Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International GCSE

Tuesday 19 November 2024

Morning (Time: 1 hour 30 minutes)

Paper reference **4BS1/02**

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 about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

1 The first *Premier Inn* hotel was opened in 1987. *Premier Inn* now has over 820 hotels in the UK, United Arab Emirates (UAE) and India with over 83,000 rooms. It has recently expanded by opening the first *Premier Inn* in Germany and has plans to open more in other countries.

The majority of the hotels have restaurants with facilities for guests to buy meals and drinks.

(a) (i) Which **one** of the following is the break-even point on a break-even chart?

Select **one** answer.

(1)

☒ **A** When fixed costs and variable costs are the same

☒ **B** When total costs and fixed costs are the same

☒ **C** When fixed costs and total revenue are the same

☒ **D** When total costs and total revenue are the same

(ii) Which **one** of the following is a benefit to a franchisee?

Select **one** answer.

(1)

☒ **A** The franchisee can buy supplies from any supplier

☒ **B** The franchisee is given support from the franchisor

☒ **C** The franchisee is guaranteed a set wage

☒ **D** The franchisee has total control

(iii) Which **one** of the following is an advantage of job production when compared to other methods of production?

Select **one** answer.

(1)

☒ **A** Workers will be better motivated

☒ **B** Production speeds will be faster

☒ **C** Unit costs will be the same

☒ **D** Less training will be needed

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The cost of getting a room ready for customers at the UAE *Premier Inn* is 325 Arab Emirates Dirham (AED).

Premier Inn then adds 25% for other expenses including salaries.

(iv) Which **one** of the following would be the total amount paid in AED by a customer for a room?

Select **one** answer.

(1)

- ☒ **A** 81.25
- ☒ **B** 243.75
- ☒ **C** 350.00
- ☒ **D** 406.25

Figure 1 – Extract from *Premier Inn* financial report in 2021–2022.

	2021 £ millions	**2022 £ millions**
Revenue	249.60	772.80

Figure 1

(v) Which **one** of the following is the percentage increase in revenue from 2021 to 2022.

Select **one** answer.

(1)

- ☒ **A** 5.23%
- ☒ **B** 67.70%
- ☒ **C** 209.62%
- ☒ **D** 523.20%

(vi) Which **one** of the following is an internal source of finance for a business?

Select **one** answer.

(1)

- ☒ **A** Crowdfunding
- ☒ **B** Loan capital
- ☒ **C** Personal savings
- ☒ **D** Venture capital

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(b) Define the term **job description**.

(1)

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

(1)

(d) State **one** reason why *Premier Inn* managers would delegate tasks to hotel employees.

(1)

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To encourage people to stay at a new German hotel, *Premier Inn* offers a 12.5% discount on a room for the first night only.

The price for one night is €89.25.

(e) Calculate, to two decimal places, the price for the first night after the discount has been applied. You are advised to show your working.

(2)

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(f) Explain **one** advantage of using focus groups when carrying out market research.

(3)

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Premier Inn plans to open more hotels in India.

(g) Analyse the benefits for India of these plans.

(6)

(Total for Question 1 = 20 marks)

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2 *Premier Inn* wants to retain its employees so it can continue to maintain the service it provides for guests.

(a) State **one** activity carried out by the marketing functional area at *Premier Inn*.

(1)

(b) State **one** reason why *Premier Inn* uses seasonal employees.

(1)

(c) Explain **one** reason why a business would use robotics in its production.

(3)

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(d) Explain **one** reason why a business might use sponsorship.

(3)

(e) Explain **one** advantage for a country of being in a trading bloc.

(3)

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To be competitive in India, *Premier Inn* must make sure that it uses the correct pricing strategy. It is considering the following two options:

Option 1: competition pricing

Option 2: promotional pricing.

(f) Justify which **one** of these two options *Premier Inn* should choose.

(9)

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(Total for Question 2 = 20 marks)

3 *Premier Inn* employees play an important part in the running of its hotels and providing a good service. If they provide a good service, it means guests may return.

(a) Define the term **net cash flow**.

(1)

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(b) Outline **one** possible reason why prospective employees at *Premier Inn* complete an application form.

(2)

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Employees of *Premier Inn* earn £15.27 per hour when working overtime.

(c) Calculate, to two decimal places, what an employee would earn if they worked six hours of overtime. You are advised to show your working.

(2)

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(d) Analyse the benefits for *Premier Inn* of motivating its employees.

(6)

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Premier Inn has employees across the world. When a new position becomes available, *Premier Inn* must make sure that the recruitment method used is the correct one for the vacant position. It is considering the following two options:

Option 1: internal recruitment from within *Premier Inn* hotels around the world

Option 2: external recruitment, by using an employment agency.

(e) Justify which **one** of these two options *Premier Inn* should choose.

(9)

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(Total for Question 3 = 20 marks)

4 In 2022 the current assets for *Premier Inn* were £9 566 million and current liabilities were £5 447 million.

(a) Calculate, to two decimal places, the current ratio in 2022. You are advised to show your working.

(2)

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(b) Analyse the importance of making sure that guests have a quality service when staying at a *Premier Inn*.

(6)

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(c) Evaluate why a business such as *Premier Inn* would only consider profit to measure its success. 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

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Sources:

https://uk.globaldatabase.com/company/premier-inn-hotels-limited

https://cdn.whitbread.co.uk/media/2021/05/21175600/23076_Whitbread_AR2020_web-1.pdf

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