

Paper Reference 4BS1/02
Pearson Edexcel
International GCSE

Total Marks

Business
PAPER 2: Investigating large 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.

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.

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.

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. Look at the information for Question 1 in the Data Booklet.

- (a) (i) Which ONE of the following shows money coming in and money going out of a business?

Select ONE answer.

- A A mortgage
- B Break-even
- C Cash flow
- D Profit and loss

Answer

(1 mark)

(continued on the next page)

1. (a) continued.

(ii) Which ONE of the following could a person complete when applying for a job?

Select ONE answer.

A Application form

B Shortlisting

C Job description

D Person specification

Answer

(1 mark)

(continued on the next page)

1. (a) continued.

Look at the diagram for Question 1(a)(iii) in the Data Booklet. It shows financial information for one of **LEGO**'s suppliers in Danish Krone (DKK).

(iii) Which **ONE** of the following is the correct statement?

Select **ONE** answer.

A Total costs of 10 250 000

B Cash inflow of 3 100 000

C Loss of 550 000

D Profit of 600 000

Answer

(1 mark)

(continued on the next page)

Turn over

1. (a) continued.

(iv) Which ONE of the following is a benefit of being a franchisee?

Select ONE answer.

- A** Being able to choose your own suppliers
- B** Selling an established brand
- C** Not having to pay interest on a bank loan
- D** Having complete control of the business

Answer

(1 mark)

(continued on the next page)

1. (a) continued.

LEGO's revenue in **2019** was
38·5 billion DKK. In **2020** it was
40·81 billion DKK.

(v) Which **ONE** of the following is the
percentage increase from **2019** to **2020**?

Select **ONE** answer.

A 0·06%

B 1·06%

C 2·31%

D 6%

Answer

(1 mark)

(continued on the next page)

Turn over

1. (a) continued.

(vi) Which ONE of the following functional areas could help employees who had a problem with their wage?

Select ONE answer.

A Production

B Finance

C Marketing

D Sales

Answer

(1 mark)

(continued on the next page)

1. continued.

(b) Define the term **break-even**.

(1 mark)

(c) Define the term **public corporation**.

(1 mark)

(continued on the next page)

1. continued.

(d) State ONE benefit for **LEGO** of having a short span of control.

(1 mark)

(continued on the next page)

1. continued.

LEGO sells pineapple pencil holders for **148·00 DKK**. The markup is **15%**.

(e) Calculate, to two decimal places, the cost of making the pineapple pencil holders. You are advised to show your working.

(2 marks)

Answer space continues on the next page.

1. (e) continued.

_____ DKK

(continued on the next page)

1. continued.

(f) Explain ONE disadvantage of using questionnaires as a method of market research. (3 marks)

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Turn over

1. continued.

(g) Analyse the benefits for LEGO of being a multinational business.

(6 marks)

Answer lines continue on the next page.

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1. (g) continued.

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(Total for Question 1 = 20 marks)

2. All 18,000 LEGO employees are full-time.

(a) State ONE financial objective for LEGO.

(1 mark)

(b) State ONE possible reason why LEGO does not recruit casual employees.

(1 mark)

(continued on the next page)

2. continued.

(c) Explain ONE reason why a business would pay its employees above the minimum wage.

(3 marks)

(continued on the next page)

Turn over

2. continued.

(d) Explain ONE reason why product trials are important to a business.

(3 marks)

[illegible]

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Turn over

2. continued.

(e) Explain ONE reason why a business complies with health and safety legislation.

(3 marks)

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Turn over

2. continued.

LEGO is constantly introducing new toys to the market to keep its customers buying. It is planning to introduce a new Star Wars Princess Leia toy. It is considering the following two pricing strategies to launch the toy.

Option 1: cost plus

Option 2: skimming.

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

(9 marks)

Answer lines continue on the next three pages.

2. (f) continued.

[illegible]

2. (f) continued.

[illegible]

2. (f) continued.

(Total for Question 2 = 20 marks)

3. **LEGO** ensures its employees are fully prepared to carry out the tasks they are employed for. It looks after and encourages its employees to develop and improve their own skills.

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

(1 mark)

(continued on the next page)

3. continued.

(b) Outline ONE benefit to **LEGO** of being a privately-owned family business.

(2 marks)

(continued on the next page)

3. continued.

An employee working in the offices earns
150 000 DKK. In **2020 LEGO** gave its employees
a **4·5%** pay increase.

- (c) Calculate the employee's new salary. You are
advised to show your working.
(2 marks)

_____ DKK

(continued on the next page)

Turn over

3. continued.

(d) Analyse how **LEGO** could use a Statement of Comprehensive Income when considering the development of new toys.

(6 marks)

Answer lines continue on the next page.

3. (d) continued.

[illegible]

(continued on the next page)

3. continued.

Ensuring that all employees are fully trained is important to **LEGO**. **LEGO** makes sure that all employees are fully trained and skilled to carry out the work. All employees have induction training when they start at **LEGO**. Additional training is undertaken by employees as they progress through the business. **LEGO** is considering the following two options to carry out this additional training.

Option 1: on-the-job training

Option 2: off-the-job training.

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

(9 marks)

Answer lines continue on the next three pages.

Turn over

3. (e) continued.

[illegible]

Turn over

3. (e) continued.

[illegible]

Turn over

3. (e) continued.

(Total for Question 3 = 20 marks)

4. In 2019 LEGO had current assets of 34 946 million DKK and current liabilities of 12 763 million DKK.
- (a) Calculate, to two decimal places, the current ratio in 2019. You are advised to show your working.
- (2 marks)
- Answer space continues on the next page.

4. (a) continued.

(continued on the next page)

4. continued.

Quality has always been one of **LEGO**'s main values. It wants everything that it makes and sells to be the best so its toys can help children learn and develop. It has a motto that 'only the best is good enough'. The founder of **LEGO** set a company rule that 'No one must be able to do this, better than us'. He also stated that he wanted 'only the best people that money could buy' to work at the business.

(b) Analyse the benefits to **LEGO** of increasing the use of robotics in the manufacture of toys and games.

(6 marks)

Answer lines continue on the next two pages.

4. (b) continued.

[illegible]

Turn over

4. (b) continued.

(continued on the next page)

4. continued.

LEGO has progressed from a small carpenter's shop to a global enterprise and has been named 'Toy of the Century' twice.

(c) Evaluate how **LEGO** has maintained a competitive advantage in the making of toys and games. You should use the information provided as well as your own knowledge of business.

(12 marks)

Answer lines continue on the next three pages.

4. (c) continued.

[illegible]

Turn over

4. (c) continued.

[illegible]

Turn over

4. (c) continued.

(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS

END OF PAPER
