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 11 May 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 'advertising'. (Extract A, line 13)

(2)

When it opened in 2024, the variable costs per bed at Asia Hostel were 12 500 UZS.

(b) Using Extract A and the data above, calculate the contribution per bed for Asia Hostel in 2024.

(4)

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(c) Analyse **two** disadvantages for Nur Kurkova of being a sole trader.

(6)

Asia Hostel is considering charging a fee for tea, coffee and drinking water.

(d) Discuss whether charging a fee to use these facilities is likely to lead to an increase in profits for Asia Hostel.

(8)

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(e) Using the data in Extracts A and B, assess the impact of changes in the Uzbekistan exchange rate on Asia Hostel.

(10)

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(Total for Question 1 = 30 marks)

TOTAL FOR SECTION A = 30 MARKS

SECTION B

Read Extracts C and D in the Source Booklet before answering Question 2.

Write your answers in the spaces provided.

2 (a) Define the term 'patent'. (Extract C, line 5)

(2)

(b) Using the data in Extract D, calculate the operating profit for Snap-On in 2023.

(4)

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(c) Analyse **two** benefits of being a Snap-On franchisee.

(6)

(d) Discuss whether share capital is likely to be a suitable method of finance for Snap-On.

(8)

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Snap-On relies on budgeting to plan its financial activities and allocate resources effectively.

(e) Assess the likely benefits to Snap-On of using a budget based on historical figures.

(10)

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(Total for Question 2 = 30 marks)

TOTAL FOR SECTION B = 30 MARKS

SECTION C

Read Extracts E and F in the Source Booklet before answering Question 3.

Write your answer in the space provided.

3 Evaluate the importance of reducing over-utilisation of capacity for businesses operating flight simulators.

(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

Pearson Edexcel International Advanced Level

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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

Asia Hostel

Asia Hostel offers tourist accommodation in Tashkent, capital of Uzbekistan. It is run by Nur Kurkova, a sole trader who opened the hostel after completing her degree in Business Management.

Asia Hostel is only a short walk from the tourist attractions and restaurants in Tashkent, as well as the metro and train stations.

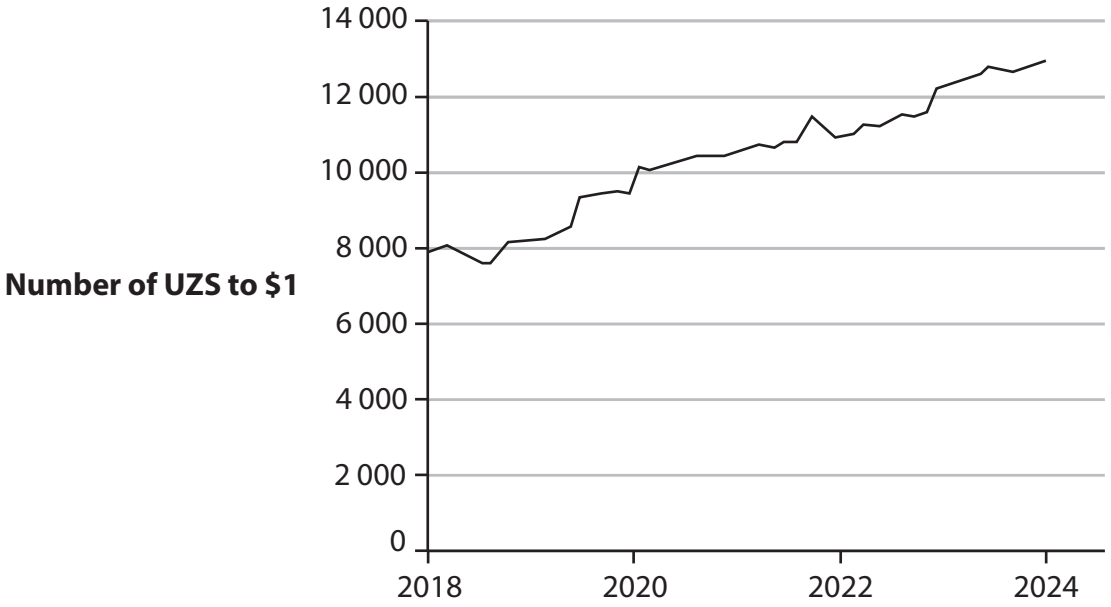
The price of a bed in a dormitory is 100 000 Uzbekistan som (UZS) per night. This has not changed since the hostel opened in 2024. It is a popular place to stay for travellers on a budget and those arriving late at night at the train station.

