

Paper Reference 9BS0/02
Pearson Edexcel Level 3 GCE

Business
Advanced
PAPER 2: Business activities, decisions and strategy

Tuesday 21 May 2024 – Morning

Time: 2 hours

Total Marks

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

Surname					
Other names					
Centre Number					
Candidate Number					

YOU MUST HAVE:

Source Booklet (enclosed)

YOU WILL BE GIVEN:

Nil

INSTRUCTIONS

There are two sections in this question paper.

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 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.

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

SECTION A

Read the extracts (A to D) in the Source Booklet before answering Question 1.

- 1 (a) Explain ONE benefit to Vidsy of having a mission statement.
 (4 Marks)
 Answer space continues on the next page**

1(a) continued

(continued on the next page)

1 continued

- (b) Using the data in EXTRACT B, calculate Vidsy's return on capital employed (ROCE) for 2021. State your answer to two decimal places. You are advised to show your working.**

(4 marks)

Answer space continues on the next page

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1(b) continued

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1 continued

- (c) Assess whether Vidsy's directors should focus purely on shareholder returns in the company's business decisions.**

(10 marks)

Answer space continues on the next 4 pages

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- (d) Assess whether offering financial rewards is the best way for Vidsy to reduce its labour turnover.**

(12 marks)

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1 continued

Vidsy's directors wish to expand into the US market. To achieve this, the directors are considering whether to finance this expansion either by using retained profit or external finance.

- (e) Evaluate these TWO options and recommend which one Vidsy's directors should choose to finance the company's expansion into the US market.**

(20 marks)

Answer space continues on the next 9 pages

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1(e) continued

(Total for Question 1 = 50 marks)

TOTAL FOR SECTION A = 50 MARKS

SECTION B

Read the extracts (E to H) in the SOURCE BOOKLET before answering Question 2.

- 2 (a) Using the information in EXTRACT E, calculate the difference in the operating profit margin between 2022 and 2021. State your answer to two decimal places. You are advised to show your working.**
- (4 marks)**
- Answer space continues on the next page**

[illegible]

2(a) continued

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2 continued

- (b) Explain ONE benefit to Tesla of its factories achieving high levels of capacity utilisation.**

(4 marks)

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2 continued

- (c) Assess the importance of Tesla having a task culture for its continued success.**

(10 marks)

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- (d) Assess the value of lean production as a source of competitive advantage for Tesla.**

(12 marks)

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Elon Musk has set the objective of increasing Tesla's market share of the electric vehicle market. To achieve this objective, Elon Musk is considering whether to focus on market penetration of the electric car market or product development through electric trucks.

- (e) Evaluate these TWO options and recommend which one Elon Musk should choose to achieve the objective of increasing Tesla's market share.**

(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