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

Monday 14 October 2024

Afternoon (Time: 2 hours)

Paper reference **WBS12/01**

Business

International Advanced Subsidiary
UNIT 2: Managing business activities

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.

Turn over ▶

P78379A

©2024 Pearson Education Ltd.
V:1/1/1/1/

P 7 8 3 7 9 A 0 1 1 6

Pearson

SECTION A

Read Extract A in the Source Booklet before answering Question 1.

Write your answers in the spaces provided.

1 (a) Define the term 'capacity utilisation'. (Extract A, line 18)

(2)

One of the most popular tours offered by *Green Tortoise* is the 'Pacific Trek', priced at $999 per passenger.

(b) Using the data above, calculate the decrease in revenue earned from a Pacific Trek tour, following *Green Tortoise*'s decision to reduce the maximum number of passengers from 40 to 29. You are advised to show your working.

(4)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(c) Analyse **two** possible advantages for *Green Tortoise* of having limited liability.

(6)

(d) Discuss the importance of developing customer loyalty for a business such as *Green Tortoise*.

(8)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(e) Assess *Green Tortoise*'s decision not to increase the price charged for tours following the decrease in capacity.

(10)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS

SECTION B

Read Extracts B and C in the Source Booklet before answering Question 2.

Write your answers in the spaces provided.

2 (a) Define the term 'partnership'. (Extract B, line 4)

(2)

(b) Using the data in Extract C, calculate how many 25 kg sacks of potatoes will be ordered each week by *Golcar Fisheries*.

(4)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

The UK Government required many businesses to close their shops during the global health crisis. Some competitors of *Golcar Fisheries* did not survive this temporary closure.

(c) Analyse **two** possible reasons why this government legislation resulted in business failure for some of *Golcar Fisheries'* competitors.

(6)

(d) Discuss the drawbacks to *Golcar Fisheries* of holding buffer inventories.

(8)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(e) Assess the likely effectiveness of the ways *Golcar Fisheries* competes in the market for hot takeaway food.

(10)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS

SECTION C

Read Extracts D and E in the Source Booklet before answering Question 3.

Write your answer in the space provided.

3 *EIZO* wants to improve its liquidity.

Evaluate whether it is better to use just in time (JIT) or factoring for *EIZO* to improve its liquidity.

(20)

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

(Total for Question 3 = 20 marks)

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

DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA
DO NOT WRITE IN THIS AREA

GradeMax

Pearson Edexcel International Advanced Level

Monday 14 October 2024

Afternoon (Time: 2 hours)

Paper reference **WBS12/01**

Business

International Advanced Subsidiary
UNIT 2: Managing business activities

Source Booklet
Do not return this Booklet with the question paper.

Turn over ▶

P78379A

©2024 Pearson Education Ltd.
V:1/1/1/1/

P 7 8 3 7 9 A

Pearson

Source for use with Section A

Extract A

Affordable adventures with extraordinary people

Green Tortoise Adventure Travel (*Green Tortoise*) is a US-based, long-distance bus tour business. It is a private limited company and was founded in 1973. It offers bus tours in North America, most of which are in the US with some in Mexico and Canada.

Green Tortoise mainly targets travellers on a low budget with the tour price including 70% of meals, all accommodation and transportation. This price is almost always cheaper than the combined price of hostel-based accommodation and transport offered by the least expensive bus operators in the US.

The seating in the *Green Tortoise* buses can be converted into beds, as much of the travel takes place at night. The passengers work with one another each day of the tour to prepare meals, using ingredients and cooking utensils provided.

Destinations are not usually well-known tourist areas. Instead, Lyle Kent, the owner of *Green Tortoise*, aims to make each tour unique to the passengers travelling at the time. Although an itinerary is offered, there are frequent changes to meet the choice of those travelling. Many customers return to travel with *Green Tortoise* on other tours. Research has shown the number of repeat customers has been falling.

Until recently, a maximum of 40 passengers could travel on one *Green Tortoise* bus with capacity utilisation often at 100%. However, in response to customer feedback and the request for more space, the maximum number of passengers has recently been reduced to 29 passengers. The price was not increased.

Sources for use with Section B

Extract B

Golcar Fisheries

Golcar Fisheries is a small shop in a UK village that sells hot takeaway food. It mainly sells fish and chips but a small range of other food and drink items are on the menu. It is a business partnership, owned by Christine Harnett and Wayne Boustead.

