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Mark Scheme (Results)

Summer 2023

International GCSE

Business (4BS1 02R)

Paper 2R: Investigating large businesses

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June 2023
Question Paper Log Number P72954A
Publications Code 4BS1_02R_2306_MS
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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 Number	Which **one** of the following is Level 3 in Maslow's Hierarchy of Needs? **Answer**	Mark
1 (a) (i)	**AO1 - 1 mark** The only correct answer is **B** Social **A** - is incorrect as esteem is level 4 **C** - is incorrect as safety is level 2 **D** - is incorrect as basic is level 1	**(1)**

Question Number	Which **one** of the following is an external source of finance? **Answer**	Mark
1 (a)(ii)	**AO1 - 1 mark** The only correct answer is **D** Venture capital **A** - is incorrect as personal savings is an internal source of finance **B** - is incorrect as retained profit is an internal source of finance **C** - is incorrect as selling assets is an internal source of finance	**(1)**

Question Number	Which **one** of the following is the closing balance for the end of the month? **Answer**	Mark
1 (a) (iii)	**AO2 - 1 mark** The only correct answer is **B** -£8 000 **A** - is incorrect as -£28 000 because cash inflow of £28 000 minus cash outflow of 56 000 **C** - is incorrect as £48 000 because it is the opening balance of as £20 000 plus the cash inflow of £28 000 **D** - is incorrect as £84 000 because it is the cash inflow of £28 000 plus the cash outflow of £56 000	**(1)**

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Question Number	Which **one** of the following is a reason why governments raise tax rates? **Answer**	**Mark**
1 (a)(iv)	**AO1 - 1 mark** The only correct answer is **A** To raise revenue to fund government expenditure **B** - is incorrect as raising taxes would put off multinationals from investing **C** - is incorrect as to higher taxes would reduce demand in the economy **D** - is incorrect as this would increase unemployment if income tax increases	**(1)**

Question Number	What would be the number of tractors sold in February 2021? **Answer**	**Mark**
1 (a) (v)	**AO2 - 1 mark** The only correct answer is **C** 322,898 **A** - is incorrect because 253,706 is 288,302 minus 12% **B** - is incorrect because 300,302 = 288,302 + 12, 000 **D** - is incorrect because 322,910 = 288,302 + 34,596 +12	**(1)**

Question Number	Which **one** of the following market research methods would the shop owner use? **Answer**	**Mark**
1 (a)(vi)	**AO1 - 1 mark** The only correct answer is **B** Primary research **A** - is incorrect as market segment is not market research **C** - is not correct as research and development as it is not market research **D** - is not correct as secondary research is data that has already been collected	**(1)**

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Question Number	Define the term **public corporation.** **Answer**	Mark
1 (b)	**AO1 - 1 mark** Award 1 mark for a correct definition of public corporation. • A business owned and controlled by the state/government **(1)**	**(1)**

Question Number	Define the term **qualitative market research.** **Answer**	Mark
1 (c)	**AO1 - 1 mark** Award 1 mark for a correct definition of qualitative market research. • Information about attitudes, beliefs and intentions **(1)**	**(1)**

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Question Number	State **one** reason why it is important for *M&M* to motivate its employees. **Answer**	Mark
1 (d)	**A02 - 1 mark** Award 1 mark for a valid reason why it is important for *M&M* to motivate its employees in the context of the business. • *M&M* motivating its employees means they will work harder and take a pride in building tractors **(1)** • More motivated employees might be willing to accept new working practices after training such as the introduction of robots on the production line **(1)** **NB** Do not accept a reason that is not in the context of *M&M.* **Accept any other appropriate response.**	**(1)**

Question Number	Calculate to 2 decimal places, the percentage increase from 2019 to 2020. **Answer**	Additional guidance	Mark
1 (e)	**A02 - 2 marks** 900 – 448 = 452 **(1)** 452/448 x 100 = 100.89 **(1)**	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

