GradeMax

Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International Advanced Level

Time 2 hours

Paper reference **WBS14/01**

Business

International Advanced Level
UNIT 4: Global business

You must have:
Source Booklet (enclosed)

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.

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SECTION A

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

Write your answers in the spaces provided.

1 (a) Construct a supply and demand diagram to show the impact on the global market for hazelnuts after the events described in Extract A.

(4)

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(b) Explain **one** disadvantage for Turkey of specialising in the growing of hazelnuts.

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(c) Discuss the benefits for the EU fishing industry from receiving subsidies.

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(d) Assess the role of the World Trade Organisation (WTO) in increasing trade liberalisation.

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(e) Assess the possible impact of sustainable policies on a global business such as *Epson*.

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(Total for Question 1 = 40 marks)

TOTAL FOR SECTION A = 40 MARKS

SECTION B

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

Write your answer in the space provided.

2 Evaluate the extent to which the marketing mix may need to be adapted for a global niche product such as *Halo Top*.

(20)

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(Total for Question 2 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS

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SECTION C

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

Write your answer in the space provided.

3 Evaluate the usefulness of Porter's five forces for a global business such as *Glovo*, when assessing potential markets.

(20)

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(Total for Question 3 = 20 marks)

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

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Source Booklet

Do not return this Booklet with the question paper.

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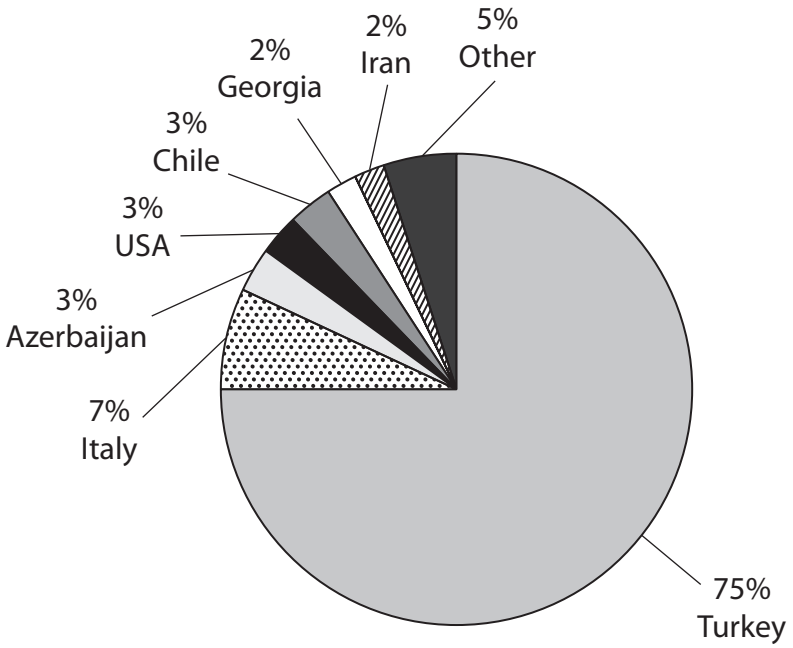
Sources for use with Section A

Extract A

Global Hazelnut Production

In 2020, the exports of hazelnuts from Turkey, the world's largest producer, decreased by 19%. This was due to a drought in the Black Sea coast region of Turkey, where most of the hazelnuts are produced. Later in the year, heavy rains caused a large flood in the main producing region. Another problem was damage caused by an insect that has already caused significant damage in neighbouring Georgia.

World hazelnut production by country (%) 2019–2020



Extract B

World Trade Organization (WTO) moves closer to an agreement to end harmful fishing subsidies

After more than 20 years of negotiations, the WTO has moved a step closer to an agreement on ending fishing subsidies. The agreement would set new rules for the global fishing industry and limit government funding that contributes to unsustainable fishing and the reduction of global fish stocks.

Subsidies paid to the global fishing industry amount to around $35bn each year. In 2018, the world's top 10 providers of harmful fisheries subsidies gave out $15.4bn in total. The European Union (EU) provided $2bn, ranking third behind China and Japan.

