

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

Candidate Number

Pearson Edexcel International GCSE

Time 1 hour 30 minutes

Paper
reference

4BS1/02R

Business

PAPER 2: Investigating large businesses

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided
– *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.

Turn over ►

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Q:1/1/1



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FORMULAE FOR INTERNATIONAL GCSE BUSINESS

Gross profit margin:

Gross profit = revenue – cost of sales

$$\text{Gross profit margin} = \frac{\text{gross profit}}{\text{revenue}} \times 100$$

Operating profit margin:

Operating profit = gross profit – other operating expenses

$$\text{Operating profit margin} = \frac{\text{operating profit}}{\text{revenue}} \times 100$$

Markup:

$$\text{Markup} = \frac{\text{profit per item}}{\text{cost per item}} \times 100$$

Return on capital employed (ROCE):

$$\text{ROCE} = \frac{\text{operating profit}}{\text{capital employed}} \times 100$$

Current ratio:

$$\text{Current ratio} = \frac{\text{current assets}}{\text{current liabilities}}$$

Acid test ratio:

$$\text{Acid test ratio} = \frac{\text{current assets} - \text{inventory}}{\text{current liabilities}}$$

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Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

- 1 *Cadbury* was founded in 1842 when John Cadbury opened a shop in Birmingham in the UK. The shop sold cocoa and drinking chocolate. *Cadbury* is now one of the major chocolate manufacturers in the world.

In 1918 the first overseas *Cadbury* factory was opened in Hobart, Tasmania in Australia. Another factory opened in South Africa in 1938. *Cadbury* chocolates are sold across the world and other factories have been opened. *Cadbury* produces many well-known brands, such as Dairy Milk, Buttons and Crunchie. It also produces ice cream and cakes.

Cadbury is now part of *Mondelez*, the largest snack business in the world.

- (a) (i) Which **one** of the following types of business ownership would usually be formed by a business of two solicitors?

Select **one** answer.

(1)

- ☐ A Sole trader
- ☐ B Partnership
- ☐ C Public Corporation
- ☐ D Public Limited Company

- (ii) Which **one** of the following would show a business its cash flow forecast?

Select **one** answer.

(1)

- ☐ A Cash inflows and outflows
- ☐ B Money owed to its creditors
- ☐ C Net cash flow
- ☐ D Opening and closing balances

In the UK an 850 gram *Cadbury* Dairy Milk Bar costs £9.99 (GBP).

The exchange rate is £1.00 = 20.58 ZAR (South African Rand)

(iii) Which **one** of the following would a customer in South Africa pay in ZAR for two 850 gram *Cadbury* Dairy Milk Bars?

Select **one** answer.

(1)

- ☐ **A** 41.60
- ☐ **B** 205.60
- ☐ **C** 411.19
- ☐ **D** 411.60

(iv) Which **one** of the following functional areas would a skilled machinist work in?

Select **one** answer.

(1)

- ☐ **A** Finance
- ☐ **B** Human Resources
- ☐ **C** Production
- ☐ **D** Marketing

A *Cadbury* Crunchie Bar normally costs £0.95. It is on special offer for £0.87.

(v) What is the percentage decrease in the price of the *Cadbury* Crunchie?

Select **one** answer.

(1)

- ☐ **A** 0.92%
- ☐ **B** 1.09%
- ☐ **C** 8.00%
- ☐ **D** 8.42%

(vi) Which **one** of the following is an example of secondary market research?

Select **one** answer.

(1)

- ☐ **A** Telephone Survey
- ☐ **B** Market Report
- ☐ **C** Test Marketing
- ☐ **D** Focus Group

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(b) Define the term **personal savings**.

(1)

(c) Define the term **sole trader**.

(1)

(d) State **one** reason why *Cadbury* might pay its UK employees above the minimum wage.

(1)

Cadbury makes a chocolate cake for £6.50. A tax of 20% is added to give the selling price.

- (e) Calculate the selling price of the chocolate cake. You are advised to show your working.

(2)

£

- (f) Explain **one** advantage for businesses if banks reduce their interest rates.

(3)

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(g) Analyse **two** factors that could influence *Cadbury* when locating a new factory.

(6)

(Total for Question 1 = 20 marks)

2 *Cadbury* wants to appoint committed people who will become valued employees.

- (a) State **one** item of information that an applicant might include in their Curriculum Vitae (CV) when applying for a position with *Cadbury*.

(1)

- (b) State **one** item of information that may appear in a job description for a *Cadbury* Production Line Supervisor.

(1)

- (c) Explain **one** method a business could use to motivate its employees.

(3)

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(d) Explain **one** reason why a business has fully trained employees.

(3)

(e) Explain **one** reason why many manufacturing businesses use Kaizen in their factories.

(3)

Cadbury wants to retain its skilled employees. To do this it is looking to offer them different ways of working. It is considering the following two options:

Option 1: allowing employees to work part-time

Option 2: allowing employees to job share.

(f) Justify which **one** of these two options *Cadbury* should choose.

(9)

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(Total for Question 2 = 20 marks)

3 *Cadbury* donates some of its charity funds to local activities in the communities where its factories are located.

(a) Define the term **public relations**.

(1)

(b) Outline **one** reason why *Cadbury* interviews shortlisted candidates for vacancies in its functional areas.

(2)

Cadbury donated £7 617 600 to its charity fund in 2017. In 2018 this donation was 1.2% lower.

(c) Calculate the donation *Cadbury* made in 2018. You are advised to show your working.

(2)

£

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(d) Analyse why some governments have introduced legislation to reduce the amount of sugar in chocolate.

(6)

Cadbury introduces new products on a regular basis, such as Dinky Deckers. The aim of this is to maintain customer loyalty by offering new products. Before releasing Dinky Deckers for sale to the public, *Cadbury* had to decide the method of production it would use. It considered the following two options:

Option 1: batch production

Option 2: flow production.

(e) Justify which **one** of these two options *Cadbury* should choose.

(9)

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(Total for Question 3 = 20 marks)

4 Cadbury is part of the multinational *Mondelez* business. In 2017 *Mondelez* had a gross profit of \$10.3 million and a revenue of \$25.9 million.

(a) Calculate, to two decimal places, the gross profit margin. You are advised to show your working.

(2)

..... %

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When *Cadbury* was founded in 1842, there may have been times when it needed an overdraft.

(b) Analyse why *Cadbury* may have needed to take out an overdraft.

(6)

- (c) Evaluate the importance of marketing for *Cadbury* when introducing a new product. You should use the information provided as well as your own knowledge of business.

(12)

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(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS

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Sources:

<https://www.barrowcadbury.org.uk/wp-content/uploads/2018/07/A201-BCT-annual-report-2018-final.pdf>
page 28

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