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Question Number	Explain **one** advantage of becoming a multinational business. **Answer**	**Mark**
1 (f)	**A01 - 3 marks** Award 1 mark for an advantage of a business becoming a multinational plus 2 further marks for explaining the advantage, for a maximum of 3 marks. • A multinational business has a global supplier base **(1)** that is able to supply a range of components/products **(1)** and this could increase revenue **(1)** • Multinationals operate in many different countries **(1)** this makes the movement of products easier **(1)** as trade barriers are reduced **(1)** **NB** No marks are awarded for a definition. Answers that list two reasons with no explanation will gain 1 mark only. **Accept any other appropriate response.**	**(3)**

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Question Number	Analyse the disadvantages to *M&M* of using social media. **Indicative content**	Mark
1 (g)	**AO2 = 3 marks AO3 = 3 marks** **<u>AO2</u>** • Negative comments can be put on social media about the quality of *M&M*'s tractors • Not everyone has or uses social media, so there is no guarantee that they would see advertisements about new cars that *M&M* have made **<u>AO3</u>** • The comments could be made by a disgruntled customer and the comments might not be true • This could mean that a number of potential customers might not see the advertisements and would then not be able to buy the new cars	**(6)**

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Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-2	• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3).
Level 2	3-4	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3).
Level 3	5-6	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3).

Question Number	State **one** non-financial objective for *M&M*. **Answer**	**Mark**
2 (a)	**A02 - 1 mark** Award 1 mark for a valid non-financial objective for *M&M* in the context of the business. • *M&M* may want to continue to help the environment by planting even more trees **(1)** • *M&M* want to maintain the support it gives to the schools it runs, helping disadvantaged children **(1)** **NB** Do not accept a non-financial objective that is not in the context of *M&M.* **Accept any other appropriate response**.	**(1)**

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Question Number	State **one** reason why *M&M* could dismiss an employee. **Answer**	**Mark**
2 (b)	**A02 - 1 mark** Award 1 mark for a reason why *M&M* could dismiss an employee in the context of the business. • *M&M* might dismiss an employee who continually arrives late on the tractor production line **(1)** • *M&M* may dismiss an employee in the sales department of tractors, whose absence has caused a loss of orders **(1)** **NB** Do not accept a reason that is not in the context of *M&M.* **Accept any other appropriate response.**	**(1)**

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Question Number	Explain **one** reason why branding is important to businesses. **Answer**	**Mark**
2 (c)	**A01 - 3 marks** Award 1 mark for why branding is important to businesses plus 2 further marks for explaining the importance, for a maximum of 3 marks. • Branding is important because it differentiates the products of a business from others **(1)** this helps customers identify the brand they want **(1)** and maintains loyalty **(1)** • By branding its products manufacturers develop a strong image of the business' product **(1)** this could increase the price of products **(1)** resulting in the strong brand being worth a great deal of money **(1)** **NB** No marks are awarded for a definition. Answers that list three reasons why branding is important to a business, with no explanation will get 1 mark only. **Accept any other appropriate response.**	**(3)**

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Question Number	Explain **one** way businesses ensure that all employees have equal opportunities. **Answer**	**Mark**
2 (d)	**A01 - 3 marks** Award 1 mark for a reason why businesses ensure that all employees have equal opportunities, plus 2 further marks for explaining this reason, for a maximum of 3 marks. • Businesses ensure that they employ both men and women **(1)** and any training offered is open to everyone **(1)** so that they do not disadvantage any one **(1)** • Employees are paid the same salary **(1)** if they carry out the same or similar work **(1)** so that they do not discriminate in any way **(1)** **NB** No marks are awarded for a definition. Answers that list three reasons why business ensure that all employees have equal opportunities, with no explanation will get 1 mark only. **Accept any other appropriate response**.	**(3)**

