

Examiners' Report

June 2025

Int GCSE Business 4BS1 02

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Introduction

The paper differentiated candidates well. Many candidates appeared to be well prepared for the paper and used the extracts well to provide some excellent answers which showed contextualised knowledge and logical chains of reasoning. There was no evidence to suggest that timing was an issue with the majority of candidates completing all questions.

The calculation questions scored highly, as well as the 3 mark 'explain' questions which centres appear to be well practised in.

Whilst the 'state' questions were answered better than in previous series many candidates are still not scoring on these questions. This is because these state questions required the answer to be in context of Starbucks, and unfortunately many students are not contextualising their response to get the mark.

Some of the same issues persist from series to series, the main one being that candidates do not always read the question thoroughly enough. A prime example is question 2f where candidates were required to justify if financial or non-financial incentives would help Starbucks to retain its employees. Unfortunately, many candidates wrote about how the incentives would impact the revenue or profits of Starbucks, which is not answering the question set.

An increasing number of candidates are using extra paper which is not recommended. There are sufficient lines given to allow candidates to provide a thorough answer. There is absolutely no evidence at all to suggest that candidates using extra paper score higher marks.

Question 1(b)

This question was answered well by many. However, too many candidates are under the impression that a social enterprise is owned by the government.

Whilst a social enterprise is an independent organisation that prioritises social and environmental wellbeing, and may provide services to the public sector, the governance and ownership are distinct from government entities.

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

(1)

THIS is a business that focuses on environmental and human well-being rather than profit.



This is a perfect answer and awarded the one mark. Answers should not be lengthy but accurate.

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

(1)

it's a business within the public sector



This is not necessarily correct, as explained in the introduction. No marks awarded.

Question 1(c)

Most candidates provided an accurate definition of the tertiary sector which is the sector that provides a service to customers. A few confused the tertiary sector with the secondary sector and some candidates provided examples of businesses or jobs within the tertiary sector rather than giving a definition.

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

the provision of services



This is a short but correct definition which was awarded the mark.



Definitions do not need to be lengthy they just need to be accurate. Examples are not awarded marks.

Question 1(d)

This is the first of three 'state' questions. In order to get the 1 mark available, the candidate must contextualise their answers. Unfortunately some candidates fail to do this and miss out on marks even though knowledge shown may be accurate.

However, it was encouraging that in this series more candidates provided contextualised responses. Non-contextual responses are awarded 0 marks

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

(1)

to save money, because looking for
new employees costs can be
expensive.



This is a prime example of the candidate showing good knowledge but failing to contextualise their response. No marks awarded.

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

(1)

Starbucks wants to retain its employees as if it does not it will have to spend time and money recruiting and training new baristas, coffee masters and coffee shop managers.



This shows good knowledge in the context of Starbucks.



Candidates should provide context to any question that refers to a specific business, in this case Starbucks

Question 1(e)

A high proportion of students gained the full 2 marks for this calculation. However, some candidates are still failing to round answers to two decimal points, which is specifically stated in the question.

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)

$$\begin{array}{l} \cancel{165.70000000} \\ 165.70 + 38.25\% \rightarrow 165.70 \times 1.3825 \\ = 229.1 \text{ billion} \end{array}$$

\$ 229.1 billion



This candidate rounded to 1 decimal place. However, they were awarded 1 mark for correct workings.



Always round to the required number of decimal places otherwise full marks cannot be attained.

Question 1(f)

This is the first of the 'explain' questions. All 'explain' questions are worth 3 marks. It is important the candidate gives **one** point and then provides 2 points of development.

In this instance the candidate was required to give one disadvantage of training employees.

Unfortunately, some candidates wrote about advantages of training which is a prime example of candidates not reading the question carefully.

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

(3)

One disadvantage for the business may be that, when a business provides trainings for the new employees. After some time employees may leave and join rival business, and this is why business gets frustrated, that is why this is a disadvantage for businesses training its employees.



This response gained just one mark. The candidate identified that the trained employee may go to a rival business but this was not developed to show any consequences of this to a business.

