

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Pearson Edexcel
International
Advanced Level

Centre Number

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Candidate Number

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Friday 17 May 2019

Afternoon (Time: 1 hour 30 minutes)

Paper Reference **WBS01/01**

Business Studies

International Advanced Subsidiary

Unit 1: Business Enterprise

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 in Section A and Section B.
- 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.*
- You should take care in your responses with your punctuation and grammar, as well as the clarity of expression.
- 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.

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A Profit satisficer

B Ethical stance

C Computer literate

D Risk taker

Answer

- (3)

2



2 *Bach's Rescue* is a business that produces herbal remedies. It promoted a new stress relief remedy by giving out free samples and money-off coupons.

(a) This is best described as

(1)

- A customer trialling
- B price skimming
- C increasing added value
- D improving cash flow

Answer

☐

(b) Explain why this answer is correct.

(3)

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(Total for Question 2 = 4 marks)



3 Sam Best started his roofing business as a sole trader but is now selling some shares in his business to family and friends.

(a) Which **one** of the following is the **most likely** structure of Sam's business?

(1)

- A** Franchise
- B** Private Limited Company
- C** Public Limited Company
- D** Partnership

Answer

(b) Explain why this answer is correct.

(3)

(Total for Question 3 = 4 marks)



4 Associated British Foods reported the following results in December 2017.

	£m	£m
Revenue	15 357	
Cost of sales	14 090	
Gross profit		1 267
Other operating expenses	69	

(a) What was Associated British Foods' profit for the year margin?

(1)

A 8.3%

B 7.8%

C 8.5%

D 9.0%

Answer

(b) Explain why this answer is correct.

(3)

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(Total for Question 4 = 4 marks)



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5 Cereal manufacturer *Kellogg's* conducted primary research, rather than secondary research, when developing its new products.

(a) Which **one** of the following is the **most likely** reason for choosing to use primary research?

(1)

- A** Because it is less expensive
- B** Because it saves time
- C** Because it is more accurate
- D** Because it is easier to collect

Answer

(b) Explain why this answer is correct.

(3)

[illegible]

(Total for Question 5 = 4 marks)



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(Total for Question 6 = 4 marks)

TOTAL FOR SECTION A = 24 MARKS



SECTION B

Answer ALL questions in this section.

You should spend 60 minutes on this section.

Evidence A – A dream of financial freedom



When Zinah Saleh received her Bachelor's degree in Business Administration from the University of Baghdad in 2011, she was set for a successful career. Yet, despite having a degree, Zinah and her female friends were unable to get jobs. Zinah said "Life can be difficult for women who are unmarried or widowed, especially if they lack family financial support".

After university, Zinah volunteered with *Alrawdha*, a local humanitarian organisation that supports refugees and war widows. But she wanted a job and financial freedom for herself, and for other Iraqi women.

(Source adapted from: <https://thestoryexchange.org/turning-soap-jobs-iraqi-women/>)

Evidence B – Turning soap into jobs for Iraqi women



Zinah started to explore all-natural soap products after a friend was diagnosed with a blood cancer apparently caused by chemicals in cosmetics. After learning to make soap through online classes, Zinah made soaps for friends and family, but also saw a business opportunity.

Zinah took part in a women-only entrepreneurship programme. She was given leadership training, help developing her business plan and marketing strategy, and two mentors from the cosmetics industry.

In 2013, Zinah started an all-women business, *Ishtar Handmade Soap (IHS)*. Zinah said "Following the entrepreneurship programme, I was ready to start *IHS*. We are the first company in Iraq caring about eco-friendly products and the only one run solely by women".

(Source adapted from: <https://thestoryexchange.org/turning-soap-jobs-iraqi-women/>)

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Evidence C – A purpose in creating jobs for women

Zinah Saleh cares about giving jobs to women in need. Currently, her business *IHS* has eight full-time employees and 12 part-timers who help with sales. Two of her employees are refugees.



IHS does not yet have a central workshop. Employees make soap, shower gels and shampoos in their own homes. They use local olive oil and shea and cocoa butters sourced from America and Africa.

Other employees handle packaging, administrative work and social media marketing. *IHS* has more than 52,500 Facebook followers: of these, more than 95% are women.

IHS fulfils online orders from all over Iraq and sells its soap and cosmetic products at weekly markets. Zinah says "We sell over 2,000 items each month at the markets. We are earning money that supports all of us". Sales total \$5 000 a month, up from \$1 000 a month when *IHS* started.

IHS recently opened its first shop in Baghdad's Babylon Mall. Zinah plans to expand to other Iraqi cities. She also dreams of selling her products internationally.

Expanding the business will allow her to hire more women and change more lives. Zinah's objective is to employ 100 women in the next two years. Zinah said, "We give hope to all women in the Middle East by encouraging them not to wait for a job opportunity but inspire them to open their own business, and help other women".

(Source adapted from: <https://thetoryexchange.org/turning-soap-jobs-iraqi-women/>)



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9 The following information relates to the sales of *IHS's* Lavender and Sage Shower Gel.

- Actual monthly sales revenues \$600
- Break-even level of output 50 units
- Unit selling price \$8

(a) Using the information above, calculate the margin of safety for *IHS's* Lavender and Sage Shower Gel. (Show your working.)

(4)

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(b) Assess the likely importance to *IHS* of making a profit.

(8)

Handwriting practice area with horizontal dotted lines.

(Total for Question 9 = 12 marks)

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(Total for Question 10 = 12 marks)



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(Total for Question 11 = 14 marks)

TOTAL FOR SECTION B = 56 MARKS

TOTAL FOR PAPER = 80 MARKS



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