

**Paper Reference 9BS0/02**  
**Pearson Edexcel**  
**Level 3 GCE**

<b>Total Marks</b>
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**Business**  
**Advanced**  
**Paper 2: Business activities,**  
**decisions and strategy**

**Monday 11 June 2018 – Afternoon**

**Time: 2 hours plus your additional time allowance.**

**In the boxes below, write your name, centre number and candidate number.**

<b>Surname</b>					
<b>Other names</b>					
<b>Centre Number</b>					
<b>Candidate Number</b>					

**You do not need any other materials.**

**YOU WILL BE GIVEN**

**Data Book**

**INSTRUCTIONS**

**Answer ALL questions.**

**Answer the questions in the spaces provided in this Question Paper or in the Data Book – there may be more space than you need.**

## **INFORMATION**

**The total mark for this paper is 100**

**The marks for EACH question are shown in brackets – use this as a guide as to how much time to spend on each question.**

**You may use a calculator.**

## **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.**

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**Answer ALL questions.**

## **SECTION A**

**Read Extract A, Extract B,  
Extract C and Extract D in the  
Data Book before answering  
Question 1**

**Write your answers in the spaces  
provided.**

- 1. (a) Explain ONE reason Mumtaz has always used internal finance to establish and expand its business.**

**(4 marks)**

**Answer lines continue on the next page.**

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**1. (a) continued.**

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**Turn over**

**1. continued.**

**(b) Using the data in Extract B,  
calculate the margin of safety.  
You are advised to show your  
working.**

**(4 marks)**

**Answer lines continue on the  
next page.**

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**Turn over**

1. (b) continued.

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**1. continued.**

**(c) Assess whether expanding by organic growth was the right decision for Mumtaz.**

**(10 marks)**

**Answer lines continue on the next six pages.**

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**1. continued.**

**(d) Using the data in Extract C,  
assess the likely impact of the  
forecast changes in the UK  
economy on a business such as  
Mumtaz.**

**(12 marks)**

**Answer lines continue on the  
next six pages.**

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**Turn over**



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**1. continued.**

**Mumtaz's aim is to become the UK's market leader in Asian ready meals. To achieve this, it could produce own label ready meals for supermarkets or focus on selling more Mumtaz premium brand name products.**

**(e) Evaluate these TWO options and recommend which is most suitable for Mumtaz to achieve its aim.**

**(20 marks)**

**Answer lines continue on the next nine pages.**

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**1. (e) continued.**

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**(Total for Question 1 = 50 marks)**

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**TOTAL FOR SECTION A = 50 MARKS**

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**Turn over**



## **SECTION B**

**Read Extract E, Extract F,  
Extract G and Extract H in the  
Data Book before answering  
Question 2**

**Write your answers in the spaces  
provided.**

**2. (a) Explain ONE internal cause of the business failure of MG Rover Group.**

**(4 marks)**

**Answer lines continue on the next page.**

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**2. (a) continued.**

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**Turn over**

**2. continued.**

**(b) Using the data in Extract F,  
calculate the monthly labour cost  
per car.**

**You are advised to show your  
working.**

**(4 marks)**

**Answer lines continue on the  
next page.**

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**2. (b) continued.**

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**Turn over**

**2. continued.**

**(c) Assess the likely effects of employee legislation on a business such as VW.**

**(10 marks)**

**Answer lines continue on the next six pages.**

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**2. (c) continued.**

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**2. continued.**

**Corporate timescales can be short-term or long-term.**

**(d) Assess Toyota's decision to issue 'Model AA' shares as a means of raising finance.**

**(12 marks)**

**Answer lines continue on the next six pages.**

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**Turn over**

**2. continued.**

**VW's new Chief Executive has been given the aim of increasing the company's profitability.**

**The two options VW is considering are to develop a new range of self-driving cars or to improve productivity.**

**(e) Evaluate these TWO options and recommend which is most suitable to achieve the aim of increasing profitability, for a business such as VW.**

**(20 marks)**

**Answer lines are on the next nine pages.**

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**2. (e) continued.**

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**2. (e) continued.**

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**2. (e) continued.**

[illegible]

**(Total for Question 2 = 50 marks)**

**TOTAL FOR SECTION B = 50 MARKS**

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**TOTAL FOR PAPER = 100 MARKS**

**END OF PAPER**

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