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Pearson Edexcel International Advanced Level

Wednesday 4 June 2025

Afternoon (Time: 2 hours)	Paper reference	WBS14/01
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Business

International Advanced Level

UNIT 4: Global business

<b>You must have:</b> Source Booklet (enclosed)	Total Marks
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**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.

Mohammad Abdullah Al Mamun  
 Principal  
 American International Tutorial  
 (An English Medium School)

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**SECTION A**

**Read Extracts A, B, C and D in the Source Booklet before answering Question 1.**

**Write your answers in the spaces provided.**

**1** (a) Using Extract A, calculate to **two** decimal places the GDP per capita of Chile.

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(b) Explain **one** characteristic of an emerging economy such as Chile.

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(c) Discuss the likely effects of the recent depreciation of the Chilean peso (CLP) on Chilean exporters.

(8)

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(d) Assess the importance of the ease of doing business for a business such as *Krispy Kreme* when entering a new market.

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Chile is a member of several trading blocs and has signed Free Trade Agreements with many countries such as the US.

(e) Assess the impact these agreements may have on Chilean businesses.

(12)

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(Total for Question 1 = 40 marks)

**TOTAL FOR SECTION A = 40 MARKS**





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(Total for Question 2 = 20 marks)

**TOTAL FOR SECTION B = 20 MARKS**





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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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# Pearson Edexcel International Advanced Level

## Wednesday 4 June 2025

Afternoon (Time: 2 hours)

Paper  
reference

# WBS14/01

## Business

### International Advanced Level

### UNIT 4: Global business

**Source Booklet**

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

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## Sources for use with Section A

### Extract A

#### Chile

Chile is a country in South America between the Andes Mountains and Pacific Ocean. It has a total area of 756,700 km<sup>2</sup> making it one of the largest countries in the Americas and the 38th biggest in the world. In 2022 it had a population of 19,604,000 with 88% living in urban areas.

5

Chile is the seventh largest economy in the Americas and is the world's leading producer of copper. GDP growth has been driven by exports of minerals, wood, fruit, seafood and wine.

Chile has negotiated 33 trade agreements, covering 65 economies. They include 20 Free Trade Agreements (FTAs). Chile is a member of trade blocs such as Mercosur, Asia Pacific Economic Cooperation (APEC) and the Union of South American Nations (UNASUR).

10

According to the International Monetary Fund (IMF), Chile is an emerging economy. Its GDP in 2022 was \$301.03bn with a long-term average growth rate of just under 4%.

The currency of Chile is the Chilean peso (CLP). Between 2017 and 2023 the exchange rate of the CLP depreciated against the US dollar by 27.4%.

15

### Extract B

#### Why choose to do business in Chile?

According to the Doing Business study published by the World Bank, Chile is the 59th easiest country to do business in. Opening a business in Chile involves 7 procedures and takes on average 5½ days. It only takes 43 days to get connected to the electric grid and Chile has the highest possible score on the shareholder rights index.

5

### Extract C

#### *Krispy Kreme* to open first outlet in Chile in April 2023

The US doughnut and coffee chain, *Krispy Kreme* is seeking to enter seven new markets in 2023. It will open its first store in Chile in April 2023 in the capital city of Santiago. *Krispy Kreme* is also opening its first stores in Kazakhstan, Switzerland, France, Ecuador, Jamaica and Costa Rica. The business will then operate across 37 markets with 2,100 outlets.

5



## **Extract D**

### **United States – Chile Free Trade Agreement**

The United States–Chile Free Trade Agreement was signed in 2004. Tariffs and duties were reduced to zero on 90% of US trade with Chile and in January 2015, all remaining tariffs were removed. Since the treaty was signed the trade in goods and services between the US and Chile has increased by 500%.

5

In 2022, trade in goods and services between the US and Chile totalled nearly \$49bn. The trade flows between the two countries are well-balanced, with the US exporting mineral fuels and machinery in exchange for Chile's copper and agricultural products.

## Sources for use with Section B

### Extract E

#### **Unilever ecological claims face scrutiny in greenwashing inquiry**

The UK Competition and Markets Authority (CMA)\* is to investigate claims made by *Unilever* about a range of household products. The regulator has raised concerns that the consumer goods giant behind brands including Cif, Dove, Comfort and Lynx may be overstating how green certain products are through the use of vague and broad claims, unclear statements around recyclability, and natural-looking images and logos. 5

The investigation comes as part of a wider CMA probe into the household products sector, with the regulator seeking to ensure shoppers, who spend a total of £140bn a year on consumer products, are not being misled.

\* *The CMA is the competition regulator in the United Kingdom. It is responsible for strengthening business competition and preventing and reducing anti-competitive activities.* 10

### Extract F

#### **Johnson & Johnson and Colgate-Palmolive fined in Greece for exceeding the profit cap**

The Greek Government has imposed fines on two major US multinational corporations, *Johnson & Johnson* and *Colgate-Palmolive*. The businesses were fined for violating a profit cap law that limits gross profits. This law was introduced with the aim of controlling excessively high prices. 5

*Johnson & Johnson* has been fined €1m and *Colgate-Palmolive* €672 000. These fines follow earlier penalties levied on other multinational corporations, including *Procter & Gamble* and *Unilever*. These fines demonstrate the Greek Government's commitment to protecting consumers.



**Source for use with Section C****Extract G****Glocalisation: What it means and which brands are doing it best**

One of the most important parts of a global marketing strategy is understanding the different needs and wants of each market a business operates in. Many brands are using glocalisation to grow their customer base in foreign markets.

Successful market penetration requires more than translating your business materials into the target market's language. It takes thorough market research to understand the cultural differences of markets around the world. 5

*Starbucks*, the coffeehouse chain, has over 38,000 stores worldwide. *Starbucks* glocalises its brand and products to adapt to local cultures and tastes. For example, there is no beef or pork on *Starbucks*' menu in India. It mainly serves vegetarian options to suit the tastes of its Indian customers – most of whom do not eat beef or pork for religious reasons. *Starbucks* respects its customers' dietary preferences even further by having separate ovens and counters for vegetarian and non-vegetarian dishes. 10

However, some businesses do not find global expansion easy. For example, *Walmart* had problems when it first opened stores in Germany because of its use of staff to welcome people at the door. German customers found this overly-helpful form of customer service off-putting. *Walmart* had to change this practice to suit its German customers' needs or risk losing their custom altogether. 15

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**Acknowledgements**

**Extract A** adapted from: <https://www.worlddata.info/america/chile/index.php>

**Extract B** adapted from: <https://www.bizlatinhub.com/do-business-chile/>

**Extract C** adapted from: <https://www.worldcoffeeportal.com/Latest/News/2023/April/Krispy-Kreme-to-open-first-outlet-in-Chile-in-April>

**Extract D** adapted from: <https://www.trade.gov/knowledge-product/exporting-chile-market-overview>

**Extract E** adapted from: <https://www.thetimes.co.uk/article/unilever-eco-claims-face-scrutiny-in-greenwashing-inquiry-xgj7ds7gc>

**Extract F** adapted from: <https://uk.investing.com/news/stock-market-news/johnson--johnson-and-colgatepalmolive-fined-in-greece-for-profit-cap-breach-93CH-3239061>

**Extract G** adapted from: <https://veracontent.com/mix/glocalization-what-it-means-and-which-brands-are-doing-it-best/>

