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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 Advanced Level

Time 2 hours

Paper reference **WBS12/01**

Business

International Advanced Subsidiary
UNIT 2: Managing business activities

You must have:
Source Booklet (enclosed)

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 Sections A, B and C.
- 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.

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SECTION A

Read Extracts A and B in the Source Booklet before answering Question 1.

Write your answers in the spaces provided.

1 (a) Define the term 'personal savings'. (Extract A, line 4)

(2)

The variable cost of the pillar candle for *Bee Hive Candles (BHC)* has increased from $4.70 to $5.50.

(b) Using the data in Extract A, explain **one** way the change in the contribution of the pillar candle may affect *BHC*'s break-even point.

(4)

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(c) Analyse **two** reasons why *BHC*'s actual sales may be higher than the sales forecasts.

(6)

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(d) Discuss whether *BHC* can successfully compete with larger candle making businesses.

(8)

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(e) Assess the possible benefits for *BHC* of using labour-intensive production methods.

(10)

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(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS

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SECTION B

Read Extract C in the Source Booklet before answering Question 2.

Write your answers in the spaces provided.

2 (a) Define the term 'survey'. (Extract C, line 11)

(2)

(b) Using the data in Extract C, calculate the number of students using *CoLearn* who improved their grades in 2021. You are advised to show your working.

(4)

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(c) Analyse **two** reasons why a boom or a peak in the business cycle may be beneficial to *CoLearn*.

(6)

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At the end of 2021, the monthly minimum wage in Jakarta, Indonesia was increased by 5.1% to the equivalent of $325.

(d) Discuss the likely impact of this increase in the monthly minimum wage on *CoLearn*.

(8)

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(e) Assess the benefits to *CoLearn* of using venture capital as a source of finance.

(10)

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(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS

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SECTION C

Read Extract D in the Source Booklet before answering Question 3.

Write your answer in the space provided.

3 Using the data in Extract D, evaluate whether *Anzüge von Nicolaus* (*AvN*) should be concerned about its liquidity and working capital position in 2021.

(20)

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(Total for Question 3 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS
TOTAL FOR PAPER = 80 MARKS

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Pearson Edexcel International Advanced Level

Time 2 hours

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Source Booklet

Do not return this Booklet with the question paper.

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Sources for use with Section A

Extract A

Bee Hive Candles

US-based business, *Bee Hive Candles* (*BHC*) produces candles made from 100% pure beeswax. All candles are handmade using beeswax from US bees. Jennifer Wesolowski started the business in 2000, using personal savings. She decided to change from making candles as a hobby to setting it up as a business.

A wide range of candles are offered but by using 100% beeswax, all candles are environmentally friendly. Unlike typical paraffin candles, they are biodegradable and produce no harmful toxins. They burn for longer, meaning better value for money.

Although still a small business, *BHC* is growing. This is due to increasing consumer awareness of environmental issues and positive feedback on social media platforms. Jennifer remains dedicated to making quality candles and offering outstanding customer service. Newsletters are emailed to existing customers to advise of new products and offers.

BHC charges $9.95 to send its candles to customers all over the US but at the moment does not accept orders from outside the US. Prices of the candles range from $6.95 to over $100 for a large pack of candles. The best-selling product is the pillar candle, priced at $17.95. It is popular because of its relatively low price and burns for approximately 50 hours.

Extract B

Candle sales in the US – some figures

- The US has the largest share of customers buying candles in the world.
- In the US 35% of all candles are sold online and this is increasing.
- Beeswax candles account for only 2% of all candle sales in the US market; this figure is increasing.
- Paraffin candles are currently the most popular type of candle, with nearly 40% of the market. This is followed by soy wax, palm wax and beeswax.

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Source for use with Section B

Extract C

***CoLearn* leading the way**

CoLearn is an e-learning platform based in Jakarta, Indonesia. In exchange for a fee, this online platform helps students across Indonesia with their mathematics homework and exam preparation. *CoLearn* offers a video library containing over 250,000 solutions to mathematics problems and online lessons, taught by teachers of the highest quality.

Market research shows that many students in Indonesia have phones with limited storage space. As students can access the videos through a WhatsApp account without having to download a separate app, *CoLearn* has an advantage over competitors because it is more accessible to these students.

CoLearn attracted 3.5 million students in 2021. They asked on average 5 million questions each month. A market research survey of students who used the e-learning platform showed that 80% had improved their grades following its use.

Although mathematics is its specialism, *CoLearn* has plans to expand to offer lessons and videos for other subjects. 67% of Indonesian students use their phones in class and 81% use them to do homework. The widespread availability of mobile devices and internet access has helped *CoLearn*'s expansion plans and its ability to secure funding from several venture capitalists.

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Source for use with Section C

Extract D

***Anzüge von Nicolaus* (*AvN*)**

AvN is a German-based clothing manufacturer with over eight years of experience in the industry. Located in Leipzig, *AvN* offers the highest standard of office suits for men.

An experienced team of machinists cut, sew and trim the trousers and jackets, to supply some of the most famous names in the German clothing retail sector. *AvN* is a private limited company.

Selected information from the 2021 statement of financial position (balance sheet) for *AvN* is shown in the table below.

	Euros (€ 000)
Inventory	740
Trade receivables	960
Cash	424
Total current assets	2 124
Total current liabilities	2 064

Acknowledgements

Extract A adapted from: https://www.beehivecandles.com

Extract C adapted from: https://medium.com/gsv-ventures/colearn-a-weapon-of-mass-instruction-210a4e9ac0a0