

Clarification Notice

9th May 2025

Pearson Edexcel International GCSE Business – 4BS1_01R

The currency is incorrectly written as **CYN** on pages 5, 6, 12 and 16.

Note that the correct currency should be **CNY** (Chinese Yuan), please amend on your question paper.

We apologise for any confusion caused.

Please check the examination details below before entering your candidate information

Candidate surname					Other names				
Centre Number					Candidate Number				

Pearson Edexcel International GCSE

Friday 9 May 2025

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:

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

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

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

- 1 *China Cycle Tours (CCT)* is a business that provides bicycle tours. It offers guided bicycle tours around the city and countryside of Shanghai, China. It was started in 2008 with the slogan, 'One world, Two wheels.'

CCT employs eight tour guides who are all bilingual, speaking Chinese and English. The guides help tourists in all aspects of their tour including bookings for accommodation, food, activities and visits to cultural sites. *CCT* delivers the bicycles directly to the hotels where the tourists are staying and provides free maps and locks for the bicycles.

CCT has received good reviews and ratings online. Customers have commented that the bicycle tours are extremely enjoyable and that the guides help them to experience the true culture of China.

- (a) (i) Which **one** of the following is the production process that relies more on machinery than on labour?

(1)

Select **one** answer.

- ☐ **A** Kaizen
- ☐ **B** Job production
- ☐ **C** Just-in-time
- ☐ **D** Capital intensive

- (ii) Which **one** of the following is a pricing strategy that involves setting a low price for a product when it is first introduced to the market to quickly gain market share?

(1)

Select **one** answer.

- ☐ **A** Skimming
- ☐ **B** Competition
- ☐ **C** Penetration
- ☐ **D** Cost plus



- (iii) Which **one** of the following is most likely to improve the cash flow position of a small business to help prevent its failure?

(1)

Select **one** answer.

- ☐ **A** Paying overhead costs sooner
- ☐ **B** Paying suppliers later
- ☐ **C** Increasing the rate of pay for its employees
- ☐ **D** Decreasing the net cash flow

- (iv) Which **one** of the following is a financial business aim?

(1)

Select **one** answer.

- ☐ **A** Challenge
- ☐ **B** Independence
- ☐ **C** Survival
- ☐ **D** Control

CCT is considering purchasing six electric bicycles from England to increase the variety of bicycles it offers to its customers.

Each bicycle costs £550.

The exchange rate is £1 = 9.35 Chinese yuan (CNY).

- (v) Which **one** of the following would CCT pay in CNY for **six** electric bicycles?

(1)

Select **one** answer.

- ☐ **A** 550.00 CNY
- ☐ **B** 3 300.00 CNY
- ☐ **C** 5 142.50 CNY
- ☐ **D** 30 855.00 CNY

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Figure 1 is a financial extract from *CCT*.

	CYN
Total revenue	1 444 304
Total labour costs	750 288
Total material costs	234 465
Other costs	46 893

Figure 1

(vi) Using **Figure 1** which **one** of the following is correct for *CCT*?

Select **one** answer

(1)

- ☐ **A** It made a loss of 1 031 646 CYN
- ☐ **B** It made a loss of 412 658 CYN
- ☐ **C** It made a profit of 412 658 CYN
- ☐ **D** It made a profit of 1 031 646 CYN

(b) Define the term **branding**.

(1)

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

(1)



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- (d) State **one** method of secondary market research *CCT* could use to collect market data.

(1)

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In 2024 *CCT* had current assets of 561 258 CYN and current liabilities of 233 098 CYN.

- (e) Calculate, to two decimal places, the current ratio for 2024. You are advised to show your working.

(2)

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- (f) Explain **one** benefit to a business owner of operating as a private limited company.

(3)

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CCT has a website for bookings and a social media page that provides information to its customers. It now wants to introduce an app that can be downloaded by its customers to make it easier to make and track bookings.

(g) Analyse the concerns *CCT* may have of introducing this app for its customers.

(6)

(Total for Question 1 = 20 marks)



2 (a) State **one** financial method of motivation *CCT* could use with its employees.

(1)

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(b) State **one** benefit to *CCT* of satisfying customer needs.

(1)

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(c) Explain **one** way a business could increase its profit.

(3)

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(d) Explain **one** way that the introduction of tariffs might affect a business importing goods.

(3)

(e) Explain **one** reason why quality control is important to a business.

(3)



The owner of *CCT* wants to measure the success of the business.

The owner is considering two options:

Option 1: customer satisfaction

Option 2: profit.

(f) Justify which **one** of these two options the owner of *CCT* should choose.

(9)

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(Total for Question 2 = 20 marks)

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3 (a) Define the term **share capital.**

(1)

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(b) Outline how *CCT* could use quantitative research data to improve its service.

(2)

Figure 2 is an extract from the statement of comprehensive income from a *CCT* competitor.

	CYN
Revenue	85 000
Cost of sales	13 500
Gross profit	71 500

Figure 2

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

(2)

.....%



CCT wants to extend its services by offering family tour holidays and team-building days for businesses. It plans to recruit an external Marketing Manager to promote these new services.

(d) Analyse the possible effects on *CCT* of recruiting externally.

(6)

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Feedback from some customers suggested they became tired during the bicycle tours. To overcome this problem *CCT* is planning to purchase electric bicycles.

To fund the cost of purchasing the electric bicycles, *CCT* is considering two options:

Option 1: selling assets

Option 2: retained profit.

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

(9)

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(Total for Question 3 = 20 marks)



- 4** CCT is offering team-building tours to other businesses. The price per person for these tours is 938 CYN. If a business books more than five places, it receives a 6% discount.

(a) Calculate the total discount received by a business when it books eight people on a team-building tour. You are advised to show your working.

(2)

..... CYN

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CCT has a website to provide information to its customers and make bookings.

(b) Analyse other forms of technology CCT can use to communicate its services.

(6)

Area for writing the answer to question (b). The area contains horizontal dotted lines for writing.



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In 2024 the interest rate in China was 3% but is now predicted to increase to 3.2% in 2025.

- (c) Evaluate the impact on *CCT* of an increase in the Chinese interest rate. 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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<http://www.chinacycletours.com/>