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

(3)

Training employees might be cost ~~expensive~~ ^{expensive}.
This is because, a business might have to employ specialised trainers, or would have to rent a training premises. This would likely raise cost for the business. Hence, profit reduces if revenue remains constant.



This was awarded the full 3 marks. A disadvantage is identified, ie it may be expensive, which is developed to show both a cause and a consequence. The cause relates to specialised trainers and training premises that are required. The consequence is that this may reduce profits if revenues remain constant.

Question 1(g)

This question is the first of the 'analyse' questions which are holistically marked. Marks are awarded for contextualised knowledge (A02) and logical chains of reasoning (A03). The marks are awarded in line with the descriptors and levels contained within the mark scheme.

This question differentiated candidates. Examiners saw many excellent answers which identified advantages for Starbucks of using batch production which was developed well to show causes or consequences. However, many candidates confused batch production with job or flow production.

Starbucks uses batch production to make its cakes and sandwiches.

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

flexible meet demand
can make changes
(6)

Starbucks using batch production is flexible and helps meet the demand accordingly. This is because an appropriate number of cakes can be ~~baked~~ baked and sandwiches can be made at once. This prevents over-producing quantities of food thus aiding to be flexible and prevent stock piles.

Further, batch production is convenient as it helps implement changes to the food produced fast and easily. This is because for example, if Starbucks wants to change the flavour of the cake from strawberry to chocolate, they can easily implement this change by affecting only a selected number of batches.

It saves time and resources spent on the cakes & so on.



This response was awarded the full 6 marks. The response identified advantages of batch production which is in the context of Starbucks. The candidate deconstructs the business information finding interconnective points with logical chains of reasoning.

Question 2(a)

This is the second 'state' question. As with all 'state' questions the answer must show contextualised knowledge. The responses below show one contextualised response and one that has no context.

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

(1)

So that Starbucks could build customer loyalty from the regular customers who buy their cakes.



This response shows knowledge AND context. Both must be present to get the 1 mark.

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

(1)

To retain their customers so encourage repeat business



Whilst knowledge is evident, this candidate fails to apply the knowledge to Starbucks and was not awarded the mark.

Question 2(b)

It was encouraging that this 'state' question was generally well answered. It was very encouraging to see that many candidates contextualised their responses to gain the one mark.

The following two responses show understanding of health and safety and includes application which is relevant to Starbucks. Both were awarded the 1 mark available.

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

(1)

Ensuring that all their employees
use ~~gloves~~ utensils ~~before~~ to serve the
cakes and sandwiches



A good answer for one mark.

^{their customers when}
(b) State **one** way Starbucks could follow health and safety legislation.

(1)

by ~~the~~ checking that the food they serve
is not out of date.



Another example of good practice for 1 mark.

Question 2(c)

This 'explain' question was generally well answered. Candidates appreciated that JIT would reduce costs and waste for the business. Some candidates wrote about how fast goods would be produced and these answers were not awarded marks.

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

(3)

One reason many manufacturing businesses use just-in-time because all the goods ^{production} can be finished faster as all workers and machinery are deployed. This method is used when demand for certain good is high. Ex: Toyota cars.



This received no marks. Having JIT does not mean that goods will be produced or delivered quicker. JIT relates to inventory management/control.

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

(3)

Businesses might use just-in-time because it helps reducing waste. ^{If the} ~~The~~ business ~~has~~ gets raw materials just when required in the production line, they are less likely to get damaged or expire in inventory. This would lower business cost as all ~~raw~~ ~~material~~ raw materials will go to waste. ~~and~~



This is an excellent answer that gained the full 3 marks. It starts with an advantage of reduced waste and continues to develop the answer, ie because raw material received just as needed is less likely to get damaged. More development follows by explaining that this lowers cost.

Question 2(d)

This is another 'explain' question which was generally well answered by many candidates who appreciated the merits of a business paying its supplier on time.

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

(3)

Paying suppliers on time establishes a healthy business-supplier relationship. Hence, more discounts may be provided by suppliers. Therefore, decreasing the costs of raw materials.



This is an accurate and concise response which gained the full three marks. The candidate starts with an advantage, ie establishes a healthy relationship and provides two points of development.



The answer does not need to be lengthy. It just needs to be accurate and provide two points of development.

