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

Tuesday 8 October 2024

Afternoon (Time: 2 hours)

Paper reference **WBS11/01**

Business

International Advanced Subsidiary
UNIT 1: Marketing and people

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) Define the term 'dynamic market'. (Extract A, line 3)

(2)

In 2023, in Mumbai, the income elasticity of demand (YED) for parcel delivery was 1.8. The average income had increased by 5%.

(b) Using this data calculate the percentage change in demand for parcel delivery in 2023. You are advised to show your working.

(4)

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(c) Analyse **two** possible opportunity costs Tilak Mehta may have experienced when starting his business.

(6)

PNP aims to achieve 20% market share of small parcel deliveries in the Mumbai area.

(d) Discuss the possible difficulties for *PNP* of expanding its business.

(8)

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PNP is considering paying Dabbawallas on a piecework basis.

(e) Assess the likely effects on *PNP* of changing to a piecework payment method.

(10)

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(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS

SECTION B

Read Extracts D, E, F and G in the Source Booklet before answering Question 2.

Write your answers in the spaces provided.

2 (a) Define the term 'product portfolio'. (Extract D, line 2)

(2)

In 2021, *M&S*'s grocery revenue was £5.61bn.

In 2022, the total revenue for the UK grocery market was £170bn and *M&S* had a market share of 3.6%.

(b) Using this information calculate, to two decimal places, the change in grocery revenue for *M&S* between 2021 and 2022. You are advised to show your working.

(4)

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(c) Analyse **two** advantages to *M&S* of using face-to-face interviews to collect market research.

(6)

(d) Discuss the importance to *M&S* of product differentiation for the success of its food sales.

(8)

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(e) Assess the likely benefits to *M&S* of outsourcing its IT services and distribution network.

(10)

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(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS

SECTION C

Read Extracts H, I and J in the Source Booklet before answering Question 3.

Write your answer in the space provided.

3 Elon Musk has been described as an autocratic leader.

Evaluate the extent to which an autocratic leadership style will benefit the businesses owned or managed by Elon Musk.

(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

Growing demand for parcel delivery in India

India has experienced rapid growth in the online retail market. Changes to this dynamic market have been welcomed by parcel delivery businesses.

Globally, India has the fastest growing market for parcel deliveries. Total annual revenue for parcel delivery businesses grew by 32% between 2021 and 2022, reaching $5bn. These businesses transported more than four billion parcels in 2023 and this number is expected to increase to ten billion parcels by 2028.

Extract B

About *Papers N Parcels* (*PNP*)

Most teenagers spend their time studying, playing sport and listening to music. However, Tilak Mehta was not one of them. He focused on becoming an entrepreneur. In 2018, he started his parcel delivery business *PNP* in Mumbai, India, when he was 13 years old. *PNP* delivers small parcels and paperwork for medical companies and online retailers.

The start-up finance for *PNP* came from Tilak's family savings. The family helped him to develop the technology and distribution channels to expand the business. Unlike many delivery services in Mumbai, *PNP* provides a same-day delivery service.

An app was developed to enable customers to track their parcel delivery. The business is performing well, and Tilak received an award for his entrepreneurial achievements. *PNP* aims to expand and achieve 20% market share of small parcel deliveries in the Mumbai area.

Extract C

Delivery of *PNP* parcels

PNP currently has over 200 employees. It uses delivery people, referred to as Dabbawallas, to make parcel deliveries in Mumbai.

The Dabbawallas are not employees of *PNP*. They deliver parcels and food for many different individuals and businesses. The Dabbawallas are paid a fixed daily rate if they deliver parcels for *PNP*. However, *PNP* is considering changing the payment method. It plans to change to a piecework payment method where the Dabbawallas will be paid for each delivery made.

Sources for use with Section B

Extract D

About *Marks and Spencer* (*M&S*)

M&S is a British retailer. It has a large product portfolio and sells high quality food, clothing and homeware. Globally, it has 1,487 stores and 98 websites.

The *M&S* food brand is recognised for its quality, taste and product innovation. In 2022, sales of food increased by 10% and over 1,300 new food products and meals were created and sold. The advertising campaign for its food uses the slogan 'it's not just any food, it's *M&S* food'.

