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Pearson Edexcel International GCSE

Friday 16 May 2025

Afternoon (Time: 1 hour 30 minutes)	Paper reference	4BS1/02
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Business

PAPER 2: Investigating large businesses

<p style="margin: 0;">You do not need any other materials.</p>	<p style="margin: 0;">Total Marks</p>
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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 In 1971 *Starbucks* opened its first coffee shop in Seattle, Washington, US. Since then, it has experienced significant growth with more than 32,000 stores operating across 80 countries. It sells coffee and food products including cakes, biscuits and sandwiches. *Starbucks* has a mission 'To inspire and nurture the human spirit – one person, one cup and one neighbourhood at a time.'

Starbucks refers to its employees as 'partners' as they encourage people to support each other and work to achieve common goals. It offers the opportunity for partners to develop their skills and knowledge of the coffee shop market, by starting as baristas, then as coffee masters and finally as coffee shop managers.

- (a) (i) Which **one** of the following is a secondary sector activity?

Select **one** answer.

(1)

- A Coal mining
- B Engineering
- C Farming
- D Insurance

- (ii) Which **one** of the following is an external source of finance?

Select **one** answer.

(1)

- A Selling assets
- B Retained profit
- C Personal savings
- D Bank loan

Starbucks has special offers to encourage customers to purchase more coffee.

A latte usually costs \$5.90 (US Dollars) and is now on special offer at \$5.35.

(iii) Which **one** of the following is the percentage decrease in the price of a latte?

Select **one** answer.

(1)

- A** 0.55%
- B** 2.94%
- C** 9.32%
- D** 10.28%

(iv) Which **one** of the following is the minimum number of owners in a partnership?

Select **one** answer.

(1)

- A** 1
- B** 2
- C** 20
- D** 50

An online book club charges its members £4.49 (GBP) a month.

The exchange rate is £1.00 to 92.09 Indian Rupees (INR).

(v) Which **one** of the following would be the monthly price in Rupees to be a member in India?

Select **one** answer.

(1)

- A** 413.48
- B** 1105.08
- C** 4 134.84
- D** 4 961.81



(vi) Which **one** of the following is an external source of finance for managing immediate cash flow problems?

Select **one** answer.

(1)

- A** Personal savings
- B** Retained profit
- C** Selling assets
- D** Overdraft

(b) Define the term **social enterprise**.

(1)

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(c) Define the term **tertiary sector**.

(1)

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(d) State **one** reason why *Starbucks* wants to retain its employees.

(1)

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In 2022 the worldwide coffee shop industry had a total revenue of \$165.70 billion.
It is estimated that by 2030 the percentage increase in total revenue is expected to be 38.25%.

(e) Calculate, to two decimal places, the estimated total revenue in 2030. You are advised to show your working.

(2)

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(f) Explain **one** disadvantage for a business of training its employees.

(3)

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Starbucks uses batch production to make its cakes and sandwiches.

(g) Analyse the benefits for *Starbucks* of using batch production.

(6)

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(Total for Question 1 = 20 marks)



2 (a) State **one** reason why *Starbucks* should have good communication with its customers.

(1)

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(b) State **one** way *Starbucks* could follow health and safety legislation.

(1)

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(c) Explain **one** reason why many manufacturing businesses use just-in-time (JIT).

(3)

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(d) Explain **one** reason why it is important that businesses pay their suppliers on time.

(3)

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(e) Explain **one** effect on a business if interest rates are decreased.

(3)

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(Total for Question 2 = 20 marks)



(d) Analyse why *Starbucks* wants to promote its existing employees.

(6)

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(Total for Question 3 = 20 marks)



4 *Starbucks* aims to be more than just a coffee shop. It celebrates the tradition of coffee and focuses on building a strong connection between its employees and customers. *Starbucks* has a passion for high-quality coffee and is dedicated to creating a fulfilling and enjoyable coffee shop experience for everyone.

All employees have a partner card which means they get a 30% discount on all food and drinks.

An employee purchases a meal deal costing €15.50 (euros).

(a) Calculate, to two decimal places, the cost of the meal with the employee's discount. You are advised to show your working.

(2)

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(b) Analyse why *Starbucks* thinks it is important to interview candidates that have applied for a job with them.

(6)

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Before introducing new products to all of its coffee shops *Starbucks* carries out product trials.

- (c) Evaluate why *Starbucks* carries out product trials that might reduce the risks from introducing new products. 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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Source:

<https://www.grandviewresearch.com/industry-analysis/coffee-market>

