(b) State **one** item of information that may appear in a job description for a *Cadbury* Production Line Supervisor.

(1)

(c) Explain **one** method a business could use to motivate its employees.

(3)

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(d) Explain **one** reason why a business has fully trained employees.

(3)

(e) Explain **one** reason why many manufacturing businesses use Kaizen in their factories.

(3)

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Cadbury wants to retain its skilled employees. To do this it is looking to offer them different ways of working. It is considering the following two options:

Option 1: allowing employees to work part-time

Option 2: allowing employees to job share.

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

(9)

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(Total for Question 2 = 20 marks)

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3 *Cadbury* donates some of its charity funds to local activities in the communities where its factories are located.

(a) Define the term **public relations**.

(1)

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(b) Outline **one** reason why *Cadbury* interviews shortlisted candidates for vacancies in its functional areas.

(2)

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Cadbury donated £7 617 600 to its charity fund in 2017. In 2018 this donation was 1.2% lower.

(c) Calculate the donation *Cadbury* made in 2018. You are advised to show your working.

(2)

£.....

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(d) Analyse why some governments have introduced legislation to reduce the amount of sugar in chocolate.

(6)

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Cadbury introduces new products on a regular basis, such as Dinky Deckers. The aim of this is to maintain customer loyalty by offering new products. Before releasing Dinky Deckers for sale to the public, *Cadbury* had to decide the method of production it would use. It considered the following two options:

Option 1: batch production

Option 2: flow production.

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

(9)

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(Total for Question 3 = 20 marks)

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4 *Cadbury* is part of the multinational *Mondelez* business. In 2017 *Mondelez* had a gross profit of $10.3 million and a revenue of $25.9 million.

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

(2)

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When *Cadbury* was founded in 1842, there may have been times when it needed an overdraft.

(b) Analyse why *Cadbury* may have needed to take out an overdraft.

(6)

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(c) Evaluate the importance of marketing for *Cadbury* when introducing a new product. You should use the information provided as well as your own knowledge of business.

(12)

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(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS

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Sources:

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