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Please check the examination details below before entering your candidate infor on

Candidate surname | Other names

Centre Number | Candidate Number

Pearson Edexcel International GCSE

Monday 12 June 2023

Afternoon (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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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 t an answer, put a line through the box ☒ and then mark your new answer with a cross ◺

1 *Mahindra & Mahindra Limited (M&M)* is an Indian multinational vehicle manufacturing corporation with its headquarters in Mumbai, India. It is one of the largest manufacturers of cars, vans and tractors in the world.

M&M started in 1945 and has prospered for over 75 years with the aim of 'Rising through crisis'. In the 1970s with the oil crisis that sent the cost of petrol rising, it adapted its tractor diesel engines to be used in its cars and vans.

M&M is committed to ensuring that it protects the environment. In 2020 it planted 1.32 million trees across India. It supports schools for disadvantaged children and teenagers.

Figure 1 Maslow's Hierarchy of Needs

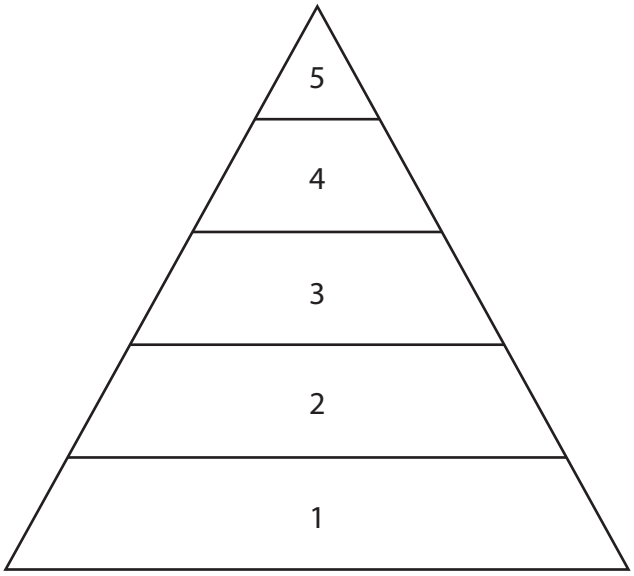

Figure 1

(a) (i) Which **one** of the following is Level 3 in Maslow's Hierarchy of Needs?

Select **one** answer.

(1)

☒ **A** Esteem

☒ **B** Social

☒ **C** Safety

☒ **D** Basic

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(ii) Which **one** of the following is an external source of finance?

Select **one** answer.

(1)

- ☒ **A** Personal savings
- ☒ **B** Retained profit
- ☒ **C** Selling assets
- ☒ **D** Venture capital

Below is an extract from a cash flow forecast for one month.

The opening balance was £20 000, cash inflow £28 000 and cash outflow £56 000.

(iii) Which **one** of the following is the closing balance for the end of the month?

Select **one** answer.

(1)

- ☒ **A** −£28 000
- ☒ **B** −£8 000
- ☒ **C** £48 000
- ☒ **D** £84 000

(iv) Which **one** of the following is a reason why governments raise tax rates?

Select **one** answer.

(1)

- ☒ **A** To raise revenue for the government
- ☒ **B** To attract multinationals
- ☒ **C** To raise demand in the economy
- ☒ **D** To reduce unemployment

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In 2020 *M&M* sold 288,302 tractors. The number of tractors sold in 2021 was 12% higher.

(v) What would be the number of tractors sold in 2021?

Select **one** answer.

(1)

- ☒ **A** 253,706
- ☒ **B** 300,302
- ☒ **C** 322,898
- ☒ **D** 322,910

A shop owner wanted to gain information from potential customers before opening his shop.

(vi) Which **one** of the following market research methods would the shop owner use?

Select **one** answer.

(1)

- ☒ **A** Market segment
- ☒ **B** Primary research
- ☒ **C** Research and development
- ☒ **D** Secondary research

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(b) Define the term **public corporation**.

.....

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.....

(c) Define the term **qualitative market research**.

(1)

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(d) State **one** reason why it is important for *M&M* to motivate its employees.

(1)

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.....

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In 2019 *M&M* borrowed 448 million Indian Rupees. In 2020 it borrowed 900 million Indian Rupees.

(e) Calculate, to two decimal places, the percentage increase from 2019 to 2020. You are advised to show your working.

(2)

.....%

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(f) Explain **one** advantage of becoming a multinational business.

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(g) Analyse the disadvantages to *M&M* of using social media.

(Total for Question 1 = 20 marks)

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2 *M&M* is constantly working to maintain the standards and quality of its products.

(a) State **one** non-financial objective for *M&M*.

(1)

(b) State **one** reason why *M&M* could dismiss an employee.

(1)

(c) Explain **one** reason why branding is important to businesses.

(3)

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(d) Explain **one** way businesses ensure that all employees have equal opportunitie

(e) Explain **one** reason why businesses maintain the quality of their products.

(3)

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M&M wants to remain the world's largest manufacturers of cars, vans and tractors. do this it is always introducing new ways of keeping its customers interested. *M&M* is considering the following options.

Option 1: increase promotion of all vehicles

Option 2: make improvements to all vehicles.

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

(9)

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(Total for Question 2 = 20 marks)

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3 In 2021 *M&M* moved from 20th to 2nd place as one of India's best workplaces.

(a) Define the term **autonomy**.

(1)

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(b) Outline **one** reason why *M&M* might locate a new factory near to a labour force.

(2)

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In 2020 *M&M* had current assets of 3 400 million Indian Rupees and current liabilities of 900 million Indian Rupees.

(c) Calculate, to 2 decimal places the current ratio for 2020. You are advised to show your working.

(2)

..... :1

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(d) Analyse why *M&M* would want to compare its business with other vehicle manufacturers.

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M&M wants to retain the employees working in its business. To do this it is considering the following options.

Option 1: job rotation

Option 2: bonus.

(e) Justify which **one** of these two options *M&M* should use.

(9)

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(Total for Question 3 = 20 marks)

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4 *M&M* sells its tractors to the UK. Its tractors sell for 14 000 000 Indian Rupees.

The exchange rate is 103 Indian Rupees = £1 (GBP).

(a) Calculate, to 2 decimal places the cost of the tractor in pounds sterling (GBP). You are advised to show your working.

(2)

£.....

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(b) Analyse why *M&M* wants to continue planting trees.

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(c) Evaluate why *M&M* uses cash flow forecasting to help inform decision making. should use the information provided as well as your own knowledge of business.

(1

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(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS

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