GradeMax



Mark Scheme (Results)

January 2025

Pearson Edexcel International Advanced Level
In Business (WBS14)
Paper 01: Global Business

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

January 2025
Question Paper Log Number P78451A
Publications Code WBS14_01_2501_MS
All the material in this publication is copyright
© Pearson Education Ltd 2025

General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question	Using Extract A, calculate the number of Indonesians under the age of 15 in 2022. **(4)** **Answer**	Mark
1(a)	**Knowledge 1, Application 2, Analysis 1** **QS2** Calculate, use and understand percentages and percentage changes **Knowledge** 1 mark for identifying any suitable formula eg: $\frac{\text{Population}}{100} \times$ % under the age of 15 **(1)** **Application** Up to 2 marks for selecting the correct data: $\frac{276{,}000{,}000}{100}$ **(1)** x 26.2 **(1)** **Analysis** 1 mark for calculating the number of Indonesians under the age of 15 in 2022 = 72,312,000 **(1)** **OR** = 72.312m **(1)** **NB: If no working is shown, award marks as follows:** If the answer given is 72,312,000 OR 72.312m award 4 marks.	**(4)**

Question	Explain **one** advantage to the Indonesian economy of Foreign Direct Investment (FDI). **(4)** **Answer**	Mark
1(b)	**Knowledge 1, Application 2, Analysis 1** **Knowledge** 1 mark for identifying an advantage, e.g.: • Unemployment will be reduced **(1)** **Application** Up to 2 marks for contextualised answers, e.g.: • *Hyundai*/*CATL* are building new factories **(1)** • The unemployment rate is 5.83% **(1)** **Analysis** 1 mark for developing the advantage, e.g.: • Workers will be needed to help build the new factories and then the factories will take on a permanent workforce both of which will reduce unemployment **(1)**	**(4)**

Question	Discuss the benefits of forming a joint venture for a global business such as *Hyundai*. **(8)** **Indicative content**
1(c)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • A joint venture is when two or more independent businesses collaborate on a specific venture • Their differing knowledge, expertise and skills can be shared for mutual synergistic benefit and profitability • *Hyundai* is a car manufacturer and *LG Energy Solution* makes batteries for EVs, therefore they both have a common interest in collaboration • A joint venture can save *Hyundai* a great deal of time and expense as they do not have to develop their own battery plant • *Hyundai* is guaranteed a secure source of batteries to power its EVs • *LG Energy Solution* has a guaranteed customer that will help with innovation and the development of the product • The costs and risks of the new venture are shared by the partners • However, there may be problems with communication and/or a clash of cultures, particularly if the partners are from different countries and backgrounds • Partners will have to share the profits as well • A joint venture partner needs to be reliable and trustworthy, this has not always been the case

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–5	Accurate knowledge and understanding. Applied accurately to the business and its context. Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete. An attempt at an assessment is presented that is unbalanced and unlikely to show the significance of competing arguments.
Level 3	6–8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors.

Question	Assess the implications of specialisation for an emerging economy such as Indonesia. **(12)** **Indicative content**
1(d)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • Specialisation means economies concentrate their resources in the areas that they do best, excess output is then traded • Indonesia specialises in producing primary products and raw materials such as palm oil and nickel and is the world's largest producer of these products • By specialising Indonesia builds up expertise, experience and skilled labour in these products leading to a competitive advantage • Specialisation leads to increased productivity and output, economies of scale may be gained as more resources are devoted to the specialisation rather than spread out over many areas • Many people are employed in producing these products and earn income • Exports of $291.98bn are rising and lead to economic growth, which benefits the whole economy • Nickle exports have increased from $1.1bn five years ago to nearly $20.9bn in 2022, which is a significant increase • However, specialisation can lead to over reliance, if anything happens to this area the Indonesian economy could suffer • If technology changes and nickel is no longer needed for EVs then exports will fall • Risk and uncertainty are not spread. Should demand fall for palm oil because of, for example, public concern over its environmental impact, demand will fall and have a serious impact on the Indonesian economy • Unemployment would rise with repercussions for other Indonesian businesses and the economy

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5–8	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	9 –12	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors, leading to a supported judgement.

Question	Assess the importance of infrastructure when choosing a production location in another country**. (12)** **Indicative content**
1(e)	**QS9** Interpret, apply and analyse information in written, graphical and numerical forms. **Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • Infrastructure refers to the systems and services that an economy needs to function effectively, these include transport links and communications • Choosing a production location with good infrastructure makes it easier to run an effective business, this reduces start-up costs and saves valuable time • Indonesia has recently been investing heavily in its infrastructure • Recent developments include new airports, ports, roads and rail links. The 38 new dams will increase Indonesia's ability to generate power • Manufacturing businesses such as *Hyundai, CATL* and possibly *Tesla* will all want good infrastructure to be able to export their products efficiently and easily • However, other factors may be more important such as the cost and availability of labour, Indonesia has a young population, reforms are in place to make it easier for employers • Mining companies will be more concerned with Indonesia's abundant mineral reserves • Other factors include being in a trade bloc, government incentives, ease of doing business and political stability • Some businesses may be put off by Indonesia's relatively low corruption index compared to other locations such as Vietnam • Much depends on the nature of the business and its needs

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5–8	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	9 –12	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors, leading to a supported judgement.

