

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					

Y69551A



Pearson

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.

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.

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.

Turn over

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)

Turn over

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)

Turn over

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).**

(continued on the next page)

Turn over

1. (a) continued.

(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)

Turn over

1. (a) continued.

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

(continued on the next page)

1. (a) continued.

(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)

Turn over

1. continued.

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

(1 mark)

(continued on the next page)

Turn over

1. continued.

(c) Define the term

public corporation.

(1 mark)

(continued on the next page)

Turn over

1. continued.

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

(continued on the next page)

Turn over

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.

Turn over

1. (e) continued.

DKK

(continued on the next page)

Turn over

1. continued.

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

(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 benefits for
LEGO of being a multinational
business.

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

(a) State ONE financial objective for LEGO.

(1 mark)

(continued on the next page)

Turn over

2. continued.

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

(1 mark)

(continued on the next page)

Turn over

2. continued.

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

(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 reason why product trials are important to a business.
(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 reason why a business complies with health and safety legislation.

(3 marks)

Answer lines continue on the next page.

Turn over

2. (e) continued.

(continued on the next page)

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 are 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)

Turn over

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)

Turn over

3. continued.

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

(2 marks)

(continued on the next page)

Turn over

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)

Answer space continues on the next page.

Turn over

3. (c) continued.

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 two pages.

Turn over

3. (d) continued.

Turn over

3. (d) continued.

(continued on the next page)

Turn over

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.

(continued on the next page)

Turn over

3. continued.

(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.

Turn over

3. (e) continued.

Turn over

3. (e) continued.

(Total for Question 3 = 20 marks)

Turn over

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)

Turn over

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.

(continued on the next page)

Turn over

4. continued.

(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.

Turn over

4. (b) continued.

Turn over

4. (b) continued.

(continued on the next page)

Turn over

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 are 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
