GradeMax



Mark Scheme (Results)

January 2026

Pearson Edexcel in International A Level in Business
WBS13/01

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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 the data in Extract B, calculate the simple payback period for a new chocolate-bar machine for Mars. You are advised to show your working.	Mark
1(a)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS6:** Calculate investment appraisal outcomes and interpret results. **Knowledge** 1 mark for knowledge and understanding of the simple payback formula: Simple payback = cost of initial investment / average yearly net cash inflow **(1)** **Application** Up to 2 marks for correct application of figures to formula: $4m / $800 000 **(1)** **(1)** **Analysis** 1 mark for showing correct answer: 5 years **(1)** **NB: If no working is shown, award marks as follows:** • If the answer given is 5 years award 4 marks • If the answer given is 5 award 3 marks	**(4)**

Question	Using the data in Extract C, calculate the number of employees who left Mars in 2024. You are advised to show your working.	Mark
1(b)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS1:** Calculate, use and understand ratios, averages and fractions **Knowledge** 1 mark for knowledge and understanding of labour turnover formula: Labour turnover = Number of employees leaving / Total number of employees x 100 **(1)** **OR** Number of employees leaving = Total number of employees × Labour turnover rate **Application** Up to 2 marks for correct application of figures to formula: 150,000 **(1)** x 5% **(1)** **OR** 150,000 **(1)** x 0.05 **(1)** **Analysis** 1 mark for showing correct answer: 7,500 employees **(1)** **NB: If no working is shown, award marks as follows:** • If the answer given is 7,500 employees award 4 marks • If the answer given is 7,500 award 3 marks	**(4)**

Question	Discuss how using labour turnover calculations can help with recruitment decisions at Mars. **Answer**
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. **QS8:** Use and interpret quantitative and non-quantitative information in order to make decisions **QS9:** Interpret, apply and analyse information in written, graphical and numerical forms **Knowledge, Application, Analysis, Evaluation – indicative content** • Labour turnover is the proportion of employees leaving a business compared to the number staying over a period of time • With a labour turnover rate of just 5% and 84% of employees considering Mars a great place to work, a lower turnover rate can indicate high employee satisfaction and a positive work environment • Comparing Mars' 5% labour turnover rate with industry standards helps the business gauge its competitive position in talent retention, especially since the average satisfaction in US companies is significantly lower at 57% • Understanding labour turnover rates allows Mars to effectively budget for recruitment and training, particularly in a large organisation with 150,000 employees globally • Monitoring labour turnover can highlight problem areas within departments prompting improvement in recruitment practices • However, retention figures might be more useful and demonstrate that Mars has a high retention of employees with 20% working there for over 16 years • A labour turnover rate of 5% at Mars does not provide insight into why employees are leaving, such as voluntary due to personal reasons or involuntary due to performance issues • Labour turnover rates do not differentiate between losing top talent and low performers which could lead to poor recruitment decisions • Labour turnover rates reflect only a specific period and may not indicate long-term trends or deeper issues within Mars

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 possible advantages that Mars gains from operating as a conglomerate. **Answer**
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. **QS8:** Use and interpret quantitative and non-quantitative information in order to make decisions **QS9:** Interpret, apply and analyse information in written, graphical and numerical forms **Knowledge, Application, Analysis, Evaluation – indicative content** • A conglomerate is a large corporation that consists of several different, often unrelated businesses • Mars' vast portfolio, including the recent £28bn takeover of Kellanova, strengthens its position in negotiations with suppliers and retailers, potentially leading to better terms and increased market power • By operating across different sectors, Mars can balance downturns in one area, such as the decreasing popularity of certain snacks among health-conscious consumers, with growth in others, like its Petcare and Food & Nutrition segments • Mars' substantial size and multiple divisions enable it to negotiate bulk purchasing deals, lower production costs and streamline operations, thus enhancing overall efficiency and profitability • The takeover of Kellanova, which includes popular brands like Pringles and Cheez-It, enhances Mars' product offerings and market presence, positioning it as a leading player in the global snack industry • However, managing a diverse portfolio of businesses, including recent takeovers like VCA and Hotel Chocolat, requires sophisticated oversight and can strain management resources, potentially impacting efficiency • The substantial financial outlay for takeovers like Kellanova and Wm Wrigley Jr may strain Mars' financial resources and divert attention from its core business operations, impacting overall profitability

	• Mars faces potential challenges with regulatory bodies, as seen with the scrutiny of its £28bn Kellanova deal, which could delay or block the takeover, affecting strategic growth plans • As Mars expands its portfolio with various brands and products, there is a risk that individual brand identities may become diluted, affecting customer perception and loyalty • Integrating Kellanova and its brands into Mars' existing structure poses risks of cultural mismatches, which could affect employee morale and business performance resulting in diseconomies of scale

