

**Paper Reference 4BS1/01**  
**Pearson Edexcel**  
**International GCSE**

<b>Total Marks</b>
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**Business**  
**PAPER 1: Investigating small businesses**

**Time: 1 hour 30 minutes**

**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>					

**YOU MUST HAVE**

**Nil**

**YOU WILL BE GIVEN**

**Data Booklet**

**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.**

**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.**

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

**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.**

1. **The Better Toy Store (TBTS)** is a children's toy shop. **TBTS** has three shops in Singapore. Two of the shops are located in busy shopping malls and the third is located at the Jewel Changi Airport. **TBTS** has a website for customers looking to buy toys online.

**TBTS** selects toys to sell that are excellent for play, value, design and quality. All **TBTS** toys are environmentally friendly.

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1. continued.

- (a) (i) Which ONE of the following is a form of promotion that targets a specialised segment of the market?

Select ONE answer.

**A** Mass marketing

**B** Niche marketing

**C** Market share

**D** Market analysis

Answer

(1 mark)

(continued on the next page)

1. (a) continued.

(ii) Which ONE of the following is a financial aim for a business?

Select ONE answer.

**A** Survival

**B** Challenge

**C** Social objectives

**D** Personal satisfaction

Answer

(1 mark)

(continued on the next page)

1. (a) continued.

(iii) Which ONE of the following is a variable cost?

Select ONE answer.

**A** Rent paid

**B** Management salaries

**C** Insurance agreed

**D** Raw materials

Answer

(1 mark)

(continued on the next page)



1. (a) continued.

(iv) Which ONE of the following is a role of the production function?

Select ONE answer.

**A** Workforce planning

**B** Quality control

**C** Customer service

**D** Staff welfare

Answer

(1 mark)

(continued on the next page)

1. (a) continued.

**TBTS** buys its balloon packs from a local supplier for **7.20** Singapore Dollars (SGD) a pack. It sells them to customers for **16.90 SGD**.

(v) Which **ONE** of the following is the markup on a pack of balloons?

Select **ONE** answer.

**A** 7.20 %

**B** 9.70 %

**C** 69.84 %

**D** 134.72 %

Answer

(1 mark)

(continued on the next page)

Turn over

1. (a) continued.

**TBTS** sells balloons in packs of four at a price of **67·60 SGD**.

The exchange rate is

**1 SGD = 3·05 Malaysian Ringgit (MYR).**

(vi) Which **ONE** of the following would a customer in Malaysia pay in MYR for **4** balloon packs?

Select **ONE** answer.

**A 16·90 MYR**

**B 22·16 MYR**

**C 67·60 MYR**

**D 206·18 MYR**

Answer

(1 mark)

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Turn over

1. continued.

(b) Define the term **primary sector**.

(1 mark)

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(c) Define the term **diseconomies of scale**.

(1 mark)

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1. continued.

(d) State ONE factor **TBTS** should consider when selecting its manufacturers.

(1 mark)

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1. continued.

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

It shows a financial extract from **TBTS** based on the sale of **160** wooden toy carts.

(e) Calculate the total costs for **TBTS** of making **160** wooden toy carts. You are advised to show your working.

(2 marks)

\_\_\_\_\_ **SGD**

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Turn over

1. continued.

(f) Explain ONE advantage of being a sole trader.  
(3 marks)

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**1. continued.**

**(g) Analyse the likely impact of external factors on business decisions made by TBTS.**

**(6 marks)**

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

[illegible]



**1. (g) continued.**

[illegible]

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

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2. (a) State ONE way **TBTS** can measure its success as a business.

(1 mark)

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- (b) State ONE reason why **TBTS** might segment its market.

(1 mark)

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2. continued.

(c) Explain ONE benefit to a business of having a flat organisational structure.

(3 marks)

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Turn over

**2. continued.**

**(d) Explain ONE method a small business might use to increase its profit.**

**(3 marks)**

[illegible]

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**Turn over**

2. continued.

(e) Explain ONE benefit to a business of using the Boston Matrix.

(3 marks)

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2. continued.

**TBTS** wants to sell a wider variety of toys. It is planning to buy these toys from other suppliers. This will need new finance.

**TBTS** is considering two options:

**Option 1: using retained profits**

**Option 2: getting a bank loan.**

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

(9 marks)

Answer lines continue on the next three pages.

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**2. (f) continued.**

[illegible]

**Turn over**

**2. (f) continued.**

[illegible]

**Turn over**



2. (f) continued.

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(Total for Question 2 = 20 marks)

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3. (a) Define the term **inventory**.

(1 mark)

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3. continued.

(b) Outline ONE method that **TBTS** might use to respond to greater competition.

(2 marks)

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3. continued.

In 2021, a **TBTS** toy shop had current liabilities of **36 000 SGD** and current assets of **216 000 SGD**.

(c) Calculate the current ratio for **2021**. You are advised to show your working.

(2 marks)

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(continued on the next page)

**3. continued.**

**(d) Analyse the importance of TBTS motivating its employees.**

**(6 marks)**

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

[illegible]

**3. (d) continued.**

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3. continued.

**TBTS** is planning to introduce a new range of toys for four-year-old children. It will need to carry out some research from its customers, including children and parents, to find out what they want.

**TBTS** is considering two options:

**Option 1:** hand out questionnaires to customers that visit the shops

**Option 2:** hold focus group meetings with parents and their children.

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

(9 marks)

Answer lines continue on the next three pages.

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Turn over

**3. (e) continued.**

[illegible]

**Turn over**



**3. (e) continued.**

[illegible]

**Turn over**

3. (e) continued.

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(Total for Question 3 = 20 marks)

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4. **TBTS** lets customers sign up for a Very Important Person (VIP) membership on its website. The website gives VIP members special rates and exclusive offers.

**TBTS** sells dinosaur toys for **22.80 SGD**.

VIP members get a discount of **15%**.

- (a) Calculate the total cost to a VIP member of buying **17** dinosaur toys.

You are advised to show your working.

(2 marks)

\_\_\_\_\_ **SGD**

(continued on the next page)

Turn over

4. continued.

Look at the table for Question 4(b) in the  
Data Booklet.

It shows the acid test ratios for **TBTS**.

(b) Analyse the usefulness to **TBTS** of the  
acid test ratio.

(6 marks)

Answer lines continue on the next page.

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**4. (b) continued.**

[illegible]

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**Turn over**

**4. continued.**

**(c) Evaluate the importance of good internal and external communication to TBTS. You should use the information provided as well as your own knowledge of business.**

**(12 marks)**

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

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**4. (c) continued.**

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**4. (c) continued.**

[illegible]

**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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