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Pearson Edexcel International Advanced Level

Wednesday 22 October 2025

Morning (Time: 2 hours)

Paper reference **WBS13/01A**

Business

International Advanced Level

UNIT 3: Business decisions and strategy

Question Paper

You must have:
Source Booklet and Answer Booklet

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SECTION A

Read Extracts A, B, C, D, E and F in the Source Booklet before answering Question 1.

Write your answers in the spaces provided in the Answer Booklet.

1 (a) Using the data in Extracts A and B, calculate to **two** decimal places the labour productivity for *Tesla* in 2023. You are advised to show your working.

(4)

(b) Construct a supply and demand diagram to show the likely impact on the market for electric vehicles after the reduction in subsidies.

(4)

(c) Discuss the benefits for *Tesla* of implementing a Total Quality Management (TQM) system for the Cybertruck.

(8)

Several key senior staff have recently stopped working for *Tesla*.

(d) Assess the extent to which the use of a risk assessment might have avoided the loss of key staff at *Tesla*.

(12)

(e) Assess the possible strengths and weaknesses for *Tesla* of its strategic decision to reduce the size of its workforce.

(12)

(Total for Question 1 = 40 marks)

TOTAL FOR SECTION A = 40 MARKS

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SECTION B

Read Extract G in the Source Booklet before answering Question 2.

Write your answer in the space provided in the Answer Booklet.

2 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.

(20)

(Total for Question 2 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS

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SECTION C

Read Extract H in the Source Booklet before answering Question 3.

Write your answer in the space provided in the Answer Booklet.

3 Evaluate the effectiveness of employee consultation strategies to increase productivity for a business such as the *Mears Group*.

(20)

(Total for Question 3 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS
TOTAL FOR PAPER = 80 MARKS

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Source Booklet

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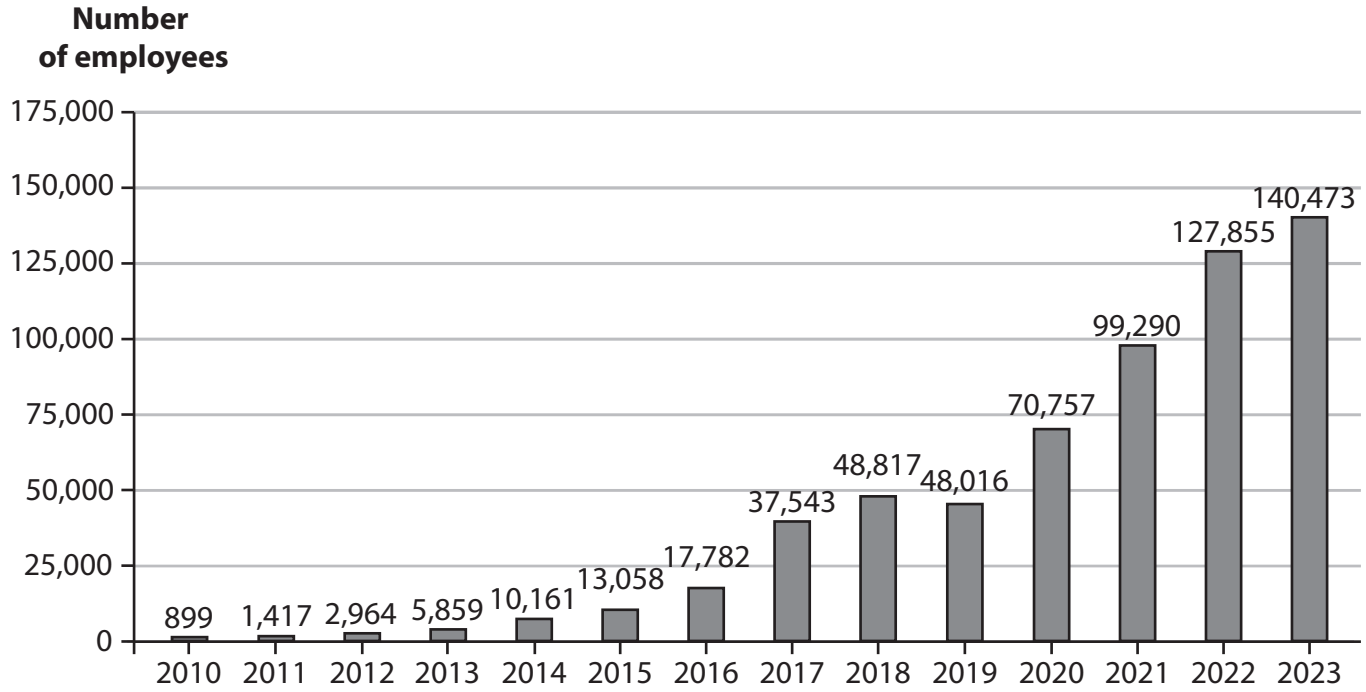
Sources for use with Section A