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	3–4	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	Using PESTLE analysis, assess whether economic factors are the main influence on Mars' sales revenue. **Answer**
1(e)	**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. **QS8:** Use and interpret quantitative and non-quantitative information in order to make decisions **QS9:** Interpret, apply and analyse information in written, graphical and numerical forms **Knowledge, Application, Analysis, Evaluation – indicative content** • PESTLE analysis examines the impact of Political, Economic, Social, Technological, Legal and Environmental factors on an organisation's strategy and performance • Economic challenges such as inflation and rising interest rates have led to reduced consumer spending, impacting sales revenue of branded-food products such as those offered by Mars depending on the PED for its brands • Consumers are increasingly favouring cheaper supermarket own-brand items over premium-branded products • This may affect Mars' sales revenue in its snack division depending on the YED for its brands • Economic conditions directly affect household spending power, which in turn influences consumer choices between premium and budget products, impacting Mars' sales revenue • Mars' £28bn takeover of Kellanova reflects substantial financial outlay, which can be influenced by prevailing economic conditions such as interest rates and inflation • Volatility in economic conditions can create uncertainty for large-scale investments and takeovers, potentially affecting Mars' strategic decisions and sales revenue • However, there are other factors which might affect sales revenue for Mars more than the economic environment • Legal factors such as the competition regulators which are scrutinising large mergers, potentially delaying or blocking Mars' £28bn takeover of Kellanova • Increasing health consciousness and lifestyle changes are influencing consumer choices, impacting the demand for Mars' products independent of economic conditions

	• Environmental issues such as climate change affect supply chains and production costs, influencing Mars' sales revenue and operational efficiency irrespective of economic factors • Mars operates internationally so global economic conditions may impact its sales revenue, but this is one of several influencing factors including political, social and environmental factors

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	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	3–4	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 the extent to which contingency planning might have reduced the impact of an IT systems failure for Asda. **Answer**
2	**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. **QS: QS8, QS9** **Knowledge, Application, Analysis, Evaluation – indicative content** • Contingency planning is making a backup plan to handle unexpected problems and keep the business running smoothly • Contingency planning would have allowed Asda to identify the potential impact associated with an IT upgrade such as the possibility of system failures when replacing the Walmart IT system • This awareness could have prompted them to take preventive measures such as more extensive testing or phased rollouts to reduce the impact • Asda could have established backup systems or alternative processes to handle orders in case of an IT failure • This would ensure that transactions could still be processed even if the main system failed thereby reducing disruption • Proper contingency planning involves training staff to handle disruptions, with employees at Asda being better prepared to manage customer complaints and provide immediate support reducing the reputational damage caused by the IT failure • Contingency planning helps limit financial losses by quickly addressing system issues • For Asda, this could have meant reducing the costs associated with refunds, lost sales and compensations due to delayed orders • By having a strong contingency plan in place, Asda could have maintained better customer trust and loyalty • However, not all IT failures can be predicted or planned for • The complexity of modern IT systems means that some failures may occur despite thorough contingency planning • Asda's situation might have involved unforeseen technical challenges that a contingency plan could not have prevented

	• Developing and maintaining comprehensive contingency plans can be expensive and resource-intensive • For a large business like Asda, the costs associated with constant updates and training could outweigh the perceived benefits especially if such failures are rare • There is a risk that businesses might become over-reliant on contingency plans, potentially leading to complacency • In Asda's case, even with a contingency plan in place, if the reliance on the plan replaces proactive system maintenance and updates, it could result in more frequent failures • Contingency planning cannot fix poor management choices such as doing an IT upgrade during a busy sales period • If senior managers make poor decisions, even the best contingency plans may not prevent problems

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	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 cause 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	Using liquidity ratios, evaluate whether Ralph Lauren should expand by opening more stores. **Answer**
3	**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. **QS: QS1, QS8 and QS9** **Knowledge, Application, Analysis, Evaluation – indicative content** • Current Ratio for 2024: 2.29, 2023: 2.23 • Acid Test Ratio for 2024: 1.68, 2023: 1.51 • Ralph Lauren's current ratio and acid test ratio indicate a solid liquidity position with sufficient current assets to cover its liabilities • This financial stability allows Ralph Lauren to invest in opening more stores which can help strengthen its market presence globally and capitalise on potential market opportunities • Ralph Lauren's strong brand reputation and diversified product portfolio provide opportunities to expand into unpenetrated markets • With 1,458 stores worldwide, there could be growth potential in emerging markets that are not experiencing the same economic slowdown as China and the US • New stores in these regions could drive brand awareness and sales • Ralph Lauren's significant cash reserves ($1 783.2m in 2024) provide the financial capability to fund new store openings without relying heavily on external financing • This strategic use of cash reserves could lead to higher returns on investment by capitalising on brand expansion and market growth opportunities • However, despite a strong liquidity position, expanding the number of stores could overstretch Ralph Lauren, particularly in a challenging economic climate • With slowing sales in major markets in China and the US, investing heavily in new stores might not yield the expected return on investment, potentially straining its resources

	• The luxury goods market has seen a significant shift toward e-commerce, with consumers increasingly shopping online for convenience and a wider selection • Investing heavily in stores may not support these trends • Opening more stores would increase current liabilities such as leases and other short-term obligations and tie up cash in non-liquid assets, such as inventory • This could adversely affect Ralph Lauren's current and acid test ratios, weakening its short-term financial flexibility, particularly if new stores underperform due to reduced consumer spending • A balanced approach that combines selective store openings in high-potential markets with increased investment in digital channels may provide a more sustainable path to growth

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