Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International GCSE

Monday 11 November 2024

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 ▶

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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 *Saha* is a small business in Türkiye (formerly known as Turkey) that opened in 2020 with 15 employees. It designs and manufactures robots which are used in hospitals, hotels and restaurants. In hospitals its robots are used to move medical supplies between departments. In hotels and restaurants, the robots are used to welcome customers as they arrive and deliver food and drinks to hotel rooms and restaurant tables. *Saha* provides a seven day a week customer service for all businesses buying its robots.

Many new businesses are entering the global robot market and are competing for market share. Competitors in Türkiye include *NIO, Zoox* and *Vention*.

Saha has ambitious growth plans and has started to design robots that will be used in the home to help people with cleaning, shopping, security and entertainment. It aims to become a multinational business within five years to manufacture robots in all continents of the world.

(a) (i) Which **one** of the following is a financial method used to motivate employees?

Select **one** answer.

(1)

☒ **A** Job enrichment

☒ **B** Job rotation

☒ **C** Autonomy

☒ **D** Remuneration

(ii) Which **one** of the following is an example of secondary research?

Select **one** answer.

(1)

☒ **A** Government reports

☒ **B** Surveys

☒ **C** Focus groups

☒ **D** Observations

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(iii) Which **one** of the following would increase the break-even point?

Select **one** answer.

(1)

- ☒ **A** A decrease in the fixed costs
- ☒ **B** An increase in the variable costs
- ☒ **C** An increase in the selling price
- ☒ **D** A decrease in total costs

(iv) Which **one** of the following is provided by a person applying for a job?

Select **one** answer.

(1)

- ☒ **A** Job description
- ☒ **B** Curriculum vitae (CV)
- ☒ **C** Personal specification
- ☒ **D** Disciplinary and grievance procedures

Figure 1 shows an extract from a statement of comprehensive income in 2023.

	£
Sales	90 000
Cost of sales	11 000
Gross profit	79 000
Operating expenses	18 000

Figure 1

(v) Which **one** of the following is the operating profit in 2023?

Select **one** answer.

(1)

- ☒ **A** £29 000
- ☒ **B** £79 000
- ☒ **C** £72 000
- ☒ **D** £61 000

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The currency of Türkiye is the Turkish lira (TRY).

In 2021 the cost of material for one robot was 80 000 TRY.

In 2023 the cost of material for one robot was 92 000 TRY.

(vi) Which **one** of the following is the percentage change in the cost of material for one robot between 2021 and 2023?

Select **one** answer.

(1)

- ☒ **A** 1.30%
- ☒ **B** 13.04%
- ☒ **C** 15.00%
- ☒ **D** 86.96%

(b) Define the term **stakeholder**.

(1)

(c) Define the term **social enterprise**.

(1)

(d) State **one** non-current asset that *Saha* is likely to have.

(1)

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The price of a battery pack for a *Saha* robot is $90 each.

In 2023 it sold five battery packs every month.

(e) Calculate the total revenue from the sale of all battery packs sold by *Saha* in 2023.
You are advised to show your working.

(2)

$ .....

(f) Explain **one** advantage to a business of having limited liability.

(3)

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(g) Analyse **two** methods of primary research that could be of benefit to *Saha* when developing its products.

(6)

(Total for Question 1 = 20 marks)

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2 (a) State **one** reason why branding is important to *Saha*.

(1)

(b) State **one** task that an employee working in the production department at *Saha* might do.

(1)

(c) Explain **one** disadvantage for a business of using flow production to produce its goods.

(3)

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(d) Explain **one** method of above the line promotion a business may use to increase its sales revenue.

(3)

(e) Explain **one** reason why the proximity to materials is important to a business when locating to a new factory.

(3)

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When *Saha* expands its business it will require additional finance. It is considering two options:

Option 1: crowdfunding

Option 2: loan capital.

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

(9)

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(Total for Question 2 = 20 marks)

3 (a) Define the term **legislation**.

(1)

(b) Outline **one** reason why *Saha* may dismiss an employee.

(2)

Figure 2 is an extract from a cash flow forecast.

	£
Cash inflows	
Sales	24 000
Other income	5 000
Cash outflow	
Net cash flow	11 000

Figure 2

(c) Calculate the **cash outflow**. You are advised to show your working.

(2)

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(d) Analyse **two** possible reasons that may lead to business failure for *Saha*.

(6)

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Saha is planning to develop a new range of robots aimed at helping people in the home with cleaning, shopping, security and entertainment.

It is considering two pricing methods for these robots:

Option 1: price skimming

Option 2: cost plus pricing.

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

(9)

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(Total for Question 3 = 20 marks)

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4 **Figure 3** is an extract from *Saha*'s statement of financial position.

	TRY (million)
Current assets	12
Inventory	4
Current liabilities	7

Figure 3

(a) Calculate, to two decimal places, the acid test ratio for *Saha*. You are advised to show your working.

(2)

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(b) Analyse the benefits for *Saha* of becoming a multinational business.

(6)

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Saha aims to manufacture robots that are high quality and long lasting.

(c) Evaluate the effects on *Saha* of introducing total quality management (TQM) to its business. 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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