Extract A

Number of *Tesla* employees from 2010 to 2023



Extract B

Number of *Tesla* cars produced in 2023

	Number of *Tesla* cars produced in 2023
Model 3/Y	1,775,159
Other models	70,826
Total	**1,845,985**

Extract C

***Tesla* suffers sales slump as European electric vehicle subsidies reduced**

Tesla's sales have slumped across Europe after countries including Germany and France reduced subsidies for electric vehicles. The UK removed the subsidy for electric vehicles in 2022. Sales fell by 8% across Europe and the UK in the first four months of 2024.

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Extract D

Recalls of Cybertrucks

The *Tesla* Cybertruck is a battery-powered electric pickup truck which was launched late in 2023.

It has turned into a major headache for owners, with many technical issues, including extremely long wait times at service centres, unexpected leaks and random breakdowns.

In April 2024, every single Cybertruck that had been sold in the US was recalled over a serious design fault that caused the pickup's accelerator pedal to get stuck. However, *Tesla* did achieve its planned production rate of 1,000 Cybertrucks per week in May.

It is unclear whether the Cybertruck will ever live up to expectations for all the customers who pay up to $100 000 for their vehicle.

Extract E

Senior staff leave *Tesla*

The senior executive in charge of *Tesla*'s Cybertruck manufacturing has unexpectedly left *Tesla* after five years, adding to a lengthy list of senior managers who have quit the Elon Musk-led company. Renjie Zhu previously managed manufacturing lines at the company's Gigafactory in Shanghai. He continued his career at *Tesla*'s factory in Austin, Texas and left in 2024.

Zhu is only the latest in a number of key staff who have left *Tesla* recently. *Tesla*'s head of product launches, Rich Otto, announced that he was leaving after seven years. Andrew 'Drew' Baglino, senior vice-president, said in a post on social media that he had made the "difficult decision" to leave *Tesla* after 18 years.

Extract F

Elon Musk to cut 14,000 jobs from *Tesla*

Tesla is planning to cut more than 10% of its global workforce, 14,000 jobs.

It comes after *Tesla* reported poor sales as a result of increased competition worldwide. The company sold 386,810 electric vehicles from January to March 2023, nearly 9% less than the 423,000 it sold in the same quarter of 2022.

In a memo, Elon Musk wrote: "Over the years, we have grown rapidly with multiple new factories around the world. With this rapid growth there has been duplication of roles and job functions in certain areas. As we prepare the company for our next phase of growth, it is extremely important to look at every aspect of the company for cost reductions and increasing productivity."

Following the news of the job cuts, *Tesla* shares fell by more than 3%. Shares in *Tesla* have lost about one-third of their value so far in 2024 as sales of electric vehicles weaken.

The company has cut the prices of new vehicles by as much as $20 000 on some models due to increasing competition and slowing demand.

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Source for use with Section B

Extract G

Dunkerton: *Superdry* 'will be cool again'

Superdry founder and Chief Executive Officer (CEO), Julian Dunkerton, said he will be reinventing the mass-market clothing brand *Superdry*. It was once a favourite clothing brand for celebrities including David Beckham and Leonardo DiCaprio.

He is starting work on the UK-based retailer's turnaround plan, after a 23.5% fall in revenue and claims that it has become a 'dad brand'.* He said: "I'm not ashamed of having a 50-year-old consumer as long as I've got a 16-year-old coming through as well."

Recently, it looked like *Superdry* could be going into administration. A rescue plan gained creditor and shareholder support last month after reporting losses of £25m. Cost-cutting measures, including looking to reduce the rent on its physical stores, were necessary to manage the financial pressures.

It has reduced its seasonal clothing range from 4,000 pieces to 1,600. In addition, there has been a big move away from heavily-branded hoodies, coats and t-shirts with bold graphics and Japanese writing. The Japanese influence is still there in some of the latest range but other clothes feature a more 'American-style' design, to appeal more to younger shoppers.

