Pleasechecktheexaminationdetailsbelowbeforeenteringyourcandidateinformation

Candidatesurname	Othernames

Centre Number

Candidate Number

Pearson Edexcel International GCSE

Time 1 hour 30 minutes

Paper reference **4BS1/01**

Business

PAPER 1: Investigating small businesses

You do not need any other materials.

TotalMarks

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.
- Answer the questions in the spaces provided – *there may be more space than you need.*
- Calculators may be used.

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.*

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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Q:1/1/1/1/1/

P 7 0 7 3 5 A 0 1 2 0

Pearson

FORMULAE FOR INTERNATIONAL GCSE BUSINESS

Gross profit margin:

Gross profit = revenue – cost of sales

$$\text{Gross profit margin} = \frac{\text{gross profit}}{\text{revenue}} \times 100$$

Operating profit margin:

Operating profit = gross profit – other operating expenses

$$\text{Operating profit margin} = \frac{\text{operating profit}}{\text{revenue}} \times 100$$

Markup:

$$\text{Markup} = \frac{\text{profit per item}}{\text{cost per item}} \times 100$$

Return on capital employed (ROCE):

$$\text{ROCE} = \frac{\text{operating profit}}{\text{capital employed}} \times 100$$

Current ratio:

$$\text{Current ratio} = \frac{\text{current assets}}{\text{current liabilities}}$$

Acid test ratio:

$$\text{Acid test ratio} = \frac{\text{current assets} - \text{inventory}}{\text{current liabilities}}$$

Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

1 *The Better Toy Store (TBTS)* is a children's toy shop. *TBTS* has three shops in Singapore. Two of the shops are located in busy shopping malls and the third is located at the Jewel Changi Airport. *TBTS* has a website for customers looking to buy toys online.

TBTS selects toys to sell that are excellent for play, value, design and quality. All *TBTS* toys are environmentally friendly.

(a) (i) Which **one** of the following is a form of promotion that targets a specialised segment of the market?

Select **one** answer.

(1)

☒ **A** Mass marketing

☒ **B** Niche marketing

☒ **C** Market share

☒ **D** Market analysis

(ii) Which **one** of the following is a financial aim for a business?

Select **one** answer.

(1)

☒ **A** Survival

☒ **B** Challenge

☒ **C** Social objectives

☒ **D** Personal satisfaction

(iii) Which **one** of the following is a variable cost?

Select **one** answer.

(1)

☒ **A** Rent paid

☒ **B** Management salaries

☒ **C** Insurance agreed

☒ **D** Raw materials

(iv) Which **one** of the following is a role of the production function?

Select **one** answer.

(1)

- ☒ **A** Workforce planning
- ☒ **B** Quality control
- ☒ **C** Customer service
- ☒ **D** Staff welfare

TBTS buys its balloon packs from a local supplier for 7.20 Singapore Dollars (SGD) a pack. It sells them to customers for 16.90 SGD.

(v) Which **one** of the following is the markup on a pack of balloons?

Select **one** answer.

(1)

- ☒ **A** 7.20 %
- ☒ **B** 9.70 %
- ☒ **C** 69.84 %
- ☒ **D** 134.72 %

TBTS sells balloons in packs of four at a price of 67.60 SGD.
The exchange rate is 1 SGD = 3.05 Malaysian Ringgit (MYR).

(vi) Which **one** of the following would a customer in Malaysia pay in MYR for 4 balloon packs?

Select **one** answer.

(1)

- ☒ **A** 16.90 MYR
- ☒ **B** 22.16 MYR
- ☒ **C** 67.60 MYR
- ☒ **D** 206.18 MYR

(b) Define the term **primary sector**.

(1)

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(c) Define the term **diseconomies of scale**.

(1)

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(d) State **one** factor *TBTS* should consider when selecting its manufacturers.

(1)

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Figure 1 is a financial extract from *TBTS* based on the sale of 160 wooden toy carts.

	SGD
Variable costs per unit	0.93
Fixed costs	555.31

Figure 1

(e) Calculate the total costs for *TBTS* of making 160 wooden toy carts. You are advised to show your working.

(2)

....SGD

(f) Explain **one** advantage of being a sole trader.

(3)

(g) Analyse the likely impact of external factors on business decisions made by *TBTS*.

(6)

(Total for Question 1 = 20 marks)

2 (a) State **one** way *TBTS* can measure its success as a business.

(1)

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(b) State **one** reason why *TBTS* might segment its market.

(1)

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(c) Explain **one** benefit to a business of having a flat organisational structure.

(3)

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(d) Explain **one** method a small business might use to increase its profit.

(3)

(e) Explain **one** benefit to a business of using the Boston Matrix.

(3)

TBTS wants to sell a wider variety of toys. It is planning to buy these toys from other suppliers. This will need new finance.

TBTS is considering two options:

Option 1: using retained profits

Option 2: getting a bank loan.

(f) Justify which **one** of these two options *TBTS* should choose.

(9)

(Total for Question 2 = 20 marks)

3 (a) Define the term **inventory**.

(1)

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(b) Outline **one** method that *TBTS* might use to respond to greater competition.

(2)

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In 2021, a *TBTS* toy shop had current liabilities of 36 000 SGD and current assets of 216 000 SGD.

(c) Calculate the current ratio for 2021. You are advised to show your working.

(2)

....:1

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(d) Analyse the importance of *TBTS* motivating its employees.

(6)

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TBTS is planning to introduce a new range of toys for four-year-old children. It will need to carry out some research from its customers, including children and parents, to find out what they want.

TBTS is considering two options:

Option 1: hand out questionnaires to customers that visit the shops

Option 2: hold focus group meetings with parents and their children.

(e) Justify which **one** of these two options *TBTS* should choose.

(9)

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(Total for Question 3 = 20 marks)

4 *TBTS* lets customers sign up for a Very Important Person (VIP) membership on its website. The website gives VIP members special rates and exclusive offers.

TBTS sells dinosaur toys for 22.80 SGD. VIP members get a discount of 15%.

(a) Calculate the total cost to a VIP member of buying 17 dinosaur toys.
You are advised to show your working.

(2)

....SGD

Figure 2 shows the acid test ratios for *TBTS*.

2018	2019	2020
0.75	0.87	0.88

Figure 2

(b) Analyse the usefulness to *TBTS* of the acid test ratio.

(6)

(c) Evaluate the importance of good internal and external communication to *TBTS*. You should use the information provided as well as your own knowledge of business.

(12)

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(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS

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