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Mark Scheme (Results)

January 2023

Pearson Edexcel International A Level
In Business (WBS14) Paper 01
Unit 4: Global business

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

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Question	Using Extract A, calculate to **two** decimal places the GDP per capita of Senegal in 2021. (4) **Answer**	Mark
1(a)	**Knowledge 1, Application 2, Analysis 1** **QS2** Calculate, use and ratios, averages and fractions **Knowledge** 1 mark for identifying any suitable formula eg: • GDP / Population **(1)** **Application** Up to 2 marks for selecting the correct data: • $25.5bn **(1)** 17.2 million **(1)** **Analysis** 1 mark for calculating GDP per capita • = $1 482.56 **(1)** **NB: If no working is shown, award marks as follows:** If the answer given is $1 482.56 award 4 marks. If the answer given is 1 482.56 award 3 marks.	**(4)**

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Question	Explain **one** advantage for an African country, such as Senegal, of being a member of the African Continental Free Trade Area (AfCFTA). (4) **Answer**	Mark
1(b)	**Knowledge 1, Application 2, Analysis 1** **Knowledge** 1 mark for identifying an advantage, e.g.: • There will be fewer trade barriers (**1)** **Application** Up to 2 marks for contextualised answers, e.g.: • It is hoped that 97% of all tariffs will go **(1)** • Intra-African trade only accounts for 17% of African exports **(1)** **Analysis** 1 mark for developing the advantage, e.g.: • Fewer trade barriers such as tariffs will make a country such as Senegal's exports more competitive and will lead to more economic growth **(1)**	**(4)**

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Question	Discuss the usefulness of GDP as an indicator of growth. (8) **Indicative content**
1(c)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • GDP measures the output of goods and services in an economy over a period of time • Increases in GDP can represent an increase in output showing increases in national income • This can show an increase in living standards for the population • A change in growth rates as measured by GDP can indicate the need for a change in economic policy • One country can compare its growth rate to other countries • However, inflation can distort GDP figures, a 3% increase in GDP with a 2% inflation rate is only a 1% growth rate in real terms • An increase in GDP may not represent an increase in income for many people if wealth distribution is inequitable • Economic activity may be unrecorded making GDP inaccurate • It does not measure qualitative aspects of life

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Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–5	Accurate knowledge and understanding. Applied accurately to the business and its context. Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete. An attempt at an assessment is presented that is unbalanced and unlikely to show the significance of competing arguments.
Level 3	6–8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors.

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Question	Assess the importance of political stability when choosing a production location. (12) **Indicative content**
1(d)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • Political stability is important because it means that the business is less likely to be disturbed by political events beyond its control • Economic policy is less likely to suddenly change • Political instability can be very disruptive to business activity such as civil unrest • The 'gilets jaunes' in France have caused delays and problems for some businesses • In extreme form, political instability such as armed insurrection or even war can be a catastrophic problem • Political stability means that corruption is likely to be lower which reduces the costs and problems for a business • Politically stable countries such as Senegal may be more attractive to investors than its close neighbours such as Guinea and Mali that have had coups and terrorist attacks • However, other factors may be more important such as the cost and availability of labour, - *JLR*'s decision to increase production in Slovakia and Europe • Access to raw materials - Senegal may be a stable country but its reserves of gas and oil are the main reasons for its recent increase in FDI • Infrastructure may be an important factor – such as *Nissan*'s need for a deep water port at Sunderland • These may outweigh or override political stability as a deciding factor • Being able to manufacture from within a trade bloc such as the EU may be more important • Much depends on the nature of the business and its needs

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Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5–8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	9 –12	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors, leading to a supported judgement.

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Question	Assess the role of reduced costs of transport and communication in increasing globalisation. (12) Indicative content
1(e)	**QS9** Interpret, apply and analyse information in written, graphical and numerical forms. **Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • Transport and communication costs have reduced significantly since 1945 • Shipping, with the advent of containerisation, has made it much easier and cheaper to move goods around the world • By the end of the 20th century it was just over 20% of its former cost • What would have been uneconomic previously now became viable, thus increasing the amount and type of goods traded • Cheaper air travel made face-to-face interaction more common, increasing integration and understanding as well as benefiting trading arrangements • Communication has improved, satellites and technological advances have reduced the cost of communicating to a fraction previously experienced • All of these have increased globalisation by making it easier and cheaper for economies to integrate • However, there are other factors that have played an important part in increasing globalisation • The World Trade Organisation (WTO) organises rounds of negotiations to increase and liberalise trade such as the Doha round • Through such rounds, reductions in trade barriers are negotiated • The WTO supervises world trading arrangements and trade negotiations and promotes the benefits of free trade • It helps to resolve disputes between governments such as the agreement on harmful fishing subsidies • The expansion of trading blocs has done much to liberalise trade such as the EU and more recently in Extract B, the AfCFTA • Political change such as the opening up of previously closed economies has increased integration • Labour has become more mobile, migration of people spread ideas and culture leading to further globalisation

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	• Transport and communication costs is just one of several factors but it is an important contributor to trade liberalisation

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5–8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	9 –12	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors, leading to a supported judgement.