Question 2(e)

This question was quite well answered. Many candidates demonstrated understanding of how a reduction in interest rates would impact the business. This is another 'explain' question where candidates are required to give an advantage and provide two further points of development. Responses referred to a reduction in the cost of borrowing or customers having a higher level of disposable income to spend on goods and services.

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

(3)

If interest rates are decreased, businesses will be more likely to take out bank loans. This might have an a positive or a negative impact on businesses, depending how they handle debt and repaying.



This is an example where the candidate gives a valid point, ie more likely to take out bank loans, but fails to develop this point to explain the consequences to the business.

Question 2(f)

This answer unfortunately was not well answered by many candidates. The question required the candidate to justify if either financial or non-financial methods would retain employees at Starbucks. Whilst the majority of candidates are familiar with this topic and showed good knowledge of the topic they did not fully answer the question in terms of how these methods might impact labour turnover. As such, many candidates failed to reach the higher level of the mark scheme.

Starbucks wants to ensure that its employees remain with the business. To do this it is considering the following two methods:

Option 1: financial methods

Option 2: non-financial methods.

(f) Justify which **one** of these two methods Starbucks should choose.

(9)

Starbucks should choose option 2 non-financial methods.

One reason to choose non-financial method is to increase job satisfaction. Maslow's ~~ne~~ ~~ng~~ hierarchy of need proves the need for non-financial motivator, such as job enrichment. This aligns with Starbucks' current policy on their employee, which is to allow them to develop skill and knowledge and giving ~~higher~~ more autonomy as they do so. (e.g. barista → coffee master.)

This motivates their 'partners' and feel recognised in their work place, leading to high employee retainment.

Another reason to use non-financial motivator is because some people are not motivated by money. Some people work for their fun or to improve skills, so they are not motivated to stay in business just because of raised pay. Instead, maintaining good worker relations ^{in the coffee shop} and opportunity for self-improvement ^{on skills of coffee market} is important to make them feel they should ~~stay~~ keep working in Starbucks coffee shop.

However, one disadvantage is that employee might feel like the job is demanding and quit. Especiall because many of coffee shop workers are part-time employee. Job

enrichment might make them feel the job is too much to handle.

Overall, Starbucks should use non-financial motivator.

But, it depends on ~~the~~ what the employees want. Managers

can have meeting to discuss it with coffee shop workers.



This is a low level three response and was awarded 7 marks. It starts by demonstrating good knowledge of the advantages of non-financial methods which was well contextualised. Importantly it gives the impact on employee retention. The candidate attempts counterbalance, though this is not developed to the same level. It fails to provide a sound judgment to provide a clear justification based on a thorough evaluation of the issues made and so remains at the bottom of level 3.



Please note that candidates only need to select one of the two options given.

Starbucks wants to ensure that its employees remain with the business. To do this it is considering the following two methods:

Option 1: financial methods

Option 2: non-financial methods.

(f) Justify which **one** of these two methods Starbucks should choose.

(9)

They should use financial methods like higher salaries or bigger bonuses. Because that's what everyone wants, more money. It will also make them feel more valued, and in return the employees will be more motivated to work. ^{they} ~~it~~ could be ^{interactive} ~~interacting~~ with customers or, making the drinks and they might be better with the batch production. If all these areas improved just because they had a higher salary or bonus, it is much better because they could have a better reputation, which in turn can cause more customers to start going to Starbucks. Which can cause the revenue to increase.



In contrast to the above answer this response did not answer the question about employee retention. In addition it provided no counterbalance. This response was given level 1, 3 marks.



Read the question very carefully, including the stem to the question to ensure you answer all elements of the question set.

Question 3(a)

This 'definition' question was well answered with the majority of candidates understanding the term 'crowdfunding'.

- 3 Starbucks continues to increase the number of coffee shops it is opening throughout the world.**

(a) Define the term **crowdfunding**.

(1)

when a business raises funds by from lots of people
donating small amounts.



An excellent concise answer which describes crowdfunding.

Question 3(b)

This is the only outline question in the paper. To gain the full two marks the candidate must provide a point and add one point of development. In addition, the answer also must provide context to gain full marks.

