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Pearson

Mark Scheme (Results)

October 2025

Pearson Edexcel International Advanced Level in Business
WBS13/01A

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October 2025
Question Paper Log Number P78839A
Publication Code WBS13_01_2510_MS
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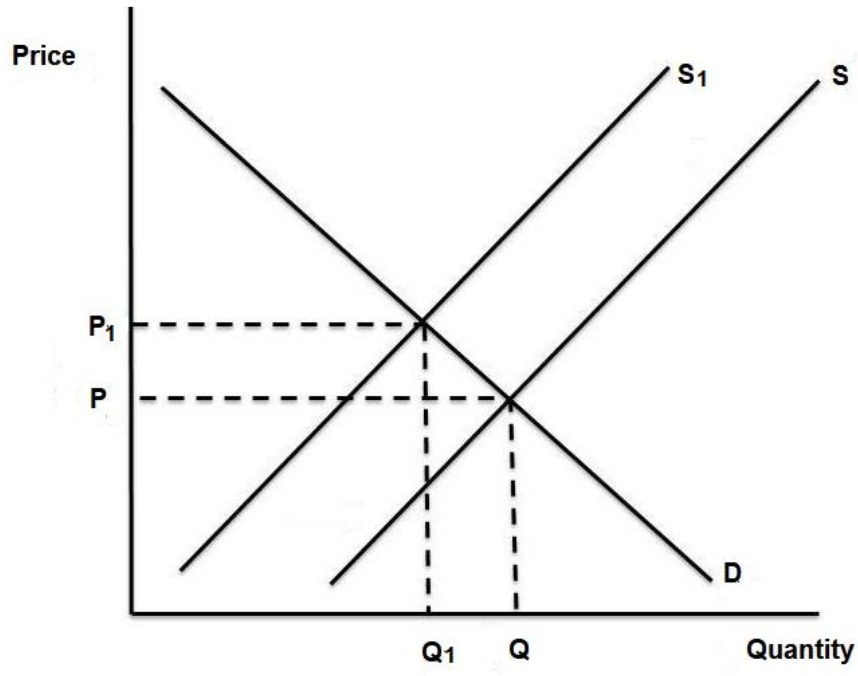
General Marking Guidance

- 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	Using the data in Extract A and B, calculate to **two** decimal places the labour productivity for *Tesla* in 2023. You are advised to show your working.	Mark
1(a)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS1:** calculate, use and understand ratios, averages and fractions. **Knowledge** 1 mark for knowledge and understanding of how to calculate labour productivity: $\frac{\text{Total output}}{\text{Number of employees}}$ **(1)** **Application** Up to 2 marks for correct application of figures to formula: $\frac{1{,}845{,}985}{140{,}473}$ **(1)** **(1)** **Analysis** 1 mark for showing correct answer: 13.14 cars per employee **(1)** **NB: If no working is shown, award marks as follows:** • If the answer given is 13.14 cars per employee award 4 marks • If the answer given is 13.14 award 3 marks	**(4)**

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Question	Construct a supply and demand diagram to show the likely impact on the market for electric vehicles after the reduction in subsidies. **Answer**	Mark
1(b)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS3:** construct and interpret a range of standard graphical forms. **Knowledge** 1 mark for correctly constructing a supply and demand diagram with correctly labelled axes as 'Price' and 'Quantity' **(1)** **Application** Up to 2 marks for: Showing supply and demand curves with original equilibrium price and quantity correctly labelled **(1)** Shifting the supply curve to the left **(1)** **Analysis** 1 mark for showing the new equilibrium and its effect on price (increasing) and quantity supplied (decreasing) **(1)**  	**(4)**

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Question	Discuss the benefits for *Tesla* of implementing a Total Quality Management (TQM) system for the Cybertruck. **Answer**
1(c)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points **must** also be credited. **QS8:** Use and interpret quantitative and non-quantitative information in order to make decisions **QS9:** Interpret, apply and analyse information in written, graphical and numerical forms **Knowledge, Application, Analysis, Evaluation – indicative content** • TQM involves all *Tesla* employees in improving Cybertruck quality, helping to address issues like technical defects and service delays • Focusing on customer feedback through TQM can fix problems like the accelerator pedal fault and leaks, boosting customer trust • TQM can reduce costs from recalls and repairs by improving quality and efficiency in production and service processes • TQM promotes ongoing improvements which can help *Tesla* refine the Cybertruck's design and performance to better meet customer expectations • The continuous assessment and refinement promoted by TQM can lead to a more reliable and higher-quality Cybertruck, potentially reducing the frequency of issues and recalls • However, implementing TQM requires significant upfront costs for training and new systems, which could be challenging while addressing immediate Cybertruck issues • TQM might add complexity to production and service processes, potentially affecting efficiency and delivery times • Problems could be due to design faults and therefore TQM in the production is not going to remove these problems

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Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–5	Accurate knowledge and understanding. Applied accurately to the business and its context. Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete. An attempt at an assessment is presented that is unbalanced and unlikely to show the significance of competing arguments.
Level 3	6–8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors.