Research claims that eliminating all subsidies could help fish populations recover. Specifically, it would result in an increase of 12.5% in global fish stocks by 2050. That would mean nearly 35 million tonnes of fish – almost three times Africa's entire fish consumption in a single year.

Extract C

'There's no business to be done on a dead planet', says *Epson*

The origins of digital printing go back to the Tokyo Olympics of 1964 and a device used to document the exact times in the sporting events. It was called Electronic Printer (EP101). The name went on to become *Epson*, the Japanese multinational that is now one of the world's leading manufacturers of printers.

Epson has a deep commitment to sustainability and the environment with a full commitment to the 17 sustainable development goals of the United Nations. *Epson*'s aim of meeting all its power needs through renewable energy by 2023 has already been met in the UK. It also aims to reduce direct emissions by 19% and indirect emissions by 44% before the end of 2025.

Epson is determined to ensure that it remains at the forefront of sustainability. It spends more than $1.15m every day on research and development. Its inkjet printers consume up to 83% less energy than competing laser printers.

Source for use with Section B

Extract D

***Halo Top* ice cream**

As consumers become more health conscious and ethical, the ice cream sector has seen many new businesses enter the market. *Halo Top* ice cream has led the way. It was launched in the US in 2012 as a niche product. *Halo Top* uses all natural ingredients and added protein, but has less fat and sugar than traditional ice cream.

Despite a highly competitive market, it became the fastest-selling food brand in the US in 2017. As a measure of *Halo Top*'s success, Ben & Jerry's, Häagen-Dazs and Magnum have all responded by introducing either low-calorie or vegan* ice creams.

This is in part due to consumer demands for a healthier lifestyle. Many are attracted to smaller brands such as *Halo Top* because of their own lifestyle choices – be that healthy eating or veganism. This has helped smaller brands not only gain market share but also ensure that it is retained.

Facebook and *Instagram* were crucial in creating awareness of the new product. *Halo Top* started by following hashtags such as #FitFam on *Instagram* to target young health-conscious gym-goers. It recruited them as influencers and built up a digital marketing base appealing to many younger age groups.

Halo Top now wants to appeal to older age groups and become a household brand name. To do this it acknowledges traditional marketing is needed but is determined that the ethos of the company needs to remain the same.

*a vegan does not eat or use any animal products

Source for use with Section C

Extract E

Glovo to double African investment in the next 12 months

In 2021, the on-demand delivery business *Glovo* announced plans to double its investment in Africa and expand its operations on the continent. *Glovo*'s delivery services, include goods from groceries, pharmacies, and other retail shops as well as food from restaurants.

The Spanish-based company currently operates in six African countries — Morocco, Uganda, Kenya, Ghana, Côte d'Ivoire and Nigeria. *Glovo* is available in more than 40 cities with over 300,000 users, 8,000 restaurants and 12,000 delivery drivers. *Glovo* says it is a market leader in 80% of the countries where it operates.

Its largest market is Nigeria. However, the West African nation does not come without its own fair share of troubles, poor logistics and infrastructure and an unpredictable regulatory environment. Despite this, a couple of food delivery platforms such as *Gokada* and *Jumia Food*, a subsidiary of e-commerce giant *Jumia*, are already operating there.

Over the next 12 months, *Glovo* says it will invest an additional $60m for expansion into more cities in Africa and move into new markets such as Tunisia. According to a statement released by the company, the expansion will make *Glovo*'s services available to 6.5 million people.

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Acknowledgements

Extract A adapted from: https://east-fruit.com/en/horticulture-market/market-reviews/have-we-stopped-loving-hazelnuts-why-is-the-world-trade-in-hazelnuts-falling/

Extract B adapted from: https://chinadialogueocean.net/18033-wto-inches-closer-to-agreement-on-harmful-fishing-subsidies/

Extract C adapted from: https://www.heraldscotland.com/news/19610644.theres-no-business-done-dead-planet-says-epson-boss/

Extract D adapted from: https://www.marketingweek.com/ice-cream-disrupting-market/

Extract E adapted from: https://techcrunch.com/2021/09/07/glovo-to-double-down-african-investment-in-the-next-12-months-but-will-it-stay-put/