(b) Outline **one** reason why the proximity of labour is important to Starbucks.

Partner would not come late on Starbucks⁽²⁾
this would be able to ~~produce~~ ~~more~~
cook and bake more cakes, sandwiches
and drinks hence leading to Starbucks
to have more sales revenue.



This is a good answer which has a developed point "wouldn't arrive late leading to more produce/revenue" with evidence of context (partners or cakes).

(b) Outline **one** reason why the proximity of labour is important to Starbucks.

The correct proximity of labour may attract more⁽²⁾
customers to Starbucks coffee shop, increasing their sales.



Unfortunately this response does not answer the question regarding proximity of labour.

Question 3(c)

This calculation question was well answered. It was evident that many candidates have a good understanding of exchange rates.

Starbucks US employees are paid a salary of \$21 000 a year. In Germany its employees are paid the same salary but in euros (€).

The exchange rate is \$1 = €0.91

- (c) Calculate the salary of a Starbucks employee in Germany in euros. You are advised to show your working.

(2)

$$0.91 \times 21000 \\ = 18900$$

€ 18900



Although the answer is incorrect this candidate was awarded 1 mark for correct workings.



Always show workings as a mark is always available for correct workings even if the final answer is incorrect.

Question 3(d)

Some very good answers were seen by examiners and many candidates scored level 2 or 3 marks. Reasons given why Starbucks wants to promote its existing employees included motivation and familiarity with the business. Some learners provided detailed application and deconstructed business information in relation to Starbucks and included interconnected points with logical chains of reasoning to achieve marks in level 3.

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

(6)

Starbucks wants to promote its existing employees as a reward and thanks for working at Starbucks. It also motivates ~~normal~~ other employees to work hard for the promotion.



This is a level 1 response that shows basic knowledge and understanding. This is an example of where a candidate fails to develop their answer to show causes and consequence, ie why will it motivate and what is the consequence to Starbucks of motivating staff by rewarding them?

Question 3(e)

Some good answers were seen by examiners. Candidates were required to consider the benefits and drawbacks to Starbucks of opening coffee shops in either supermarkets or hospitals.

Some answers failed to provide any counterbalance and fully justify their choice of location.

Starbucks is continually looking at different locations to open its new coffee shops. It is considering the following two options:

Option 1: open coffee shops in supermarkets

Option 2: open coffee shops in hospitals.

(e) Justify which **one** of these two options Starbucks should choose.

(9)

I believe Starbucks should choose Option 1: open coffee shops in supermarkets. Opening coffee shops in supermarkets has many advantages. It will encourage customers to go to Starbucks but also people go shopping weekly so this will attract more people to go in there which will make them more profit. Putting coffee shops in supermarkets means people can buy a drink and go shopping whilst having it. Some people may even go and sit in there after shopping. Some people may not have a Starbucks close to them but they have supermarkets. This then gives them people a chance to have Starbucks occasionally but also sit in there or meet up with friends in there. Overall I believe putting coffee shops in the supermarkets will encourage more people to come in and buy something so this will mean more profit for the company.



This is a level 2 response, awarded 5 marks, which showed good knowledge in the context of Starbucks. However, it is a one sided argument and fails to provide a balanced assessment.

Question 4(a)

This question required students to calculate the cost of a meal for a Starbucks employee after a discount was applied. A high number calculating the correct answer to gain the two marks. Some however calculated the discount only.

- 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)

$$\begin{array}{r} 15.50 - 100 \\ \times 30 \\ \hline \end{array}$$

€ = 4.65



This candidate was awarded 1 mark for calculating the discount which was the first step in the calculation. However, they failed to deduct the discount from the full price.

Question 4(b)

This response was generally answered well. Many candidates analysed the reasons why Starbucks considers it important to interview people that have applied for a job with them. Answers included 'to assess their suitability, ask further questions or assess their communication skills'. Many candidates provided good application in relation to Starbucks and included developed chains of reasoning. Level 3 marks were regularly awarded.

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

(6)

When Starbucks interview its candidates they understand the ~~em~~ candidate better. They might be able to understand exactly what the candidates know know and don't know. Also when you interview they, they might be more transparent and clear. This helps Starbucks better understand if the candidate is right for the job or not.