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Question	Assess the extent to which the use of a risk assessment might have avoided the loss of key staff at *Tesla*. **Answer**
1(d)	Indicative content guidance Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points **must** also be credited. **QS8:** Use and interpret quantitative and non-quantitative information in order to make decisions **QS9:** Interpret, apply and analyse information in written, graphical and numerical forms **Knowledge, Application, Analysis, Evaluation – indicative content** • A risk assessment is the process of identifying potential risks and planning how to minimise their impact on a business • A risk assessment could have helped *Tesla* spot problems that might cause key staff to leave such as Zhu, Otto and Baglino, such as job dissatisfaction or burnout • Addressing these issues early might have prevented these high-profile departures • By assessing the risk of losing key staff, *Tesla* could have developed succession plans, ensuring that other employees were prepared to step into critical roles, such as those left by Zhu, who managed manufacturing at key facilities and Otto, who was in charge of product launches • A risk assessment might have highlighted areas where *Tesla* needed to improve to retain key staff, such as better work-life balance, competitive compensation or career advancement opportunities, potentially keeping long-term employees like Baglino, who had been with the company for 18 years • As *Tesla* grew rapidly, a risk assessment could have helped the business manage the stress that change can cause, helping to keep key staff from feeling overwhelmed and deciding to leave • *Tesla* could have used risk assessments to identify the threat of competitors trying to lure away key staff and taken steps to make sure employees were happy and less likely to leave

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	• However, the electric vehicle industry is rapidly evolving and even the best risk assessments might not have predicted the quick changes or offers from competitors that could lead to departures like those of Zhu, Otto and Baglino • Individual decisions to leave, such as Baglino's "difficult decision" after 18 years, are often influenced by personal factors that a risk assessment might not be able to predict or prevent, making some departures inevitable • Implementing a risk assessment process takes time and money which *Tesla* might prefer to spend on developing new products which are seen as more critical to its success • External factors such as economic changes or new opportunities in the industry could lead to the loss of key staff regardless of any internal measures

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Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5–8	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information though unlikely to show the significance of competing arguments.
Level 4	9–12	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors leading to a supported judgement.

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Question	Assess the possible strengths and weaknesses for *Tesla* of its strategic decision to reduce the size of its workforce. **Answer**
1(e)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points **must** also be credited. **QS8:** Use and interpret quantitative and non-quantitative information in order to make decisions **QS9:** Interpret, apply and analyse information in written, graphical and numerical forms **Knowledge, Application, Analysis, Evaluation – indicative content** • Cutting 14,000 jobs will lower *Tesla*'s operational costs, helping the company save on salaries, benefits and other associated expenses • Streamlining the workforce by eliminating duplicated roles can lead to more focused and efficient operations, boosting overall productivity • Reducing costs may allow *Tesla* to offer more competitive pricing in the market, especially as competition intensifies in the electric vehicle sector • A leaner workforce might foster a more innovative culture by encouraging remaining employees to be more creative and resourceful in their roles • The workforce reduction supports Musk's plan to prepare *Tesla* for its next growth phase, making the company more flexible and ready for future challenges • In the long term, cost-cutting measures could help improve profitability, potentially leading to increased shareholder confidence and a recovery in *Tesla*'s share price • However, job cuts can lead to a decline in employee morale and productivity among remaining staff, as they may fear further layoffs or feel less secure in their positions • Reducing the workforce risks losing valuable employees with critical skills and experience, which could hinder innovation and *Tesla*'s ability to execute its growth plans

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	• Large-scale job cuts can damage *Tesla*'s reputation as an employer, potentially making it more difficult to attract top talent in the future • The reduction in the workforce could disrupt production processes, particularly if key roles are eliminated or if the remaining employees are overburdened • The announcement of job cuts has already led to a 3% drop in *Tesla*'s share price, reflecting investor concern about the company's future prospects • Continuous job cuts and cost-cutting measures might negatively impact customer perception, leading to concerns about *Tesla*'s stability and its ability to maintain quality and innovation in its products

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	0	No rewardable material.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5–8	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information though unlikely to show the significance of competing arguments.
Level 4	9–12	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors leading to a supported judgement.

