Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International GCSE

Wednesday 17 May 2023

Afternoon (Time: 1 hour 30 minutes) | **Paper reference** **4BS1/01R**

Business

PAPER 1: Investigating small businesses

You do not need any other materials.

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.
- 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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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 *Aude Rose* is a flower shop in Paris, France. It was set up by Aude Anglaret after she graduated with a qualification in floristry. It opened a shop in 2009 in the outskirts of Paris. Since then it has gone from strength to strength increasing its market share. To meet this increase in demand it has closed its first shop and opened a larger one in the centre of Paris with a higher rent and a possible increase in customers. It currently employs four florists. *Aude Rose* has been recognised for its high-quality flower arrangements that have been seen in several wedding magazines.

(a) (i) Which **one** of the following describes a minimum wage?

Select **one** answer.

(1)

☒ **A** Fixed amount per year and paid monthly

☒ **B** The lowest amount a business can legally pay its employees

☒ **C** Payment made to an employee for working additional hours

☒ **D** Payment made to an employee for reaching a target

(ii) Which **one** of the following describes the cash cow category in the Boston matrix?

Select **one** answer.

(1)

☒ **A** High market growth, high market share

☒ **B** High market growth, low market share

☒ **C** Low market growth, high market share

☒ **D** Low market growth, low market share

(iii) Which **one** of the following would give a business a negative cash flow?

Select **one** answer.

(1)

☒ **A** Cash inflow is greater than cash outflow

☒ **B** Costs are greater than profits

☒ **C** Profits are greater than costs

☒ **D** Cash outflow is greater than cash inflow

(iv) Which **one** of the following is a recruitment document that outlines the tasks and responsibilities of a job?

Select **one** answer.

(1)

- ☒ **A** Job description
- ☒ **B** Person specification
- ☒ **C** Application form
- ☒ **D** Curriculum vitae

To wrap its flowers *Aude Rose* buys 150 metres of wrapping paper from London, England every week at a cost of £0.46 per metre.

In October 2022 the exchange rate was £1 = €1.15

(v) Which **one** of the following is the total cost, in euros, of buying a four week supply of wrapping paper?

Select **one** answer.

(1)

- ☒ **A** €79.35
- ☒ **B** €276.00
- ☒ **C** €317.40
- ☒ **D** €396.75

Aude Rose provides flowers for large events. The most popular is a selection of traditional flowers selling for €65. The cost of making this selection of flowers is €42.

(vi) Which **one** of the following is the markup for a selection of traditional flowers?

Select **one** answer.

(1)

- ☒ **A** 54.76%
- ☒ **B** 64.62%
- ☒ **C** 182.61%
- ☒ **D** 282.61%

(b) Define the term **economies of scale**.

(1)

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(c) Define the term **stakeholder**.

(1)

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(d) State **one** benefit to *Aude Rose* of using just-in-time (JIT) production.

(1)

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Aude Rose has fixed costs of €50 000 a year with a selling price of €50 and a variable cost of €10 per bunch of flowers sold.

(e) Calculate how many bunches of flowers *Aude Rose* will have to sell to break-even. You are advised to show your working.

(2)

.... bunches of flowers

(f) Explain **one** reason why a business might fail.

(3)

(g) Analyse the importance to Aude Anglaret of motivating her employees.

(6)

(Total for Question 1 = 20 marks)

2 (a) State **one** fringe benefit *Aude Rose* could offer its employees.

(1)

(b) State **one** reason why branding is important to *Aude Rose*.

(1)

(c) Explain **one** impact of ineffective communication on a business.

(3)

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(d) Explain **one** advantage of a partnership.

(3)

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(e) Explain **one** disadvantage to a business of product orientation.

(3)

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Aude Rose is looking to increase its sales. It is considering two options:

Option 1: sponsor a local event such as a flower show

Option 2: advertise, using leaflets around Paris.

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

(9)

(Total for Question 2 = 20 marks)

3 (a) Define the term **variable costs**.

(1)

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(b) Outline **one** way *Aude Rose* could extend the product life cycle of one of its products.

(2)

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Figure 1 shows the retained profit for *Aude Rose*.

2021	€16 260
2022	€12 594

Figure 1

(c) Calculate, to two decimal places, the percentage decrease in retained profits from 2021 to 2022. You are advised to show your working.

(2)

.... %

Aude Rose is considering introducing a wider range of flowers for sale.

(d) Analyse the impact on *Aude Rose* of using its retained profits for this proposed development.

(6)

Aude Rose is always looking to keep up with changes and new trends in the flower market. It is anticipating that this year there may well be many changes in the industry and it wants to do some research.

Aude Rose is considering two options:

Option 1: handing out questionnaires to customers that visit the shop

Option 2: using the internet to research new trends.

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

(9)

(Total for Question 3 = 20 marks)

4 **Figure 2** is an extract from *Aude Rose*'s Statement of Comprehensive Income.

Sales	€62 400
Gross profit	€45 024
Cost of sales	€17 376

Figure 2

(a) Calculate, to two decimal places, the gross profit margin. You are advised to show your working.

(2)

.... %

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(b) Analyse factors that *Aude Rose* might consider when measuring the success of its business.

(6)

(c) Evaluate the usefulness of financial documents to help *Aude Rose* when deciding to open a second shop. You should use the information provided as well as your own knowledge of business.

(12)

(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS

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