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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

Monday 3 June 2024

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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P 7 5 8 4 4 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 Jimmy Choo was born in Malaysia. He moved to London and became the founder of *Jimmy Choo*. The business was first known for the shoes it made for women.

Over the years the business has become a multinational business. It has expanded into countries including America, Japan and France. As part of its growth, it now sells clothing, perfume, trainers and wedding outfits. Many celebrities in the fashion and music world are well known for purchasing *Jimmy Choo* products.

Jimmy Choo's brand is identified by its logo, 'JC', which is printed on all items produced. The business has won many awards over the years, including 'Designer of the Year' and 'Ace Brand of the Year'.

(a) (i) Which **one** of the following describes Kaizen?

Select **one** answer.

(1)

☒ A Continuous improvement

☐ **B** Just-in-time (JIT)

☐ **C** Market orientation

☐ **D** Job production

(ii) Which **one** of the following function areas would pay its employees' wages?

Select **one** answer.

(1)

☐ A Finance

☐ **B** Human resources

☐ **C** Marketing

☐ **D** Production

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The price of buying a pair of *Jimmy Choo* shoes in Malaysia is 3 359.13 Malaysian Ringgits (MYR).

The exchange rate is 5.65 MYR = £1.00 (pounds).

(iii) Which **one** of the following is the price of the shoes in pounds?

Select **one** answer.

(1)

- ☒ A £565.00
- ☐ **B** £594.54
- ☐ **C** £3 353.48
- ☐ **D** £18 979.08

(iv) Which **one** of the following is a benefit of being a sole trader?

Select **one** answer.

(1)

- ☐ A Additional capital can be easily raised
- ☐ **B** Decisions can be shared
- ☐ **C** Independence for the owner
- ☐ **D** Limited liability

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Figure 1 shows the cash flow information for a business.

	£
Open balance	38 000
Cash inflow	27 000
Cash outflow	17 000

Figure 1

(v) Which **one** of the following is the closing balance for the business?

Select **one** answer.

(1)

☒ A £44 000

☐ **B** £48 000

☐ **C** £55 000

☐ **D** £65 000

(vi) Which **one** of the following is an advantage of primary market research?

Select **one** answer.

(1)

☐ A It is cheaper than other types of market research

☐ **B** It is less time consuming than secondary research

☐ **C** It is only done by market research agencies

☐ **D** It is a more up to date method of research

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(b) Define the term **e-newsletter**.

(1)

(c) Define the term **minimum wage**.

(1)

(d) State **one** reason why *Jimmy Choo* would want loyal customers.

(1)

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Many countries are concerned about the environment and the amount of plastic waste created. In 2018 the value of recycled plastic was $41.73 billion (US dollars). Experts are predicting that this value will increase by 6.6% by 2027.

(e) Calculate, to two decimal places, the predicted value of recycled plastic for 2027. You are advised to show your working.

(2)

$ ..... billion

(f) Explain **one** reason why businesses comply with equal opportunities legislation.

(3)

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(g) Analyse **two** problems for *Jimmy Choo* if customer needs are not satisfied.

(6)

(Total for Question 1 = 20 marks)

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2 *Jimmy Choo* ensures that it meets all legal requirements of each country where it has factories or shops.

(a) State **one** non-financial objective *Jimmy Choo* might have.

(1)

(b) State **one** reason why *Jimmy Choo* complies with health and safety laws.

(1)

(c) Explain **one** advantage to a country of being a member of a trading bloc.

(3)

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(d) Explain **one** way businesses support employees with disabilities.

(3)

(e) Explain **one** impact on a business of an increase in interest rates.

(3)

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There are times during the year when *Jimmy Choo* needs additional employees to manufacture its products. It is considering the following two options:

Option 1: casual employees

Option 2: part-time employees.

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

(9)

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(Total for Question 2 = 20 marks)

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3 One aim of *Jimmy Choo*'s is to ensure that all its employees are well motivated and fully trained to carry out the jobs they are employed to do. This is to reduce the number of employees leaving the business.

(a) Define the term **person specification**.

(1)

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(b) Outline **one** reason why branding is important to *Jimmy Choo*.

(2)

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A *Jimmy Choo* handbag costs $1 590 (US dollars) to manufacture. It sells for $2 450.

(c) Calculate, to two decimal places, the percentage increase on this *Jimmy Choo* handbag when it is sold. You are advised to show your working.

(2)

.....%

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(d) Analyse why *Jimmy Choo* asks all candidates applying for a vacancy to complete an application form.

(6)

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Jimmy Choo employs people in many countries to produce its shoes, handbags and perfume. To ensure that its new employees have the best start possible the following two training options are being considered:

Option 1: induction training

Option 2: off-the-job training.

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

(9)

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(Total for Question 3 = 20 marks)

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4 *Jimmy Choo* has many shops around the world.

Figure 2 shows the number of *Jimmy Choo* shops in some locations.

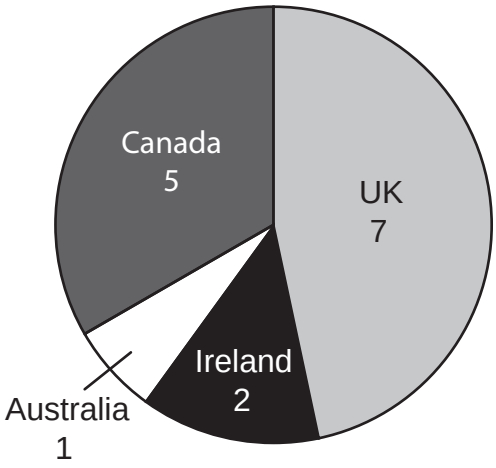

Figure 2

(a) Calculate, to two decimal places, the percentage of *Jimmy Choo* shops in the UK.
You are advised to show your working.

(2)

..... %

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(b) Analyse the benefit to *Jimmy Choo* of using share capital to fund its growth.

(6)

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Jimmy Choo is supplied by a number of different businesses. There are some factories that *Jimmy Choo* has a large financial interest in. The majority of the manufacturing businesses are located in Italy with a few in Spain and China.

Jimmy Choo is considering investing in another clothing and shoe factory and will require skilled employees.

(c) Evaluate the factors *Jimmy Choo* would have to consider when making decisions on the location of a new factory. 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

Source:

https://comparecamp.com/recycling-statistics/#TOC2

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