www.dynamicpapers.com

Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International GCSE

Friday 31 October 2025

Morning (Time: 1 hour 30 minutes)

Paper reference **4BS1/01**

Business

PAPER 1: Investigating small 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 ▶

P78969A

©2025 Pearson Education Ltd.

M:1/1/1/1/1/1

P 7 8 9 6 9 A 0 1 2 0

Pearson

www.dynamicpapers.com

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:

$$\text{Acid test ratio} = \frac{\text{current assets} - \text{inventory}}{\text{current liabilities}}$$

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

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 *Ocean Vibes* is a boat tour business located in two tourists resorts in Portugal. During the tours, it collects wildlife research. The idea came from two young scientists, Alfredo and Pedro, who share a passion for the environment, boats and science. *Ocean Vibes* employs boat tour guides and a sales team in each of the two resorts.

The main goal of *Ocean Vibes* is to connect tourism with science. It offers dolphin and bird-watching tours to tourists and uses the boat tours to collect research data on the wildlife. Its tour guides are knowledgeable, passionate and respectful of the environment.

Customers can book the boat tours online or in the tourist resorts. They are encouraged to leave reviews on *Ocean Vibes'* website.
Every month *Ocean Vibes* provides a boat tour for students and researchers who wish to study the wildlife.

There are many other businesses offering boat tours in Portugal which makes competing in the industry a challenge.

(a) (i) Which **one** of the following is a role within the marketing function?

(1)

Select **one** answer.

☒ **A** Workforce planning

☒ **B** Quality control

☒ **C** Sales promotion

☒ **D** Training employees

(ii) Which **one** of the following is an example of a non-financial method of motivation?

(1)

Select **one** answer.

☒ **A** Bonus

☒ **B** Remuneration

☒ **C** Fringe benefits

☒ **D** Job rotation

www.dynamicpapers.com

(iii) Which **one** of the following is a phase of the product life cycle?

(1)

Select **one** answer.

- ☒ **A** Introduction
- ☒ **B** Cash cow
- ☒ **C** Dog
- ☒ **D** Star

(iv) Which **one** of the following is an example of a public service provided by the government?

(1)

Select **one** answer.

- ☒ **A** Clothing retailer
- ☒ **B** Police force
- ☒ **C** Mobile phone provider
- ☒ **D** Grocery store

A bank in Portugal charges *Ocean Vibes* 12% interest on overdrafts.

(v) Which **one** of the following is the interest charged by the bank on an overdraft of €1 400?

Select **one** answer.

(1)

- ☒ **A** €140
- ☒ **B** €168
- ☒ **C** €1 388
- ☒ **D** €1 568

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

Figure 1 shows the total costs for *Ocean Vibes* in 2022 and 2023.

Year	€
2022	380 000
2023	420 000

Figure 1

(vi) Which **one** of the following is the percentage change in the total costs between 2022 and 2023?

(1)

Select **one** answer.

☒ **A** 0.90%

☒ **B** 9.52%

☒ **C** 10.53%

☒ **D** 90.48%

(b) Define the term **primary sector**.

(1)

.....

.....

.....

(c) Define the term **shareholder**.

(1)

.....

.....

.....

www.dynamicpapers.com

(d) State **one** benefit to *Ocean Vibes* of using competition pricing.

(1)

The price of an *Ocean Vibes* boat tour is €60 (euros) per person.

The exchange rate is €1 = £0.95 (UK pounds)

(e) Calculate the price of a boat tour in UK pounds (£). You are advised to show your working.

(2)

£ .....

(f) Explain **one** advantage to an individual of being a sole trader.

(3)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

Employee satisfaction is one way to measure success in a business.

(g) Analyse why *Ocean Vibes* should measure employee satisfaction.

(6)

(Total for Question 1 = 20 marks)

www.dynamicpapers.com

2 (a) State **one** fixed cost *Ocean Vibes* is likely to pay.

(1)

(b) State **one** method of primary research *Ocean Vibes* may use.

(1)

(c) Explain **one** advantage to a business of having high market share.

(3)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

(d) Explain **one** advantage to a business of using e-commerce to sell its products.

(3)

(e) Explain **one** reason why shareholders would be interested in the financial documents of a business.

(3)

www.dynamicpapers.com

The owners of *Ocean Vibes* plan to grow the business. They are considering two options to finance the growth:

Option 1: venture capital

Option 2: loan capital.

(f) Justify which **one** of these two options the owners of *Ocean Vibes* should choose.

(9)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(Total for Question 2 = 20 marks)

www.dynamicpapers.com

3 (a) Define the term **span of control**.

(1)

(b) Outline **one** way *Ocean Vibes* may promote its business.

(2)

Figure 2 shows an extract from financial statements of a business in 2023.

	€
Gross profit	220 000
Operating expenses	160 000
Operating profit	60 000
Capital employed	80 000

Figure 2

(c) Calculate the return on capital employed (ROCE). You are advised to show your working.

(2)

..... %

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

The owners of *Ocean Vibes* plan to recruit additional tour guides for the business.

(d) Analyse the advantages to *Ocean Vibes* of using on-the-job training for new workers.

(6)

www.dynamicpapers.com

Ocean Vibes currently employs tour guides on a full-time basis.
Ocean Vibes pays a 5% commission fee to its sales team for each boat tour sold.

The owners of *Ocean Vibes* are considering two methods to increase their profit:

Option 1: employ part-time tour guides instead of full-time tour guides

Option 2: reduce the rate of commission paid to its sales team.

(e) Justify which **one** of these two options the owners of *Ocean Vibes* should choose to increase their profit.

(9)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(Total for Question 3 = 20 marks)

www.dynamicpapers.com

4 In 2023, the monthly minimum wage in Portugal was €820.00

In 2024, the government increased this by 3.6%.

(a) Calculate, to **two** decimal places, the new monthly minimum wage after an increase of 3.6%. You are advised to show your working.

(2)

€ .....

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(b) Analyse the importance of cash to the success of *Ocean Vibes*.

(6)

www.dynamicpapers.com

Ocean Vibes is considering operating as a franchise to further expand the business. It will offer the opportunity to other businesses or individuals to run their own boat tours using the *Ocean Vibes* brand name. The franchisees would provide boat tours in other holiday resorts in Portugal.

(c) Evaluate the benefits to *Ocean Vibes* of operating as a franchise to further expand its business. You should use the information provided as well as your own knowledge of business.

(12)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS

www.dynamicpapers.com

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

BLANK PAGE

Source for *Ocean Vibes*: https://www.oceanvibesalgarve.com