



Mark Scheme

Summer 2025 (Results)

Pearson Edexcel International Advanced Level
in Business (WBS14)

Paper 01: Global business

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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 to two decimal places the 2022 GDP per capita of Chile. (4)	Mark
1(a)	<p style="text-align: center;">Knowledge 1, Application 2, Analysis 1</p> <p>QS2 Calculate, use and understand ratios, averages and fractions</p> <p>Knowledge 1 mark for identifying any suitable formula eg: $\frac{\text{GDP}}{\text{Population}} = \text{GDP per capita}$ (1)</p> <p>Application Up to 2 marks for selecting the correct data: $\frac{\\$301.03\text{bn}}{19,604,000}$ (1)</p> <p>Analysis 1 mark for calculating the GDP per capita of Chile $= \\$15\,355.54$ (1)</p> <p>NB: If no working is shown, award marks as follows: If the answer given is \$15 355.54 award 4 marks. If the answer given is 15 355.54 award 3 marks.</p>	(4)

Question	Explain one characteristic of an emerging economy such as Chile. (4)	Mark
1(b)	<p style="text-align: center;">Knowledge 1, Application 2, Analysis 1</p> <p>Knowledge 1 mark for identifying a characteristic, e.g.:</p> <ul style="list-style-type: none"> • Rapid economic growth (1) <p>Application Up to 2 marks for contextualised answers, e.g.:</p> <ul style="list-style-type: none"> • Chile has a long term growth rate of just under 4% (1) • <i>Krispy Kreme</i> is opening in Chile (1) <p>Analysis 1 mark for developing the advantage, e.g.:</p> <ul style="list-style-type: none"> • Emerging economies have a higher growth rate than developed economies and consumers have growing incomes that attract MNCs causing further growth (1) 	(4)

Question	Discuss the likely effects of the recent depreciation of the Chilean peso (CLP) on Chilean exporters. (8)
1(c)	<p>Indicative content</p> <p>Indicative content guidance</p> <p>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.</p> <p>Knowledge, Application, Analysis, Evaluation – indicative content</p> <ul style="list-style-type: none"> • An exchange rate is the price of one currency expressed in terms of another • The CLP has lost 27.4% of its value against the dollar over the last 6 years • Depreciation of a currency is usually seen as being good for exporters because foreign buyers give up less of their currency in exchange for the CLP. Chilean exports become cheaper • Chilean exporters of products such as minerals, wood, fruit, seafood, and wine should see an increase in demand and therefore revenue • This can mean increased profits or more funds available for investment and growth • However, some exporters may rely on imports of raw materials • For them, costs will increase because the CLP buys less foreign currency than before, prices may rise and therefore cancel out the advantages of depreciation • Even if they do not rely directly on imports the price of imported mineral fuels and machinery may have an inflationary impact on Chile and negatively affect all businesses

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	<p>Assess the importance of the ease of doing business for a business such as <i>Krispy Kreme</i> when entering a new market.</p> <p>(12)</p> <p>Indicative content</p>
1(d)	<p>QS9 Interpret, apply and analyse information in written, graphical and numerical forms.</p> <p>Indicative content guidance</p> <p>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.</p> <p>Knowledge, Application, Analysis, Evaluation – indicative content</p> <ul style="list-style-type: none"> • Ease of doing business refers to the time period required to get the business up and running and/or the number of bureaucratic obstacles to be overcome • Choosing a location with a better Ease of Doing Business rating means less time is taken to get started • This reduces start-up costs and saves valuable time • Less bureaucracy means that there is less need for expensive experts to advise on overcoming legal obstacles • This may be a good reason to choose a location such as Chile which is ranked the 59th easiest country to do business in. Extract B suggests some reasons why this is the case such as only 5.5 days to open a company • However, other factors may be more important to <i>Krispy Kreme</i> such as the level and growth of disposable income, Chileans need to be able to afford its products if it is to succeed • It may be concerned with the cost and availability of labour • Other businesses may be more concerned with factors such as infrastructure to make sure that they have good access to road and rail links • This is important because Chile is one of the largest countries in the Americas • Being able to take advantage of Chile’s 33 trade agreements may be a deciding factor or a business may need access to Chile’s abundant raw materials • 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	<p>Chile is a member of several trade blocs and has signed Free Trade Agreements with many countries such as the US.</p> <p>Assess the impact this may have on Chilean businesses. (12)</p> <p>Indicative content</p>
1(e)	<p>QS9 Interpret, apply and analyse information in written, graphical and numerical forms.</p> <p>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.</p> <p>Knowledge, Application, Analysis, Evaluation – indicative content</p> <ul style="list-style-type: none"> • A trading bloc is a group of countries with some form of trading agreement between themselves and may be based on Free Trade Agreements (FTAs) and/or reduced protectionism • Chilean businesses should find it easier to access markets in other countries as trade restrictions are eased or removed altogether by FTAs, thus increasing potential sales and revenues • This is important for Chile which relies on exporting minerals and primary products • Businesses in Chile may be able to import raw materials/components/products and services more cheaply thus reducing their costs which may give them a competitive advantage • Free trade or fewer trade restrictions should cause economic growth as prices fall (reflecting reduced costs), this increases disposable income and increases overall demand for local businesses • This has been the case with The United States - Chile Free Trade Agreement where trade has increased by 500% • However, Chilean domestic industries will have lost some or all of their protective tariffs and barriers, meaning they are now relatively more expensive and less competitive • Low cost manufacturing bases in other countries may find it easier to penetrate Chile's home markets and provide competition for domestic businesses • Increased competition for domestic producers may mean a drop in sales causing a drop in profits • Nevertheless, Chile has clearly prospered as shown by its long term growth rate and the advantages of free trade appear to outweigh any drawbacks