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Question Number	Explain **one** reason why businesses maintain the quality of their products. **Answer**	**Mark**
2 (e)	**A01 - 3 marks** Award 1 mark for a reason why businesses maintain the quality of their products plus 2 further marks for explaining why, for a maximum of 3 marks. • Consumers expect quality products **(1)** and to perform the function for which they were bought **(1)** failure to do this could lose customers to competitors **(1)** • By offering quality goods **(1)** a business could gain a competitive edge **(1)** which could result in charging higher prices **(1)** **NB** No marks are awarded for a definition. Answers that list three reasons of why businesses maintain the quality of products with no explanation will get 1 mark only. **Accept any other appropriate response.**	**(3)**

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Question Number	**Option 1:** Increase promotion of all vehicles **Option 2:** Make improvements to all vehicles. **Indicative content**	Mark
2 (f)	**AO2 = 3 marks AO3 = 3 marks** **AO4 = 3 marks** **<u>AO2</u>** • **Option 1** – By increasing promotion more people will know about *M&M* and the different types of vehicles they have on sale • **Option 2** – By introducing new features to the cars such as an automatic door locking customers may be interested in **<u>AO3</u>** • **Option 1** – This could mean that more people would be interested and perhaps visit the showrooms where the vehicle are sold to try the vehicles out or purchase them • **Option 2** – Customers may prefer to have the latest technology available **<u>AO4</u>** • **Option 1** – However, there is no guarantee that people will buy the vehicles unless they have driven them or been recommended to buy one • **Option 2** – However, designing this feature could be expensive and customers may not wish to buy the vehicle because of the increase in price	**(9)**

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Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-3	• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3). • Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO4).
Level 2	4-6	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3). • Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO4).
Level 3	7 - 9	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3). • Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO4).

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Question Number	Define the term **autonomy.** **Answer**	Mark
3 (a)	**A01 - 1 mark** Award 1 mark for a correct definition of **autonomy.** • Giving workers the authority to make choices and decisions about the way they work **(1)**	**(1)**

Question Number	Outline **one** reason why *M&M* might locate a new factory near to a labour force. **Answer**	Mark
3 (b)	**A02 - 2 marks** Award 1 mark for identifying one reason why *M&M* might locate its factories near to a labour force, plus 1 further mark for linking it to the context. • To have access to a wide pool of labour when the car plant opens **(1)** that pool to include production line workers and skilled technicians **(1)** **NB** Do not accept a reason that is not in the context of *M&M.* **Accept any other appropriate response.**	**(2)**

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Question Number	Calculate to 2 decimal places the current ratio for 2020. **Answer**	**Additional guidance**	**Mark**
3 (c)	**A02 - 2 marks** 3 400/900 **(1)** = 3.78 **(1)**	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

Question Number	Analyse why *M&M* would want to compare its business with other vehicle manufacturers. **Indicative content**	**Mark**
3 (d)	**AO2 = 3 marks AO3 = 3 marks** **<u>AO2</u>** • *M&M* can compare its sales of cars with other businesses such as the Ford Motor Company • If Fiat introduce different models of tractors *M&M* may consider changing the design of their own tractors **<u>AO3</u>** • If *M&M*'s figures are not as good as Ford Motor Company, they may try to improve sales by offering discounts or other incentives to customers • There is no guarantee that if *M&M* introduces a new tractor that it will compete with Fiat's tractors	**(6)**

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Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3).
Level 2	3-4	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3).
Level 3	5-6	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3).

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Question Number	**Option 1:** job rotation **Option 2:** bonus **Indicative content**	Mark
3 (e)	**AO2 = 3 marks AO3 = 3 marks** **AO4 = 3 marks** **<u>AO2</u>** • **Option 1** – By giving employees the opportunity to move to different jobs on or off the production line from manufacturing vehicle parts to help designing vehicle parts keeps them involved in all aspects of production • **Option 2** – A bonus payment if car manufacturing targets are met makes employees feel valued and they would want to continue working for *M&M* in the car road-testing section **<u>AO3</u>** • **Option 1** – Employees are more likely to remain with *M&M* than look for another job, as they are continually gaining new experiences and skills • **Option 2** – A bonus encourages employees to work harder to ensure they gain their bonus **<u>AO4</u>** • **Option 1** – However, employees may not be interested in job rotation as it may not increase their wages • **Option 2** – However, employees may not be interested in bonus payments if their bonus is based on everyone who works in the factory, as some employees may not work as hard as others	**(9)**