This response tried to cover many different points but lacks developed chains of reasoning. It also lacks any context, so it was awarded level 2 marks.

Question 4(c)

The vast majority of candidates attempted this question. They were required to evaluate why Starbucks carries out product trials to reduce the risks from new products. Advantages included: to minimise waste and to be able to make adjustments to products based on customer feedback before the full launch. Drawbacks included the cost of conducting product trials and the fact that results from a sample of customers may not be representative of a larger scale audience. Many candidates included the benefits and drawbacks, providing a justification based on sound evaluation of the points made throughout their response.

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)

Starbucks carries out product trials that might reduce the risks from introducing new products, which is releasing a new product at cheaper prices for a specific period of time, in one geographical location before launching it worldwide. It does this to reduce risks, for example, if Starbucks launched a new Matcha iced coffee, it could ^{carry out} ~~use~~ product trials to see whether people like it or not, and ~~to~~ make changes according to people's ~~&~~ feedbacks on it. This makes it less risky than directly launching the new Matcha iced coffee in all of its 32,000 stores, just to find out that people did not like it so much and there is need for changes in its flavors. This helps Starbucks save marketing and advertisement costs, as products are officially launched only after product trials have been carried out, and there is a positive response from its customers. This ^{also} makes sure that no resources are wasted, thus increasing profits.



This candidate shows good contextualised knowledge about product trial and is awarded mid level 2 marks. However, they fail to provide any counterbalance or a supported judgement to reach the higher levels of the mark scheme.

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)

Test marketing involves releasing a small batch of a new product into the market

first before a large scale commercial launch. One benefit to *Starbucks* using test marketing is that it allows them to identify whether the product attracts customers.

In this case if *Starbucks* were to introduce ice creams they would first use test marketing and only release the item in a few stores to see customers reactions.

If the product sells well then *Starbucks* may launch the product officially and

carry it in all stores. This helps reduce the risk of launching new products and

prevents them from losing too many resources in case the product is not well

received. Moreover, another benefit of *Starbucks* using test marketing is that

it allows them to identify problems with the product. In this case if they

were to release ice cream tubs, using test marketing they could find out if their

packaging is effective. They will be able to measure whether customers are

happy with the product and if they would like to continue buying it.

If there is an issue with the packaging of the ice cream such as the portion

size being too small, then they can adjust this aspect of the product and

then introduce the improved product on a larger scale. This prevents *Starbucks*

from producing a large amount of product only for customers to be

dissatisfied. This reduces wastages and saves money for the business.

However, one weakness of using test marketing is that competitors may

get ahead of the idea. In this case another company may develop

similar flavours of ice cream and use *Starbucks* ideas to sell their own

product. Furthermore, another weakness of using test marketing is that it is wasteful if the product doesn't sell well. This ~~is because~~ ^{means that} operation, development and production costs will not be made up by the product's sales therefore causing losses and a waste of resources for the company.

Overall, business may find that conducting product trials helps them assess problems with the product and reduce the risk of launching new products, although competitors may take their ideas and they may face losses if the product does not sell well.



This is an excellent level 4 response which explains the advantages and disadvantages of product trials and was awarded 11 marks. It shows good knowledge and includes context in most points. The points are well developed to give logical chains of reasoning. The candidate attempts a recommendation though this does little more than repeat the points already given.

Paper Summary

Based on the information from this paper, candidates are offered the following advice:

- 'State' questions require context and candidates should use the evidence in the extracts to support their knowledge.
- Read the questions very carefully to ensure you are addressing all elements of the question set.
- For 'Justify' questions you do not need to consider both options.
- Ensure that all 'explain' questions have 2 points of development.
- Check that the 12 mark 'evaluate' question has counterbalance and a judgement based on a thorough evaluation of the issues raised in the response.
- Responses are marked on quality and not quantity. There are enough lines on the paper to provide a thorough answer and the use of extra paper is not recommended.

Grade boundaries

Grade boundaries for this, and all other papers, can be found on the website on this link:
<https://qualifications.pearson.com/en/support/support-topics/results-certification/grade-boundaries.html>