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Question	Evaluate the extent to which the actions of multinational corporations can be controlled. (20) **Indicative content**
2	Indicative content guidance Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation** – indicative content • A MNC is a business that operates in more than one country, their actions can be controlled in a number of ways • Countries in which they operate have a legal framework and MNCs need to comply with tax rules, planning controls and safety directives • Direct governmental control such as legal action if necessary, can control MNCs, Extract F gives an example of *Shell* facing a Dutch court • By mobilising public opinion pressure groups can create negative publicity for a business that can cause it to modify its behaviour for fear of losing sales • Break Free from Plastics is trying to do that in Extract E • Social media can be used by pressure groups or individuals to rapidly spread news of campaigns and transgressions by MNCs, which increases the pressure on them to modify behaviour • Consumers can boycott a business' products when they have concerns, *Canada Goose* stopped using fur following a successful boycott of their products • MNCs respond by altering/modifying their actions for fear of loss of image/reputation/sales • Some MNCs are self-regulating and pride themselves on their ethical stance and behaviour such as *IKEA* • In practice it is often a combination of these factors that lead to success in controlling the actions of MNCs • However, the effectiveness of government control/legal regulation is dependent on the size and influence of the country and on the size and resources of the MNC • Some governments are reluctant to confront MNCs too directly for fear of losing important investment and employment created by the MNCs, this can outweigh the actions of pressure groups and the influence of public opinion • Not all MNCs are likely to be influenced by pressure groups or public opinion, particularly those not reliant on consumer sales such as mining companies like *Glencore* • MNCs can mount their own campaigns via the media and social media to counteract public opinion, such as so-called 'greenwashing'

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	• MNCs can be very wealthy and mount effective legal defences • In some countries consumer pressure is unlikely to be strong, it tends to be more effective in affluent well-informed societies • The extent to which they can be controlled depends on the circumstances and the relative power each agent holds

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	0	No rewardable material.
Level 1	1–4	Isolated elements of knowledge and understanding. Weak or no relevant application of business examples. An argument may be attempted, but will be generic and fail to connect causes and/or consequences.
Level 2	5–8	Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question. A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.
Level 3	9–14	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question. Arguments are well developed. Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
Level 4	15–20	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of causes and/or effect(s). Arguments are fully developed. Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.

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Question	Evaluate the implications for non-Asian businesses of the growing economic power of Asia. (20) **Indicative content**
3	**QS9** Interpret, apply and analyse information in written, graphical and numerical forms. Indicative content guidance Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • Asia is expected to grow rapidly, reaching a 52% share of global GDP by 2040 • As economic growth rises, disposable incomes rise, thus increasing the demand for goods and services • The middle classes are expanding rapidly which means a huge and growing potential consumer market for many non-Asian firms and this is likely to lead to increased sales and profitability • Asia's share of global consumption is increasing and is estimated to be 39% by 2040 • As Asia grows it is likely to need not just consumer goods but services as well • Infrastructure will need input from engineering and transport businesses. Communications systems and equipment will be needed. Established non-Asian firms have an opportunity here • Non-Asian businesses may be able to move away from saturated home markets where growth may be limited, or difficult and move to the expanding markets in Asia • Product life cycles can be extended as models developed elsewhere can be introduced to the Asian markets • However, Asia's growth and increasing dominance can mean that Asian industries are more than capable of fulfilling domestic demand • Some Chinese (*Haier*, *Lenovo*) and Indian (*Tata*, *Infosys*) companies are amongst the biggest in the world and more than capable of innovation and competing with European businesses on a global level • They also have the power to expand into non-Asian markets and take domestic market share • Asian economies such as Vietnam are rapidly industrialising and are now capable of high-tech and high-quality manufacturing • Their competitiveness is increasing their share of global trade and GDP

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	• Many of these exports may be cheaper than their non-Asian competitors • This increases pressure on non-Asian businesses and they may lose market share • Non-Asian businesses that are innovative, or compete on quality, or have strong brands should continue to thrive as the expanding Asian economies become more consumer orientated • Those that perhaps just compete on price, or do not adapt and change, may not

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