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 12 May 2025

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.

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SECTION A

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

Write your answers in the spaces provided.

1 (a) Define the term 'entrepreneur'. (Extract A, line 4)

(2)

Ovan used a simple monthly cash-flow forecast when he opened *Pancong Maleleh*.

In December 2023, total cash inflows were predicted to be exactly half that of November 2023.

(b) Using the data above and the table below, construct a simple cash-flow forecast for *Pancong Maleleh* for December 2023.

(4)

	November **Rp 000s**	**December** **Rp 000s**
Opening balance	10 000	
Total cash inflows	4 200	
Total cash outflows	3 350	2 630
Net cash flow	850	
Closing balance	10 850	

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(c) Analyse **two** limitations of using a cash-flow forecast for a business such as *Pancong Maleleh*.

(6)

(d) Discuss the factors that could affect efficiency at *Pancong Maleleh*.

(8)

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Ovan is considering introducing a pancong filled with durian fruit and selling it at a higher price of Rp 13 000.

(e) Assess the significance of price elasticity of demand (PED) for *Pancong Maleleh* when making decisions about the pricing of a pancong filled with durian fruit.

(10)

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(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS

SECTION B

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

Write your answers in the spaces provided.

2 (a) Define the term 'private limited company (Ltd)'. (Extract C, line 5)

(2)

(b) Using the data in Extract C, calculate to 1 decimal place, *Wilko*'s percentage decrease in gross profit from 2021 to 2022.

(4)

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(c) Analyse **two** possible reasons why *Wilko*'s suppliers offered trade credit to *Wilko*.

(6)

(d) Discuss whether the causes of *Wilko*'s business failure were likely to have only been external.

(8)

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(e) Assess the benefits for *The Range* of operating an online business.

(10)

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(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS

SECTION C

Read Extracts E, F, G and H in the Source Booklet before answering Question 3.

Write your answer in the space provided.

3 Evaluate whether the rate of inflation or interest rates is likely to have a greater effect on *Slovnaft BAjk* (*SB*).

(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

Pancong Maleleh

Pancong is a traditional Indonesian sweet snack. The main ingredients are rice flour, coconut milk, eggs and sugar. Pancong is often sold in Indonesian markets.

Entrepreneur, Ovan Naufal, opened *Pancong Maleleh* in September 2023. He combined the popularity of pancong with his idea to open a business in the small town of Kualuh Hulu, on the Indonesian island of Sumatra.

Ovan was able to negotiate rent for premises at a low cost. These premises are close to people walking to the nearby train station. A number of friends helped him prepare for the opening but Ovan currently has no employees.

Pancong Maleleh makes a standard pancong, then adds a popular filling, such as chocolate, pineapple or blueberry. There are currently nine different varieties available and each pancong is sold at a price of Rp 10 000 ($0.64).

Some customers have asked Ovan if durian (a tropical fruit) can be introduced as a new filling. Durian is considered to be a very healthy fruit but the variable costs would be higher than for other fillings sold by *Pancong Maleleh*.

Extract B

Simple monthly cash-flow forecast for *Pancong Maleleh*, November 2023

	November Rp 000s
Opening balance	10 000
Total cash inflows	4 200
Total cash outflows	3 350
Net cash flow	850
Closing balance	10 850

Sources for use with Section B

Extract C

***Wilko Limited* (*Wilko*)**

Wilko was a UK-based, high-street retail chain, selling discounted household and garden products. It started trading in 1930 and officially closed its high-street retail shops in October 2023. The business had changed its name several times but has been a private limited company (Ltd) since 1941.

Although *Wilko*'s annual revenue was over £1bn in 2021/22, market conditions, rising costs of living and increases in the rate of interest were listed amongst the causes of its failure. However, competitors selling similar discounted products did not experience the same problems and continued to trade.

In the final year end accounts available at the time of its closure, *Wilko* showed a decrease in gross profit from £525.7m in 2021 to £501.5m in 2022.

Wilko owed over £147m in trade credit prior to its closure in October 2023.

Extract D

The Range

The Range operates as a high-street and an online retailer, selling other businesses' goods through its shops and its own website. It has hundreds of items available and is constantly adding to its product range.