Dunkerton said, "*Superdry* grew very quickly and got very popular," and admitted that, "there was only so much of that stuff we could sell."

**'dad brand' is a brand that caters to dads or is perceived as being popular with dads/fathers and older consumers.*

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Source for use with Section C

Extract H

Consultation strategies at the *Mears Group*

The *Mears Group* is a housing company that repairs and looks after more than 700,000 homes across the UK. In 2018, it appointed its first employee director. According to the company's Executive Director, Alan Long, the employee director is the single representative for all 5,400 employees at the group.

"Their role ensures that the board receives full, open, and honest insights and views from our workforce on how strategic initiatives are being implemented," says Long. "Equally, it encourages colleagues, through the employee director, to gain a better understanding of how the board works. Our Chief Executive is then committed to resolving any issues which are raised."

When asked how having an employee representative on the board had impacted the running of the company, Long pointed out that the *Mears Group* has been recognised as one of the top ten best big companies to work for in the UK and ranked eighth overall in the prestigious Best Companies' league table for 2023.

"Staff turnover and vacancies are low and our employee indicators, such as satisfaction and pride in our brand, are at an all-time high," he adds. "It's no coincidence that our financial and customer performance has also been excellent, and our employee director and team have played an important role in this."

According to Dr Jonathan Lord, senior lecturer at the University of Salford Business School and labour law expert, "most workers will have a broader interest in the long-term success of their company, unlike many shareholders who can simply sell their shares when they are unhappy or nervous about the direction of the company."

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Acknowledgments

Extract A adapted from: https://www.statista.com/statistics/314768/number-of-tesla-employees/

Extract B adapted from: https://ir.tesla.com/press-release/tesla-vehicle-production-deliveries-and-date-financial-results-webcast-fourth-quarter-2023

Extract C adapted from: https://www.telegraph.co.uk/business/2024/05/22/tesla-sales-slump-across-germany-france/

Extracts D and E adapted from: https://futurism.com/the-byte/head-of-cybertruck-manufacturing-leaves-tesla

Extract F adapted from: https://www.yahoo.com/news/nothing-hate-more-must-done-180306032.html?guce_referrer=aHR0cHM6Ly93d3cuYmluZy5jb20v&guce_referrer_sig=AQAAAGhMJ9KWhu0sVTcp5J_UM9ko1nZgrZTtzd5W5CYRu8bHTifGM9IZMBq23ASk5X6ttrHGf3yVN5id2r1HYLqs0Nwsdm9F8-PfzHEuC-tOn9xYMSAPU-3L4WHDhoFHbIRYuOnn_q2Tpf7g7HjMv8OXsCnF5lY_tAoT-HUAPEcIIpbq&guccounter=2

Extract G adapted from: https://www.punchline-gloucester.com/articles/aanews/julian-dunkerton-said-cheltenham-based-superdry-will-be-cool-again

Extract H adapted from: https://www.businessleader.co.uk/uk-companies-employees-boards/

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Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

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Wednesday 22 October 2025

Morning (Time: 2 hours)

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Business

International Advanced Level
UNIT 3: Business decisions and strategy
Answer Booklet

You must have:
Question Paper and Source Booklet

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 in Sections A, B and C.
- 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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SECTION A

Read Extracts A, B, C, D, E and F in the Source Booklet before answering Question 1.

Write your answers in the spaces provided.

Question 1

Write the answer to Question 1(a) in the space provided.

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Write the answer to Question 1(b) in the space provided.

(4)

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Write the answer to Question 1(c) on the two pages provided.

(8)

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Question 1(c) continued

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Write the answer to Question 1(d) on the two pages provided.

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Question 1(d) continued

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Write the answer to Question 1(e) on the two pages provided.

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Question 1(e) continued

(Total for Question 1 = 40 marks)

TOTAL FOR SECTION A = 40 MARKS

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SECTION B

Read Extract G in the Source Booklet before answering Question 2.

Write your answer on the four pages provided.

Question 2

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Question 2 continued

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Question 2 continued

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Question 2 continued

(Total for Question 2 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS

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SECTION C

Read Extract H in the Source Booklet before answering Question 3.

Write your answer on the four pages provided.

Question 3

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Question 3 continued

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Question 3 continued

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Question 3 continued

(Total for Question 3 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS
TOTAL FOR PAPER = 80 MARKS

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