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Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-3	• Limited application of knowledge and understanding of business concepts and issues to the business context (AO2). • Attempts to deconstruct business information and/or issues, finding limited connections between points (AO3). • Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made (AO4).
Level 2	4-6	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies (AO2). • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3). • Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made (AO4).
Level 3	7 - 9	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout (AO2). • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3). • Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made (AO4).

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Question Number	Calculate, to 2 decimal places, the cost of the tractor in pounds sterling (GBP). **Answer**	**Additional guidance**	**Mark**
4 (a)	**AO2 - 2 marks** 14 000 000 ÷ 103 **(1)** = 135 922.33 **(1)**	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct numerical answer without working.	**(2)**

Question Number	Analyse why *M&M* wants to continue planting trees. **Indicative content**	**Mark**
4 (b)	**AO2 – 3 marks AO3 – 3 marks** **<u>AO2</u>** • *M&M* planting trees is good for its image, its customers and the sale of its cars • This would improve the environment and air quality in countries where *M&M* has factories making vehicles **<u>AO3</u>** • This would increase public awareness of the environment and encourage more people to purchase from *M&M* • Even though the manufacture of vehicles and tractors does pollute the atmosphere *M&M* are trying to reduce the amount of damage done	**(6)**

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Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	• Limited application of knowledge and understanding of business concepts and issues to the business context. (AO2) • Attempts to deconstruct business information and/or issues, finding limited connections between points. (AO3)
Level 2	3-4	• Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies. (AO2) • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)
Level 3	5-6	• Detailed application of knowledge and understanding of business concepts and issues to the business context throughout. (AO2) • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)

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Question Number	Evaluate why *M&M* uses cash flow forecasting to help inform decision making. **Indicative content**	Mark
4 (c)	**AO1 = 3 marks AO2 = 3 marks** **AO3 = 3 marks AO4 = 3 marks** **<u>AO1</u>** • *M&M* using their cash flow forecast, can help them predict net cash flow for the future • If *M&M* predict that the cash inflow will be high then they may decide to invest in other areas of the business **<u>AO2</u>** • Depending on whether there is sufficient funds they could introduce additional features on the tractors • The funds could be used to employ specialist staff who have skills in developing electronic devices on the new cars being produced **<u>AO3</u>** • If there are not sufficient funds then *M&M* may decide to wait until they have the funds available • This would then maintain their image of introducing new and innovative features to the cars **<u>AO4</u>** • However, a cash flow forecast is only a prediction and does not guarantee that the funds will be there in the future • However, there is no guarantee that there will be sufficient cash to cover all the costs of employing the staff or that the new features will be liked by customers	**(12)**

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Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-4	• Demonstrates elements of knowledge and understanding of business concepts and issues, with limited business terminology used. (AO1) • Limited application of knowledge and understanding of business concepts and issues to the business context. (AO2) • Attempts to deconstruct business information and/or issues, finding limited connections between points. (AO3) • Makes a judgement, providing a simple justification based on limited evaluation of business information and issues relevant to the choice made. (AO4)
Level 2	5 - 8	• Demonstrates mostly accurate knowledge and understanding of business concepts and issues including appropriate use of business terminology in places. (AO1) • Sound application of knowledge and understanding of business concepts and issues to the business context although there may be some inconsistencies. (AO2) • Deconstructs business information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3) • Makes a judgement, providing a justification based on sound evaluation of business information and issues relevant to the choice made. (AO4)

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Level 3	9 - 12	• Demonstrates accurate knowledge and understanding of business concepts and issues throughout, including appropriate use of business terminology. (AO1) • Detailed application of knowledge and understanding of business concepts and issues to the business context throughout. (AO2) • Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3) • Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made. (AO4)