Recently, the management of *The Range* has focused attention on increasing the products available for sale on its website. With the option of next-day delivery, it appeals to many customers, as well as being able to compete more effectively with bigger, well-known, online businesses, such as *Amazon*.

Following the closure of all *Wilko* shops with a loss of 12,500 jobs, *The Range* was able to buy branded *Wilko* products to sell in its shops and on its website. In addition, it was able to offer jobs to 36 IT technicians, previously employed by *Wilko*, to help with the development of its online business. This enabled a small part of the *Wilko* name to continue, as well as increasing market share for *The Range*, due to the attraction of offering a well-known brand.

Sources for use with Section C

Extract E

Slovnaft BAjk

Cycling is a popular activity in the city of Bratislava, Slovakia. This is helped by a good network of cycle lanes and easy access to bicycle hire. Bicycle-hire services each have a smartphone app, which allows the user access to the bicycles once they have registered.

Slovnaft BAjk offers bicycle hire at any time of day from its 128 docking stations, located throughout Bratislava. The stations are in popular locations for links to public transport and to city landmarks. This makes the bicycles ideal for commuters and tourists. There are over 800 bicycles available, which can be unlocked with a code, sent to the user's smartphone after payment is made.

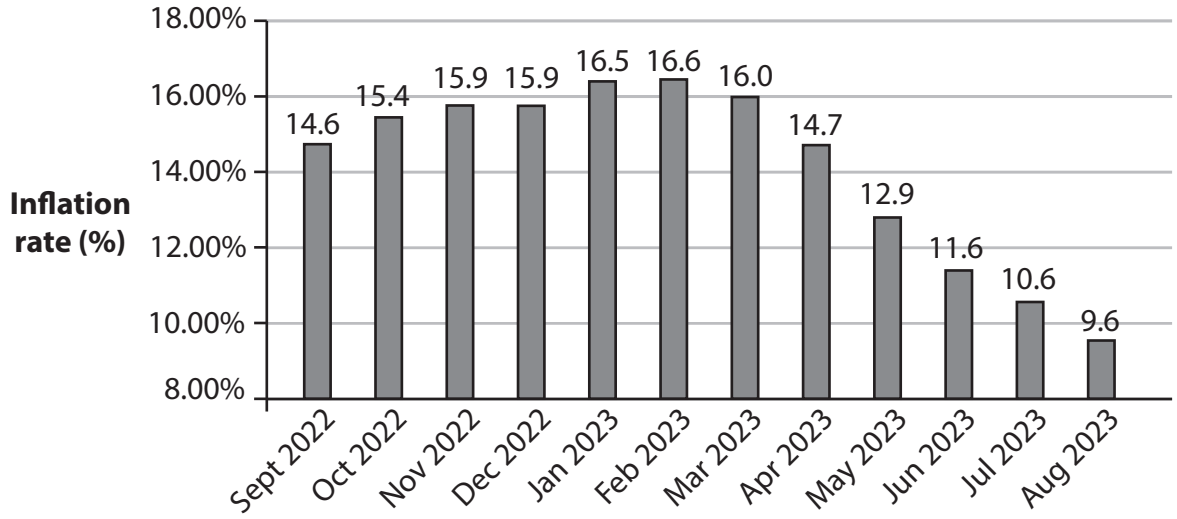
Extract F

***Slovnaft BAjk* prices to hire a bicycle (2023)**

Day (€)	Month (€)	Year (€)	Year Student (€)
9.00	12.00	38.40	24.00

Extract G

Slovakian rate of inflation September 2022 – August 2023



Extract H

Slovakian interest rates May 2022 – September 2023

May 2022	**0%**
September 2022	**1.25%**
May 2023	**3.5%**
September 2023	**4.5%**

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Acknowledgements

Extract C adapted from: https://www.standard.co.uk/news/uk/wilko-shop-close-list-when-does-wilko-close-october-2023-london-b1111995.html and https://find-and-update.company-information.service.gov.uk/company/00365335/filing-history?page=2

Extract D adapted from: https://www.thegrocer.co.uk/online/wilko-back-online-from-today-under-new-owner/684210.article

Extracts E and F adapted from: https://slovnaftbajk.sk/

Extract G adapted from: https://tradingeconomics.com/slovakia/core-inflation-rate

Extract H adapted from: https://take-profit.org/en/statistics/interest-rate/slovakia/