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 January 2026

Morning (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 ▶

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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 'market share'. (Extract A, line 5)

(2)

(b) Using the data in Extract B, calculate to **two** decimal places, the operating profit margin for Kwik Fit in 2024.

(4)

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(c) Analyse **two** reasons why sales forecasting may be difficult for Kwik Fit.

(6)

Kwik Fit uses on-the-job training with many of its employees.

(d) Discuss the benefits of using on-the-job training for Kwik Fit.

(8)

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Kwik Fit is considering increasing the price it charges for servicing cars.

(e) Using the data in Extract B, assess the extent to which gross profit might be affected if Kwik Fit increases its prices.

(10)

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(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS

SECTION B

Read Extract C in the Source Booklet before answering Question 2.

Write your answers in the spaces provided.

2 (a) Define the term 'consumers'. (Extract C, line 7)

(2)

(b) Using the data in Extract C, calculate to **two** decimal places, the capacity utilisation of Valdigrano's production facilities.

(4)

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(c) Analyse **two** possible disadvantages of capital-intensive production methods for employees of Valdigrano.

(6)

Valdigrano uses a registered trademark on its branded pasta.

(d) Discuss whether the use of a trademark is likely to benefit Valdigrano.

(8)

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(e) Assess whether flow production is a suitable method of production for Valdigrano.

(10)

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(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS

SECTION C

Read Extract D in the Source Booklet before answering Question 3.

Write your answer in the space provided.

3 Bulungula Lodge is seeking financial assistance to raise $70 000 for the purchase of an electric-powered, all-terrain vehicle.

Evaluate whether the use of business angels or crowd funding is the more suitable source of finance for Bulungula Lodge.

(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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GradeMax

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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

Kwik Fit

Kwik Fit is one of the leading car-servicing businesses in the UK. It has more than 600 service centres and over 50 years of experience helping motorists to keep their cars in good working order.

Kwik Fit aims to increase its market share by continuing to adapt to changes in both vehicle technology and customer needs. It focuses on promoting safe and reliable motoring.

Employee numbers increased to 4,892 in 2024. Directors of the company have stated that they pride themselves on maintaining positive employee experiences.

Inflation was a problem for some businesses in 2024 but Kwik Fit still had a good trading performance.

Extract B

Selected information from the statement of comprehensive income for Kwik Fit, 2024

	2024 (£000)	2023 (£000)
Revenue	633 090	564 266
Cost of sales	494 786	446 651
Operating profit	35 856	17 813
Profit for the year (net profit)	23 377	10 434

Source for use with Section B

Extract C

The Pasta Factory - Valdigrano

Valdigrano is located in Rovato, Italy and was founded by the Pagani family. It benefits from the family having produced quality Italian pasta for over 70 years.

Valdigrano produces a number of different types of dry pasta, including organic, durum wheat semolina and egg varieties. Between 12 and 20 different shapes of pasta can be produced each day, depending on the demand from customers. These customers include supermarkets, restaurants and online consumers in over 50 countries.

The Valdigrano factory in Rovato covers a total surface area of 22,100 m^2. The business uses flow production with advanced technology to ensure all its pasta is produced in a safe, hygienic environment and remains of the highest standards. The production facilities only cover 15,300 m^2, including five production lines and 18 packaging machines. Each phase of flow production is controlled by a highly-advanced computer system.

Source for use with Section C

Extract D

Bulungula Lodge

Our village is in a remote part of South Africa, called Nqileni. The village community is the proud owner of Bulungula Lodge, which is situated on the coastline, in one of the most beautiful locations in the country. It is an environmentally-friendly and affordable destination for people wanting to spend time in peaceful and natural surroundings. We offer traditional accommodation where you will awake to the sound of the sea.

Our plan is for a sustainable future. We provide renewable energy and believe in integrating it into our everyday lives. From solar power to water recycling systems, we prioritise the balance between our community, sustainable tourism and the environment.

Our goal now is to raise $70 000 for the purchase of an electric-powered, all-terrain vehicle. Due to our remote location, this vehicle will not only increase our ability to attract tourists but will strengthen our commitment to renewable energy. This will demonstrate that even in this remote and poor part of the world, we can offer sustainability.

We have managed to raise more than half of the money. However, we still need your help to obtain enough finance to complete the purchase and turn this dream into a reality.

Acknowledgements

Extract A adapted from: https://www.business-live.co.uk/retail-consumer/kwik-fit-sales-profit-accelerate-30404966

Extract B adapted from: https://find-and-update.company-information.service.gov.uk/company/01009184/filing-history

Extract C adapted from: https://valdigrano.com/en/the-pasta-factory/

Extract D adapted from: https://thundafund.africa/campaign/F1F3390F26DA86FF9866 and https://bulungula.co.za/