Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International Advanced Level

Thursday 15 January 2026

Afternoon (Time: 2 hours)

Paper reference **WBS13/01**

Business

International Advanced Level
UNIT 3: Business decisions and strategy

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, B, C and D in the Source Booklet before answering Question 1.

Write your answers in the spaces provided.

1 (a) 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.

(4)

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(b) Using the data in Extract C, calculate the number of employees who left Mars in 2024. You are advised to show your working.

(4)

(c) Discuss how using labour turnover calculations can help with recruitment decisions at Mars.

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(d) Assess the possible advantages that Mars gains from operating as a conglomerate.

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(e) Using PESTLE analysis, assess whether economic factors are the main influence on Mars' sales revenue.

(12)

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(Total for Question 1 = 40 marks)

TOTAL FOR SECTION A = 40 MARKS

SECTION B

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

Write your answer in the space provided.

2 Evaluate the extent to which contingency planning might have reduced the impact of an IT systems failure for Asda.

(20)

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(Total for Question 2 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS

SECTION C

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

Write your answer in the space provided.

3 Using liquidity ratios, evaluate whether Ralph Lauren should expand by opening more stores.

(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.

Turn over ▶

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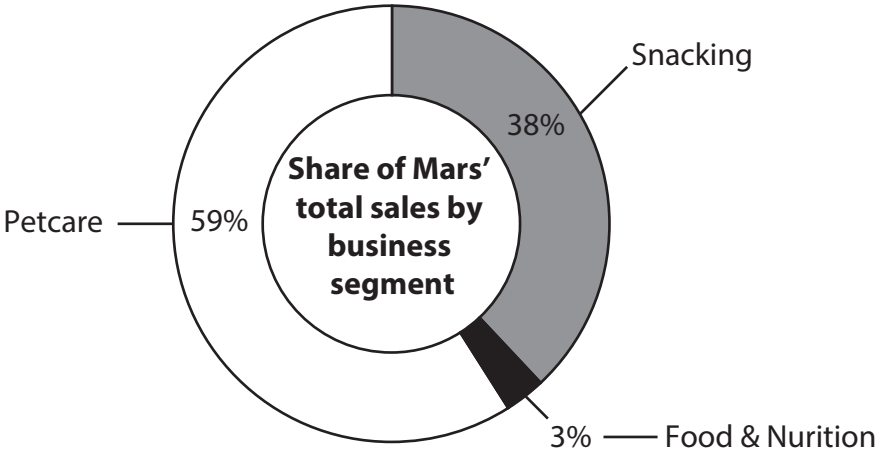
Sources for use with Section A

Extract A

Mars

Founded in 1911, Mars is one of the largest conglomerates in the world and is still owned by its founding family. Annual sales are around £38bn.

The business is divided into three divisions: Petcare, Snacking and Food & Nutrition.



Mars is the world's largest pet-food maker. It also has a global network of veterinarians (vets). Its last major takeover was in 2017 when it bought veterinary hospital VCA for £7bn. 5

In 2008, it previously bought chewing gum and snacks-maker Wm Wrigley Jr for £18bn. In 2024, it acquired UK chocolatier Hotel Chocolat for £534m.

Extract B

Data for a new energy-efficient chocolate-bar machine at Mars

Purchase price	$4m
Average lifespan of the machine	10 years
Annual net cash inflows due to reduced waste	$800 000

Extract C

Employee satisfaction at Mars

In 2024, Mars employed 150,000 people worldwide and had a labour turnover rate of 5%.

Mars is considered a great place to work by 84% of its employees, compared to 57% of employees at a typical US-based company. Many employees have remained with Mars for years, with 20% having worked at the company for over 16 years.

Length of employment at Mars	Percentage of employees
<2 years	24%
2–5 years	30%
6–10 years	16%
11–15 years	10%
16–20 years	9%
Over 20 years	11%

Extract D

Mars takes over Kellanova in £28bn deal

Mars is set to acquire Kellanova, a leading snack-food manufacturer, in a £28bn deal. This will unite two of the world's largest food companies.

