

**Paper Reference 4BS1/01**

**Pearson Edexcel**

**International GCSE**

Total Marks

**Business**

**PAPER 1: Investigating small businesses**

**Time: 1 hour 30 minutes 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>					

**Y66472A**

**YOU WILL BE GIVEN**

**Data Book**

**INSTRUCTIONS**

**Answer ALL questions.**

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

**Calculators may be used.**

**Turn over**

## **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.**

## **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.**

**Good luck with your examination.**

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**Turn over**

**The formulae for this paper are in the Data Book.**

**Answer ALL questions.**

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

**Some questions are multiple choice. Write the letter(s) of your chosen answer(s) in the box(es) provided.**

**Turn over**

**1. Look at the information for  
Question 1 in the Data Book.**

**(a) (i) Which ONE of the following  
is an external source of  
finance?**

**Select ONE answer.**

**A Personal savings**

**B Retained profit**

**C Bank loan**

**D Selling assets**

**Answer**

**(1 mark)**

**(continued on the next page)**

**Turn over**

1. (a) continued.

(ii) Which ONE of the following is the name of a pricing strategy where a business sets a high price for a new product in the market?

Select ONE answer.

A Penetration

B Skimming

C Competition

D Promotional

Answer

(1 mark)

(continued on the next page)

Turn over

1. (a) continued.

(iii) Which ONE of the following types of discrimination is protected by legislation?

Select ONE answer.

**A** Age

**B** Ability

**C** Social

**D** Ethical

Answer

(1 mark)

(continued on the next page)

Turn over

1. (a) continued.

(iv) Which ONE of the following  
is a document employers  
would send to potential  
employees?

Select ONE answer.

**A** Curriculum vitae

**B** Letter of application

**C** Newspaper  
advertisement

**D** Person specification

Answer

(1 mark)

(continued on the next page)

Turn over



1. (a) continued.

**NOF** imports dried fruit from France.

A kilogram (kg) costs €12·84.

The exchange rate is

£1 (Pound sterling) = €1·16 (Euro).

(v) Which ONE of the following  
would **NOF** pay for 1kg of  
dried fruit in pounds sterling?

Select ONE answer from the  
options on the next page and  
write the letter in the box  
provided.

Turn over

1. (a) (v) continued.

**A £1·16**

**B £11·07**

**C £12·84**

**D £14·00**

**Answer**

**(1 mark)**

**(continued on the next page)**

**Turn over**

1. (a) continued.

**NOF** buys honey from a local farm for **£1·60** a jar and sells it to customers for **£3·60**.

(vi) What is the markup on a jar of honey?

Select **ONE** answer

**A** 1·6%

**B** 2%

**C** 125%

**D** 250%

Answer

(1 mark)

(continued on the next page)

Turn over

1. continued.

(b) Define the term **profit**.

(1 mark)

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(continued on the next page)

**Turn over**

1. continued.

(c) Define the term

**non-current liabilities.**

(1 mark)

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(continued on the next page)

**Turn over**

1. continued.

(d) State ONE reason why **NOF**  
segments its target market by  
income.

(1 mark)

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(continued on the next page)

Turn over

**1. continued.**

**Look at the table for Question 1(e) in the Data Book.**

**It is an extract from NOF's statement of comprehensive income.**

**(e) Calculate the operating profit margin. You are advised to show your working.**

**(2 marks)**

**Answer space continues on the next page.**

**Turn over**

1. (e) continued.

\_\_\_\_\_ %

(continued on the next page)

Turn over



**1. continued.**

**(f) Explain ONE strategy a small business might use to extend the product life cycle of one of its products.**

**(3 marks)**

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

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**Turn over**

1. (f) continued.

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(continued on the next page)

Turn over

1. continued.

(g) Analyse the importance of  
marketing to **NOF**.

(6 marks)

Answer lines continue on the  
next two pages.

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Turn over

1. (g) continued.

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Turn over

1. (g) continued.

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**(Total for Question 1 = 20 marks)**

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**Turn over**

The demand for **NOF** products can be affected by external factors.

2. (a) State **ONE** external factor that could cause a change in demand for **NOF** products.