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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 legal control is the most effective way to control multinational corporations. (20)
2	<p>Indicative content</p> <p>QS9 Interpret, apply and analyse information in written, graphical and numerical forms.</p> <p>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.</p> <p>Knowledge, Application, Analysis, Evaluation – indicative content</p> <ul style="list-style-type: none"> • A MNC is a business that operates in more than one country, their actions can be controlled in a number of ways • Countries in which they operate have a legal framework and MNCs need to comply with laws, tax rules, planning controls and safety directives • Direct governmental control such as legal action if necessary, can control MNCs, Extract F gives an example of <i>Johnson & Johnson</i> and <i>Colgate-Palmolive</i> being fined €1m and €672 000 for violating a profit cap law • Such sanctions or, the threat of them, can control the actions of MNCs as they seek to avoid such damaging results • Extract E shows how a regulatory body such as the CMA in the UK can investigate the actions of MNCs and if necessary force them to moderate their behaviour • Many MNCs will adapt to the requirements of the host country without the need for the enforcement of legal control. They will comply with employment law, health and safety regulations and so on, but it is the existence of the legal framework and the threat of sanctions that ensures this • However, the effectiveness of government control/legal regulation is dependent on the size and influence of the country, the strength of its legal institutions and on the size and resources of the MNC • MNCs can wield enormous power and have recourse to well-funded legal departments to fight potential prosecutions • Some governments are reluctant to confront MNCs too directly for fear of losing important investment and employment created by the MNCs • Some fines may seem large but can be considered small in terms of the turnover of some MNCs. In some cases it can even be cheaper/ more profitable to pay the fines and continue uninterrupted • In some developing economies the MNC may be able to avoid legal challenge by corruption • MNCs can also be controlled by other methods including campaigns by the public, pressure groups and social media. <i>Canada Goose</i> stopped using fur following a successful boycott of their products

	<ul style="list-style-type: none"> • Some MNCs are self-regulating and pride themselves on their ethical stance and behaviour such as <i>IKEA</i> • In practice it is often a combination of legal control and other factors that lead to success in controlling the actions of MNCs
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Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–4	<p>Isolated elements of knowledge and understanding.</p> <p>Weak or no relevant application of business examples.</p> <p>An argument may be attempted, but will be generic and fail to connect causes and/or consequences.</p>
Level 2	5–8	<p>Elements of knowledge and understanding, which are applied to the business example.</p> <p>Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question.</p> <p>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.</p>
Level 3	9–14	<p>Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context.</p> <p>Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question.</p> <p>Arguments are well developed.</p> <p>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.</p>
Level 4	15–20	<p>Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context.</p> <p>Uses well-developed and logical, coherent chains of reasoning, showing a range of causes and/or effect(s).</p> <p>Arguments are fully developed.</p> <p>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.</p>

Question	Evaluate whether glocalisation is necessary for a global business to be successful. (20) Indicative content
3	<p>QS9 Interpret, apply and analyse information in written, graphical and numerical forms.</p> <p>Indicative content guidance</p> <p>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.</p> <p>Knowledge, Application, Analysis, Evaluation – indicative content</p> <ul style="list-style-type: none"> • Global localisation or glocalisation is a marketing strategy that adapts a global product or service to suit differing tastes and preferences in different regions • Many successful MNCs do this e.g. <i>McDonald's</i> adapts its menus to suit local tastes such as no beef in India with the Mcaloo Tikki burger. Kit-Kat alters the flavours and type of chocolate to suit different markets • In Extract G, <i>Starbucks</i> offers different menus depending on the country • Taking local preferences into account means that many potential sales may be gained as the product/marketing is more likely to appeal to local tastes • If <i>Starbucks</i> concentrates on the preferred tastes of the local area such as the provision of vegetarian options in India, they will attract more local people, build brand loyalty and encourage repeat purchases • This is likely to give a business a competitive advantage over rivals that may not have followed such a policy • Not doing this may result in business difficulty as was the case with <i>Walmart</i> that did not adapt enough to local preferences • Glocalisation will increase costs. A business will need to research local tastes and preferences then adapt its service or product accordingly • Glocalised products cannot always be produced in bulk and economies of scale cannot be fully exploited • Nevertheless, the potential gains from increased sales may easily outweigh these extra costs • However, it is not necessarily true that all businesses should follow a glocalisation policy in order to achieve success • Some products and services are universal and therefore little or no adaptation to social and cultural differences is needed when trading internationally • <i>Apple's</i> iPhone, <i>Sonos's</i> sound systems, fashion brands such as <i>Gucci</i> or <i>Armani</i> and cars such as <i>Ferrari</i> remain identical across the globe

	<ul style="list-style-type: none"> • It is the fact that they are so iconic and easily recognisable and not adapted that is the contributing factor to their global success • Some products or services will need more glocalising than others and much will depend on the product or service • It is likely perhaps that food and drink products will need to be more aware of local preferences than technological products • Perhaps the best approach for many businesses, as shown by <i>Starbucks</i>, is to use some glocal elements, alongside its recognised global brand
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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.
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