Mars, known for snacks such as Snickers and Skittles, will pay £64.96 per share for Kellanova. Its brands include Pringles, Cheez-It, Rice Krispies Treats and Eggo waffles. The proposed transaction is the largest-ever takeover in the packaged-food industry and one of the biggest of 2024.

This comes as food businesses face challenges with declining sales volumes and slower growth. Consumers are shifting away from branded-food products towards more affordable supermarket own-brand items, as inflation and rising interest rates affect household spending. Additionally, many of the snack products owned by Mars have become less popular with health-conscious customers.

The deal is likely to encounter significant obstacles, as competition regulators in the US have been actively challenging large mergers and takeovers. Mars has stated that it aims to finalise the takeover within the first half of 2025.

Source for use with Section B

Extract E

Asda's clothing range affected by IT systems failure

Asda is a UK supermarket chain offering groceries, general merchandise, clothing and financial services across the UK.

In August 2024, thousands of Asda customers faced significant disruptions to their clothing orders due to a failed IT upgrade. The incident caused widespread frustration and financial loss for shoppers, particularly those seeking school uniforms for the new school year.

Many customers reported having money deducted from their accounts without receiving their orders. Others encountered difficulties returning items purchased online.

This is the second major IT systems failure. A previous payroll software update resulted in thousands of employees receiving incorrect wages.

An Asda employee said that the recent clothing order issues may have affected up to 7,000 customers. This led to significant anger and inconvenience amongst parents needing school uniforms.

The employee criticised the timing of the IT upgrade, stating that it was a poor management decision to implement such a change during the peak sales period for clothing. They argued that the company should have predicted the increased demand and chosen a less busy time for the system upgrade.

The company is replacing over 2,500 computer systems operated by its previous owner, Walmart. Asda has acknowledged the IT problems and stated that they are working as quickly as possible to resolve the issues.

Sources for use with Section C

Extract F

Ralph Lauren

Ralph Lauren is a global leader in the design, marketing and distribution of premium lifestyle products in five categories: clothing, footwear & accessories, home, fragrances and hospitality.

Its 50-year reputation and distinctive image have been consistently developed across an expanding number of products, brands and international markets. In 2024, it had 1,458 stores worldwide.

Extract G

Selected financial data from Ralph Lauren's statement of financial position

	Year ending March 2024 ($m)	Year ending March 2023 ($m)
Current Assets		
Cash	1 783.2	1 565.7
Inventory	902.2	1 071.3
Debtors	674.4	687.1
Total Current Assets	3 359.8	3 324.1
Total Current Liabilities	1 467.2	1 493.5

Extract H

Slowdown in the luxury goods market

All attention in the personal luxury-goods market is on the slowdown in China, where most luxury brands are experiencing a drop in sales. However, signs of weakness are also starting to appear in the US luxury market.

In their latest report, Ralph Lauren noted a slowdown in North America. This slowdown is not as severe as in China but it is still happening. If US consumers stop spending, almost every luxury brand will suffer. Last year, Americans made up about 30% of the sales in the nearly $400bn personal luxury-goods market, while Chinese consumers accounted for about 23%.

GradeMax

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Acknowledgements

Extract A adapted from: https://www.mars.com/about

Extract B adapted from: https://hulkpackaging.com/Automatic-Snicker-Bar-Machine-Energy-Bar-Production-Line-BG-800-pd44379061.html

Extract C adapted from: https://www.greatplacetowork.com/certified-company/1100947

https://forcebrands.com/blog/global-food-beverage-companies-employee-retention/

Extract D adapted from: https://www.thisismoney.co.uk/money/markets/article-13743677/Chocolate-giant-Mars-gobbles-Pringles-owner-Kellanova-28bn-snack-attack.html

Extract E adapted from: https://www.telegraph.co.uk/business/2024/08/24/asda-george-orders-hit-it-chaos-ahead-of-return-to-school/

Extract F adapted from: https://investor.ralphlauren.com/

Extract G adapted from: https://investor.ralphlauren.com/financial-information/fundamentals/balance-sheet

Extract H adapted from: https://www.forbes.com/sites/pamdanziger/2024/08/21/us-luxury-market-slows-lvmh-tapestry-capri-and-ralph-lauren-feel-it/