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Question	Using Porter's Strategic Matrix, evaluate whether differentiation or cost leadership is the best way for *Superdry* to gain a competitive advantage over other mass-market clothing brands. **Answer**
2	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points **must** also be credited. **QS: QS8, QS9** **Knowledge, Application, Analysis, Evaluation – indicative content** **Differentiation:** • Dunkerton's plan to reinvent *Superdry* and make it 'cool again' supports differentiation by revitalising the brand's image, targeting both loyal customers and new, younger demographics • The shift towards 'American-style' designs is a clear attempt to differentiate *Superdry* from competitors still focusing on older, heavily branded styles • *Superdry*'s heritage as a celebrity favourite, endorsed by figures like David Beckham and Leonardo DiCaprio, provides a unique selling point that supports a differentiation strategy • Reducing the product range from 4,000 to 1,600 pieces allows for greater focus on high-quality, stylish items, enhancing the brand's differentiated appeal • However, moving away from heavily branded items with bold graphics and Japanese writing may alienate the existing customer base that values these iconic designs • The costs of redesigning products and rebranding are significant and could strain Superdry's financial position, especially following reported losses of £25m • Targeting younger shoppers with 'American-style' designs could narrow *Superdry*'s appeal, limiting its market reach rather than broadening it

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	• Competitors can easily imitate *Superdry*'s new designs and brand image, reducing the long-term impact of the differentiation strategy **Cost Leadership:** • Cost-cutting measures, such as negotiating rent reductions, are support for a cost leadership strategy, helping *Superdry* manage financial pressures and stay competitive in pricing • Reducing the seasonal clothing range from 4,000 to 1,600 items can lower production and operational costs, increasing efficiency • *Superdry*'s focus on streamlining operations, such as rethinking its product offerings, supports cost leadership by reducing waste and unnecessary expenses • A cost leadership strategy could attract price-sensitive consumers in the mass-market clothing segment, helping *Superdry* gain a larger customer base • However, focusing too much on cost-cutting could compromise the quality of *Superdry*'s products, which is essential for maintaining brand identity and differentiation • The brand's past success was built on a premium, stylish image which could be undermined by an over-emphasis on low costs and pricing strategies • A cost leadership strategy does not address *Superdry*'s core challenge of modernising its image and regaining relevancy among younger shoppers • *Superdry*'s financial struggles and recent losses may limit its ability to invest in the scale and operational efficiency required to successfully implement a cost leadership strategy • Differentiation appears to be the better strategy for *Superdry*, given its history as a premium, aspirational brand and the importance of revitalising its image to remain competitive • Cost leadership appears to be the better strategy for Superdry, as reducing prices and operating costs could help the brand regain market share, attract price-sensitive customers and compete more effectively in a challenging retail environment

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	0	No rewardable material.
Level 1	1–4	Isolated elements of knowledge and understanding. Weak or no relevant application of business examples. An argument may be attempted, but will be generic and fail to connect causes and/or consequences.
Level 2	5–8	Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question. A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.
Level 3	9–14	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question. Arguments are well developed. Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
Level 4	15–20	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s). Arguments are fully developed. Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.

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Question	Evaluate the effectiveness of employee consultation strategies to increase productivity for a business such as the *Mears Group*. **Answer**
3	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points **must** also be credited. **QS: QS8 and QS9** **Knowledge, Application, Analysis, Evaluation – indicative content** • Consultation strategies at the *Mears Group* could help to address Maslow's higher-level needs by involving employees in decision-making which can lead to greater motivation and therefore increased productivity • Regular consultation helps bridge the gap between the board and employees ensuring that strategic initiatives are clearly communicated and understood across all levels therefore helping to increase productivity • The company's recognition as one of the top ten best big companies to work for suggests that employee consultation has contributed significantly to increased job satisfaction and pride in the brand • The low staff turnover rate indicates that employees feel valued and heard which is likely due to the effective consultation strategies in place, leading to greater productivity • With high employee satisfaction and reduced turnover, the overall productivity of the workforce is likely to be higher, positively impacting the company's financial performance • However, regular consultations can be time-consuming, potentially slowing down decision-making processes and the implementation of new initiatives • With one employee director representing 5,400 employees, there is a chance that not all views and concerns will be adequately represented, leading to dissatisfaction among those who feel unheard reducing productivity • Excessive consultation might weaken management's authority, leading to conflicts which could hinder the quick implementation of productivity-improving strategies

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	• There is a possibility that the consultation process could become symbolic leading to disillusionment among employees if they feel their input does not lead to tangible changes, potentially reducing morale and productivity • Focusing too much on consultation might neglect other motivational factors such as financial security or working conditions which are essential for ensuring productivity • Other approaches, such as financial incentives, employee share ownership or empowerment might increase productivity more by providing immediate rewards or a sense of ownership, without the delays involved in consultation

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Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	Isolated elements of knowledge and understanding. Weak or no relevant application of business examples. An argument may be attempted, but will be generic and fail to connect causes and/or consequences.
Level 2	5–8	Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question. A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.
Level 3	9–14	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question. Arguments are well developed. Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
Level 4	15–20	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of cause and/or effect(s). Arguments are fully developed. Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.