

Paper Reference 9BS0/02
Pearson Edexcel
Level 3 GCE

Total Marks

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.

Surname					
Other names					
Centre Number					
Candidate Number					

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.

Turn over

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.

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.

1. (a) continued.

(continued on the next page)

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.

[illegible]

Turn over

1. (b) continued.

(continued on the next page)

Turn over

1. continued.

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

(10 marks)

Answer lines continue on the next four pages.

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1. (c) continued.

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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)

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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 six pages.

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1. (e) continued.

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(Total for Question 1 = 50 marks)

TOTAL FOR SECTION A = 50 MARKS

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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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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)

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2. (b) continued.

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

(10 marks)

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[illegible]

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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)

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2. (d) continued.

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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)

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(Total for Question 2 = 50 marks)

TOTAL FOR SECTION B = 50 MARKS

TOTAL FOR PAPER = 100 MARKS

END OF PAPER

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