M&S is currently a top-performing UK grocery business in terms of percentage growth in market share. The UK grocery market is extremely competitive with *Tesco* having the largest market share.

Extract E

Selected data for *M&S* in 2021 and 2022

	Dec 2021	Dec 2022
***M&S* market share of total UK grocery sales (by revenue)**	3.4%	3.6%
Profit	£403m	£522m

Extract F

Market research at *M&S*

In 2022, *M&S* introduced its 'Voice of the customer' programme to measure customer satisfaction. As part of the programme, it conducted in-depth, face-to-face interviews with over 400 customers. It gathered research data in a range of areas including website experience, delivery, service, clothing and food.

Extract G

Outsourcing at *M&S*

M&S has outsourced the management of its IT and digital services to *Tata Consultancy Services* (*TCS*) who specialise in IT services. The contract had an initial cost to *M&S* of £25m. The move involved 250 *M&S* employees being transferred to be employed by *TCS*.

The *M&S* Chief Executive Officer (CEO) said, 'Technology plays a huge role in our business and we require the best technology to enable us to be more flexible and responsive.'

M&S has also outsourced its distribution network to two businesses, *Ocado* and *DHL*. They transport food from *M&S* stores and warehouses to customers and retailers. *DHL* drivers went on strike three times in 2022 because of a dispute over payments.

Sources for use with Section C

Extract H

About Elon Musk

Elon Musk is a billionaire entrepreneur who has started a number of technology businesses. His first business venture sold for $307m in 1999 when he was 27 years old. His second business, *Paypal*, sold for £1.5bn. Musk has since created other technology businesses and maintains a leading role in each of them. For another one of his businesses, *SpaceX*, he personally interviewed and approved the first 200 employees.

Extract I

Businesses owned or managed by Elon Musk in 2023

Business	Position held by Musk
Tesla (Electric cars)	Chief Executive Officer (CEO)
SpaceX (Space crafts)	Lead Designer
Neuralink (Brain chip research)	CEO
The Boring Company (Road tunnels)	President
X (*Twitter*) (Social Media site)	CEO

Extract J

Elon Musk's leadership

Elon Musk works hard and expects the same from his employees. *The Boring Company* is struggling to retain employees due to the long hours and weekend work. *Tesla* and *SpaceX* workers have described working conditions as extremely demanding.

Following the takeover of *X* (*Twitter*), Musk told staff in an email that they needed to work 'long hours at high intensity' to achieve his vision of *X* (*Twitter*) and 'if they didn't understand this, they should leave the business with three months' pay'. Some of the employees that agreed to Musk's rules still lost their jobs when Musk changed the organisational structure at *X* (*Twitter*).

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Acknowledgements

Extract A adapted from: https://www.mordorintelligence.com/industry-reports/india-domestic-courier-express-and-parcel-market

Extract B adapted from: https://timesnext.com/papers-n-parcels-13-year-olds-startup/

Extract C adapted from: https://www.moneycontrol.com/news/business/13-year-old-banks-on-mumbais-dabbawallahs-for-delivery-startup-3402281.html

Extracts D and E adapted from: https://corporate.marksandspencer.com/media/press-releases/full-year-results-for-52-weeks-ended-2-april-2022

Extract F adapted from: https://corporate.marksandspencer.com/sites/marksandspencer/files/marks-spencer/m-and-s_ar22_strategic-report.pdf

Extract G adapted from: https://www.cips.org/supply-management/news/2018/january/ms-outsources-tech-supply-chain/ and https://morningstaronline.co.uk/article/b/ms-distribution-staff-strike-third-time-over-redundancies

Extract H adapted from: https://www.ceotodaymagazine.com/2021/10/elon-musk-the-inspirational-success-story-of-teslas-ceo/

Extract I adapted from: https://www.tesla.com/en_gb/elon-musk

Extract J adapted from: https://www.businessinsider.com/elon-musk-boring-company-struggles-retain-staff-long-working-hours-2022-11?r=US&IR=T