

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

Candidate Number

Pearson Edexcel International GCSE

Monday 3 June 2024

Afternoon (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 . If you change your mind about an answer, put a line through the box and then mark your new answer with a cross .

- 1 *TUI* is a holiday business that has over 100 years of experience. It offers customers a variety of holidays including staying in hotels, and river and ocean-going cruises. There are many extras that it offers to holiday makers including: car hire, extensions to the holiday and arranging day trips at all its holiday destinations.

The business is well known and flies its customers to over 180 destinations around the world, including Greece, Turkey and Spain. It has 1,600 travel agencies and 27 million customers. Holidays can be booked by visiting a travel agency or online.

TUI has holidays to meet the needs of all its customers: families, children, couples and those with disabilities.

- (a) (i) Which **one** of the following is a non-financial objective?

Select **one** answer.

(1)

- A** Generating wealth
- B** Personal satisfaction
- C** Maximising profit
- D** Regular income

- (ii) Which **one** of the following would be a benefit to a business delaying paying its suppliers?

Select **one** answer.

(1)

- A** Improved cash flow
- B** Increased profit
- C** A reduction in the amount of interest paid
- D** Improved relationship with suppliers



Jewellery For You is a jewellery business making earrings and necklaces from stones and pebbles found on local beaches. It makes 240 items a month.

Price per item €27

Variable costs per item €12

Fixed costs per month €600

(iii) Which **one** of the following would be the total monthly cost for Jewellery For You?

Select **one** answer.

(1)

- A** €924
- B** €3 480
- C** €6 480
- D** €7 080

(iv) Which **one** of the following is a reason why a business would produce a cash flow forecast?

Select **one** answer.

(1)

- A** It is a legal requirement that a business has a cash flow forecast
- B** A cash flow forecast ensures that the business will be successful
- C** It can help a bank decide whether it should lend money to a business
- D** To show the profit and loss of a business in the past six months

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A 7-day holiday in Thailand in October 2023 cost £998.00.

The exchange rate is £1 = 40.91 Thai Baht (THB).

(v) Which **one** of the following was the cost of the holiday in Thai Baht?

Select **one** answer.

(1)

- A 24.40
- B 1 038.91
- C 40 828.18
- D 40 869.09

(vi) Which **one** of the following is a reason why a sole trader would want to become a private limited company?

Select **one** answer.

(1)

- A The business can keep financial records confidential
- B The business will have unlimited liability
- C Shareholders are liable for all debts
- D Increased ability to raise finance



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

(1)

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

(1)

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(d) State **one** reason why *TUI* pays its employees above the minimum wage.

(1)

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TUI is charging an adult £725.92 for a week in Cyprus. If booked online there is a discount of 12.5%.

- (e) Calculate the total price of a holiday for **two** adults with a 12.5% promotional discount for booking online. You are advised to show your working.

(2)

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- (f) Explain **one** of the factors in Herzberg's motivational theory.

(3)

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(d) Explain **one** benefit to a business of having a short chain of command.

(3)

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(e) Explain **one** important piece of information that should be included in a job advertisement in a newspaper.

(3)

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The travel market that *TUI* operates in is very competitive, with many different businesses offering the same holidays at the same venues. When *TUI* introduces a new holiday or experience it has to consider the pricing strategy it will use. For its new holiday destination in Sri Lanka it is considering two options:

Option 1: competition pricing

Option 2: promotional pricing.

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

(9)

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3 *TUI* wants to maintain its reputation by continuing to provide quality holidays and experiences that customers will enjoy. This will encourage them to return to book future holidays with *TUI*.

(a) Define the term **multinationals**.

(1)

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(b) Outline **one** reason why *TUI* offers employees working in its travel agencies a commission based on the number of holidays they sell.

(2)

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Figure 1 shows the current assets and current liabilities for *TUI* in 2022.

2022	€'000
Current assets	7 758 152
Current liabilities	5 654 468

Figure 1

(c) Calculate, to two decimal places, the current ratio for *TUI* for 2022. You are advised to show your working.

(2)



(d) Analyse the effect on *TUI* customers of an increase in interest rates.

(6)

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4 **Figure 2** shows the total cost to *TUI* of employees' salaries.

Total cost of employees	€ '000
2021	39 631
2022	57 498

Figure 2

(a) Calculate, to two decimal places, the percentage increase in the total cost of employees from 2021 to 2022. You are advised to show your working.

(2)

.....%



(c) Evaluate the benefits for *TUI* of providing a quality service. You should use the information provided as well as your own knowledge of business.

(12)

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TOTAL FOR PAPER = 80 MARKS



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