

Paper Reference 4BS1/01
Pearson Edexcel
International GCSE

Total Marks

Business
PAPER 1: Investigating small businesses

Time: 1 hour 30 minutes

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

Surname					
Other names					
Centre Number					
Candidate Number					

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.

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.

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.

(continued on the next page)

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)

Turn over

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)

Turn over

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)

Turn over

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)

Turn over

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**.

(continued on the next page)

1. (a) continued.

(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).

(continued on the next page)

1. (a) continued.

(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)

(continued on the next page)

Turn over

1. continued.

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

(1 mark)

(continued on the next page)

Turn over

1. continued.

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

(1 mark)

(continued on the next page)

Turn over

1. continued.

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

(1 mark)

(continued on the next page)

Turn over

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)

Answer space continues on the next page.

Turn over

1. (e) continued.

_____ SGD

(continued on the next page)

Turn over

1. continued.

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

(3 marks)

Answer lines continue on the next page.

Turn over

1. (f) continued.

(continued on the next page)

Turn over

1. continued.

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

(6 marks)

Answer lines continue on the next two pages.

Turn over

1. (g) continued.

Turn over

1. (g) continued.

(Total for Question 1 = 20 marks)

Turn over

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

(continued on the next page)

2. continued.

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

(continued on the next page)

Turn over

2. continued.

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

(3 marks)

Answer lines continue on the next page.

Turn over

2. (c) continued.

(continued on the next page)

Turn over

2. continued.

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

(3 marks)

Answer lines continue on the next page.

Turn over

2. (d) continued.

(continued on the next page)

Turn over

2. continued.

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

(3 marks)

Answer lines continue on the next page.

Turn over

2. (e) continued.

(continued on the next page)

Turn over

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.

(continued on the next page)

Turn over

2. continued.

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

(9 marks)

Answer lines continue on the next four pages.

Turn over

2. (f) continued.

Turn over

2. (f) continued.

Turn over

2. (f) continued.

Turn over

2. (f) continued.

(Total for Question 2 = 20 marks)

3. (a) Define the term inventory.

(1 mark)

(continued on the next page)

Turn over

3. continued.

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

(2 marks)

(continued on the next page)

Turn over

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)

Answer space continues on the next page.

3. (c) continued.

_____ :1

(continued on the next page)

Turn over

3. continued.

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

(6 marks)

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

Turn over

3. (d) continued.

Turn over

3. (d) continued.

(continued on the next page)

Turn over

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.

(continued on the next page)

Turn over

3. continued.

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

(9 marks)

Answer lines continue on the next three pages.

Turn over

3. (e) continued.

Turn over

3. (e) continued.

Turn over

3. (e) continued.

(Total for Question 3 = 20 marks)

Turn over

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%**.

(continued on the next page)

4. continued.

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

You are advised to show your working.

(2 marks)

Answer space continues on the next page.

4. (a) continued.

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 two pages.

Turn over

4. (b) continued.

Turn over

4. (b) continued.

(continued on the next page)

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 five pages.

Turn over

4. (c) continued.

Turn over

4. (c) continued.

Turn over

4. (c) continued.

Turn over

4. (c) continued.

Turn over

4. (c) continued.

(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS

END OF PAPER