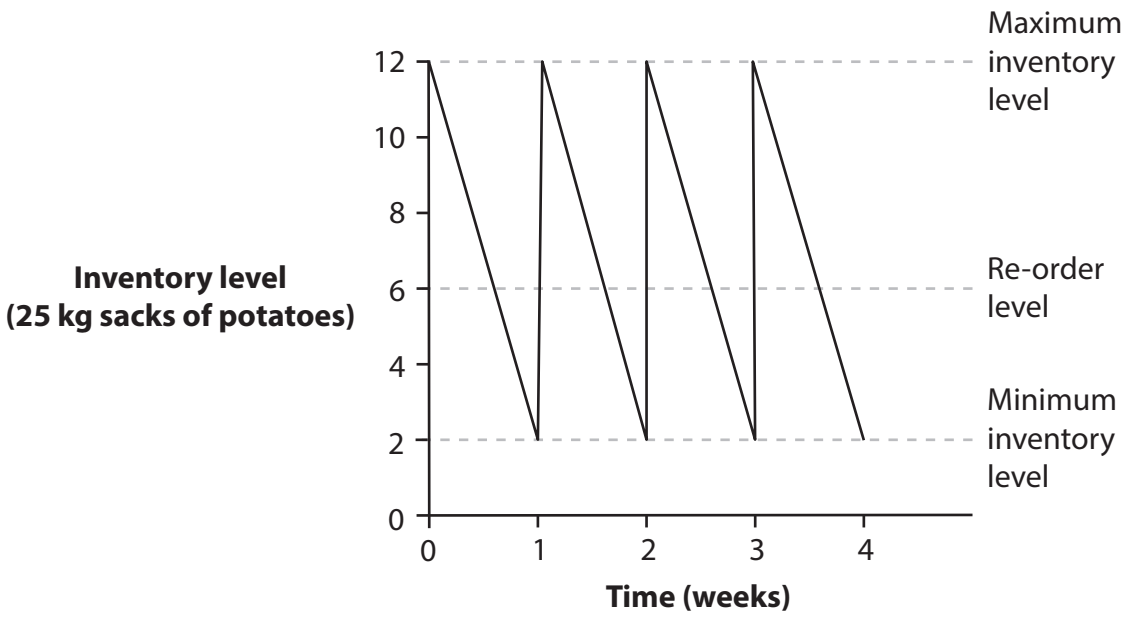
The business has a good reputation in the village for selling quality food and for helping the local community. During the global health crisis, the business was required to close for several months due to government regulations. As a result, it had perishable goods*, including unused sacks of potatoes, that would not be fit for sale when the shop reopened. Wayne placed the potatoes outside the shop for people to take free of charge.

Many customers have been struggling with the cost of living due to increasing prices of food and fuel. *Golcar Fisheries* offers free meals to school-children during the school holidays to help families manage this problem.

***** *Perishable goods: food that quickly becomes unsuitable for use.*

Extract C

Inventory control diagram for 25 kg sacks of potatoes at *Golcar Fisheries*



Sources for use with Section C

Extract D

EIZO – the Japanese word for 'image'

EIZO is a world leading manufacturer of computer monitors. This Japanese business has been developing, producing and selling monitors since 1968 and its shares are listed on the Tokyo stock exchange.

Thanks to continuous research and development of high-quality raw materials, *EIZO* uses only the latest technology when manufacturing its monitors. It is known for its quality and ability to offer an extra-long warranty period of up to five years.

EIZO has regional offices in many countries, including Singapore, Australia and Germany. It currently has 2,238 employees. It has a global distribution network, enabling prompt delivery to both business and personal customers all over the world.

Credit terms are offered to repeat customers and those buying a large number of monitors. These account for a high percentage of sales as *EIZO* sells its monitors to different markets including graphics, security and surveillance, business, healthcare and air traffic control.

Extract E

Selected information from *EIZO*'s statement of financial position

Current assets	31 March 2022 (¥ million)	31 March 2023 (¥ million)
Cash	13 887	9 557
Work in progress	1 730	2 191
Raw materials	19 980	28 289

Acknowledgements

Extract A adapted from: https://greentortoise.com/frequently-asked-questions-travel/

Extract D adapted from: https://www.eizo-apac.com/about/the-company

Extract E adapted from: https://www.eizoglobal.com/ir/material/202303_e.pdf