(1 mark)

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(continued on the next page)

Turn over

**2. continued.**

**(b) State ONE reason NOF might  
use other retailers to sell its  
products.**

**(1 mark)**

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**(continued on the next page)**

**Turn over**

**2. continued.**

**(c) Explain ONE benefit to a business of using secondary market research.**

**(3 marks)**

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

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**Turn over**



**2. (c) continued.**

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**(continued on the next page)**

**Turn over**

**2. continued.**

**(d) Explain ONE limitation of a cash flow forecast when making business decisions.**

**(3 marks)**

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

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**Turn over**

**2. (d) continued.**

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**(continued on the next page)**

**Turn over**

**2. continued.**

**(e) Explain ONE benefit to a business of using crowdfunding as a source of finance.**

**(3 marks)**

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

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**Turn over**

**2. (e) continued.**

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**(continued on the next page)**

**Turn over**

2. continued.

**NOF** has recently harvested its corn crop. It intends to turn the corn into popcorn called '**NOF pop**' to sell in the farm shop and through local retailers.

**NOF** is considering two options to introduce the product into the market:

**Option 1:** offering a low introductory price for three months

**Option 2:** selling at the same price as competitors.

(continued on the next page)

Turn over

**2. continued.**

**(f) Justify which ONE of these two options **NOF** should choose.**

**(9 marks)**

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

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**Turn over**

2. (f) continued.

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Turn over



2. (f) continued.

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Turn over

**2. (f) continued.**

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**(Total for Question 2 = 20 marks)**

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**Turn over**

- 3. (a) Define the term remuneration.  
(1 mark)**

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**(continued on the next page)**

**3. continued.**

**(b) Outline ONE reason why NOF would choose to use seasonal staff when harvesting its products.**

**(2 marks)**

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**(continued on the next page)**

**Turn over**

3. continued.

**NOF** is looking to expand its product range by making and selling tubs of ice cream.

A tub of ice cream will sell for **£2·50**.

Variable costs will be **£1·10** per tub of ice cream with fixed costs of **£77** per day.

(continued on the next page)

Turn over

**3. continued.**

**(c) Calculate the number of tubs of ice cream **NOF** will have to sell each day to break–even. You are advised to show your working.**

**(2 marks)**

**Answer space continues on the next page.**

**Turn over**

**3. (c) continued.**

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**Tubs of ice cream**

**(continued on the next page)**

**Turn over**

**3. continued.**

**(d) Analyse how useful break–even calculations can be for NOF when deciding whether to include ice cream in its product range.**

**(6 marks)**

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

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**Turn over**



3. (d) continued.

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Turn over

**3. (d) continued.**

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**(continued on the next page)**

**Turn over**

3. continued.

**NOF** is looking to increase the number of visitors to the farm. It will need to carry out some research as to what potential visitors will want.

To do this **NOF** is considering two options:

**Option 1:** handing out questionnaires at local retailers

**Option 2:** using the internet to research other farms.

(continued on the next page)

Turn over

3. continued.

(e) Justify which **ONE** of these two options **NOF** should choose.

(9 marks)

Answer lines continue on the next three pages.

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Turn over

**3. (e) continued.**

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**Turn over**

**3. (e) continued.**

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**Turn over**

**3. (e) continued.**

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**(Total for Question 3 = 20 marks)**

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**Turn over**

**4. Look at the table for Question 4(a) in the Data Book. It is an extract from NOF's financial information for 2020.**

**(a) Calculate, to 2 decimal places, the current ratio for 2020.**

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

**(2 marks)**

**Answer space continues on the next page.**

**Turn over**



4. (a) continued.

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(continued on the next page)

Turn over

**4. continued.**

**(b) Analyse the benefits to NOF  
of using personal savings to  
expand its product range.**

**(6 marks)**

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

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**Turn over**

4. (b) continued.

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Turn over

4. (b) continued.

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(continued on the next page)

Turn over

4. continued.

(c) Evaluate the factors that **NOF** might consider when measuring the success of its farm shop.

You should use the information provided as well as your own knowledge of business.

(12 marks)

Answer lines continue on the next five pages.

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Turn over

4. (c) continued.

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4. (c) continued.

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4. (c) continued.

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4. (c) continued.

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Turn over

4. (c) continued.

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(Total for Question 4 = 20 marks)

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**TOTAL FOR PAPER = 80 MARKS**  
**END OF PAPER**

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