

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

4BS1/01

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 *Irsi Chocolatier* is a chocolate shop in Brussels, the capital city of Belgium. There are many other chocolate shops nearby. Opened in 1989 by the Corne family the business now has four directors and three employees. Florent Corne is the Managing Director with three other family members as Directors. *Irsi Chocolatier* opens from Tuesday till Saturday. The shop sells a variety of handmade chocolates and jelly fruit sweets. It delivers locally and has a website for information purposes only.

- (a) (i) Which **one** of the following functions is responsible for public relations?

Select **one** answer.

(1)

- A Human resources
- B Finance
- C Marketing
- D Production

- (ii) Which **one** of the following is the difference between cash inflow and cash outflow?

Select **one** answer.

(1)

- A Opening balance
- B Net cash flow
- C Closing balance
- D Cash flow forecast

- (iii) Which **one** of the following is the sector that converts raw materials into products?

Select **one** answer.

(1)

- A Public
- B Tertiary
- C Primary
- D Secondary

(iv) Which **one** of the following is an example of a good?

Select **one** answer.

(1)

- A** Motor vehicle
- B** Financial advice
- C** Car washing
- D** Gardening

In 2021 *Irsi Chocolatier's* revenue was €311 625. Each year it has seen its revenue increase.

(v) Which **one** of the following would be a 3% increase in revenue for *Irsi Chocolatier*?

Select **one** answer.

(1)

- A** €317 857.50
- B** €319 415.63
- C** €320 973.75
- D** €322 531.88

Irsi Chocolatier's monthly fixed costs are €950 and variable costs per luxury box of chocolates are €2.60.

(vi) Which **one** of the following is the break-even point when a box of luxury chocolates is priced at €15.10?

Select **one** answer.

(1)

- A** 75
- B** 76
- C** 77
- D** 78

(f) Explain **one** benefit for a business that uses test marketing.

(3)

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(d) Explain **one** way a business could use market research information.

(3)

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(e) Explain **one** benefit to a business that has a decentralised organisational structure.

(3)

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(Total for Question 2 = 20 marks)



3 (a) Define the term **fringe benefits**.

(1)

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(b) Outline **one** way *Irsi Chocolatier* could keep customer loyalty.

(2)

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Irsi Chocolatier has current assets of €26 000 and current liabilities of €14 852.

(c) Calculate, to two decimal places, the current ratio. You are advised to show your working.

(2)

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(Total for Question 3 = 20 marks)



4 **Figure 1** is an extract from *Irsi Chocolatier's* Statement of Comprehensive Income.

Revenue	€330 606
Gross profit	€80 282
Other operating expenses	€12 692

Figure 1

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

(2)

.....%



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Irsi Chocolatier is a business with three loyal employees. As it expands it wants to ensure its current and new employees remain happy and motivated within the workplace.

- (c) Evaluate the impact of *Irsi Chocolatier* using financial methods of motivation on its employees. You should use the information provided as well as your own knowledge of business.

(12)

Area with horizontal dotted lines for writing the answer to question (c).



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(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS



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