The hostel offers free tea, coffee and drinking water for all guests. However, Asia Hostel is considering charging guests a fee if they choose to use these facilities.

Nur has two employees to help her check guests into the hostel and carry out the daily cleaning. However, she manages all the advertising and reservations herself.

Extract B

Exchange rate $1 = Uzbekistan som (UZS), 2018–2024



Sources for use with Section B

Extract C

Snap-On Incorporated (Snap-On)

Snap-On is a designer, manufacturer and retailer of high-quality tools and equipment for professional use in the transport industry. It is a public limited company (plc) and was founded in the US-state of Wisconsin, in 1920.

In 1923, Snap-On filed for its first patent and today has more than 4,000 patents. The company manufactures and sells over 85,000 products. There have been continuous changes and improvements to the tools and equipment sold by Snap-On during the many years it has been trading. Training of sales staff on the use of each tool is always prioritised so any customer queries can easily be answered.

Snap-On has 13,200 employees in more than 130 countries, including office managers, designers, production workers and marketing specialists. Snap-On has its own online sales and it also has franchisees selling Snap-On tools to customers around the world. The franchisees mainly drive to the customer's place of work and make sales from their vans. The vans are fully equipped with shelving on which the tools can be displayed.

Extract D

Selected information from Snap-On's 2023 annual report

	2023 ($m)	**2022 ($m)**
Revenue	4 730.2	4 492.8
Cost of sales	2 381.1	2 311.7
Gross profit	2 349.1	2 181.1
Other operating expenses	1 309.2	1 239.9
	2023 ($)	**2022 ($)**
Dividend paid per share	6.72	5.88

Sources for use with Section C

Extract E

What is a flight simulator?

There are currently 15 businesses located around the UK that have flight simulators. These provide the experience of flying an aircraft without actually leaving the ground. Flight simulators are frequently used to train pilots for real-world situations and for people to enjoy a virtual experience in the air.

Whether you have dreams of piloting a commercial Boeing 737 jet liner or you want to fly a World War Two Spitfire jet, there is a wide range of experiences to choose from. Purchase a voucher for yourself or as a gift. Then book the experience for an available date (usually within one year of purchase) directly with the flight-simulator business and look forward to your exciting session.

Extract F

Virtual Aerospace Limited (VA)

VA was set up in 2011 and was the market leader of flight-simulation experiences for over 10 years. It operated six simulators in three locations across the UK and had more than 40 flight instructors employed at the business. Over 50,000 customers had the chance to experience flying in a variety of planes and locations, using a simulator.

Sales reached a peak for VA in 2023. However, after a long wait to find an available date due to the high demand, some customers were then unable to take the experience due to mechanical faults with the simulators. This caused dissatisfaction for customers, especially after some had travelled considerable distances to the VA location.

More than 2,500 unused vouchers led to further delays as VA struggled to balance meeting customer demand with finding time to have the simulators maintained or repaired.

Acknowledgements

Extract B adapted from: https://tradingeconomics.com/usduzs:cur

Extract C adapted from: https://www.snapon.co.uk/about-us/

Extract D adapted from: https://www.snapon.com/Snap-on-Files/Annual-Reports/Snap-on2023AnnualReport.pdf

Extract E adapted from: https://www.buyagift.co.uk/flying-experiences/flight-simulator

Extract F adapted from: https://runwaysim.com/runway-sim/