Question	Evaluate whether organic or inorganic growth is the best way for a global business to expand. **(20)** **Indicative content**
2	**QS9** Interpret, apply and analyse information in written, graphical and numerical forms. **Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation** – indicative content • *Mars* is following a policy of inorganic growth • By taking over another company the business immediately grows in size, there is no need to wait for sales to increase, it is faster than organic growth • *Mars* has just taken over *Hotel Chocolat* the UK's biggest independent chocolate maker. It gets immediate use of *Hotel Chocolat*'s supply chain and distribution network • Inorganic growth increases market share and market power which can be crucial in a global market such as confectionery with powerful rivals such as *Ferrero* and *Mondelez* • Increasing market power gives greater control over prices and market trends • Increasing in size can bring benefits from economies of scale which can reduce average costs • It instantly removes competition from the market which may reduce the need for costly promotion and competitive strategies • However, many mergers and takeovers fail to deliver the anticipated benefits because of culture clashes or communication problems. Extract D points out that neither *Mondelez* and *Ferrero* have been totally successful in their takeovers • Inorganic growth can lead to too rapid growth and difficulties may arise as resources become stretched and diseconomies of scale occur • Inorganic growth can be expensive and takeovers in the confectionery market have not been totally successful according to Extract D • *Mountain Warehouse* is following the organic method of growth, it is opening more shops in the UK and overseas • It is privately owned and is expanding by using retained profit (its pre-tax profits of £6.7m in 2023) or borrowed funds and therefore keeps control of the business • Organic growth is usually seen as less risky as the organisation is the same with well-established systems and procedures that avoid the problems of inorganic growth • Diseconomies of scale are likely to be avoided as organic growth is more measured

	• However, the slower pace of growth may be too slow in a fast moving and dynamic market, there is a risk of being left behind by rivals who expand by merger and acquisition • Economies of scale take longer to achieve and this could mean higher costs than rivals and lower profit margins • There is no clear answer as to which is best, it depends on the nature of the busines and the market it operates in. It may be that inorganic growth is better in a rapidly growing market and organic growth better in a more mature market • Both *Mars* and *Mountain Warehouse* seem to have chosen the method of growth that works best for them

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	Isolated elements of knowledge and understanding. Weak or no relevant application of business examples. An argument may be attempted, but will be generic and fail to connect causes and/or consequences.
Level 2	5–8	Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question. A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.
Level 3	9–14	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question. Arguments are well developed. Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
Level 4	15–20	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of causes and/or effect(s). Arguments are fully developed. Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.

Question	Evaluate the usefulness of Ansoff's matrix to a global business when making marketing decisions. **(20)** **Indicative content**
3	**QS9** Interpret, apply and analyse information in written, graphical and numerical forms. **Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • Ansoff's matrix is designed to highlight the elements of a business strategy that will lead to growth and the development of a successful business portfolio • It divides a business on the basis of the products it has, or could have and the markets it has, or could have • It indicates the relative risk of the options and can guide decision making. The risk becomes greater if a business moves away from its existing products and/or customers • The simple 2x2 grid makes it easy to understand for both strategic planners and non-experts improving communication within organisations • Possible use of a diagram • By concentrating on its existing products in an existing market a business is following a market penetration strategy. *Morrisons* is trying to do this by offering a loyalty scheme • This is the least risky option because it relies on existing customers and may attract new ones but is unlikely to lead to high growth • Product development is slightly riskier and involves selling new or modified products in existing markets. *Coca-Cola* is doing this in places such as the US where sales of its existing products are in decline • Market development is what *Mars* is doing in Extract H by promoting its ice creams in China. The risk here is greater because customers may have different tastes and preferences to the existing market • Diversification is the riskiest strategy of all, with new products and new markets. It is risky because the business has no experience or expertise of the new product or market, for example, Bentley has moved away from its traditional car market into fashion accessories • However, Ansoff is only a theoretical and simplistic tool that takes no account of changing economic and market conditions • Accurate predictions are difficult and easily disrupted by events • It does not take into account the actions of competitors who will react to a business' new plans

	• While Ansoff's matrix may be a starting point on which to base a strategy, it cannot be used alone to justify the decision that is made. It should be used with other tools such as PESTLE • Much more research is needed into market conditions and consumer preferences

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	Isolated elements of knowledge and understanding. Weak or no relevant application of business examples. An argument may be attempted, but will be generic and fail to connect causes and/or consequences.
Level 2	5–8	Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question. A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.
Level 3	9–14	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question. Arguments are well developed. Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
Level 4	15–20	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of causes and/or effect(s). Arguments are fully developed. Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.

Pearson Education Limited. Registered company number 872828
with its registered office at 80 Strand, London, WC2R 0RL, United Kingdom