

Paper Reference 4BS1/02
Pearson Edexcel International GCSE

Business
PAPER 2: Investigating large businesses

Monday 3 June 2024 – Afternoon
Time: 1 hour 30 minutes

Total Marks

Fill in the boxes below with 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
– 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

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 **TUI** is a holiday business that has over 100 years of experience. It offers customers a variety of holidays including staying in hotels, and river and ocean-going cruises. There are many extras that it offers to holiday makers including: car hire, extensions to the holiday and arranging day trips at all its holiday destinations.

The business is well known and flies its customers to over 180 destinations around the world, including Greece, Turkey and Spain. It has 1,600 travel agencies and 27 million customers. Holidays can be booked by visiting a travel agency or online.

TUI has holidays to meet the needs of all its customers: families, children, couples and those with disabilities.

- (a) (i) Which **ONE** of the following is a non-financial objective?
(1 mark)

Select **ONE** answer.

- ☐ A Generating wealth
- ☐ B Personal satisfaction
- ☐ C Maximising profit
- ☐ D Regular income

1(a) continued

- (ii) Which ONE of the following would be a benefit to a business delaying paying its suppliers?
(1 mark)**

Select ONE answer.

- ☐ **A Improved cash flow**
- ☐ **B Increased profit**
- ☐ **C A reduction in the amount of interest paid**
- ☐ **D Improved relationship with suppliers**

(continued on the next page)

1(a) continued

Jewellery For You is a jewellery business making earrings and necklaces from stones and pebbles found on local beaches. It makes 240 items a month.

Price per item	€27
Variable costs per item	€12
Fixed costs per month	€600

- (iii) Which ONE of the following would be the total monthly cost for Jewellery For You?
(1 mark)**

Select ONE answer.

- ☐ **A €924**
- ☐ **B €3 480**
- ☐ **C €6 480**
- ☐ **D €7 080**

(continued on the next page)

Turn over

1(a) continued

- (iv) Which ONE of the following is a reason why a business would produce a cash flow forecast?**
(1 mark)

Select ONE answer.

- ☐ **A It is a legal requirement that a business has a cash flow forecast**
- ☐ **B A cash flow forecast ensures that the business will be successful**
- ☐ **C It can help a bank decide whether it should lend money to a business**
- ☐ **D To show the profit and loss of a business in the past six months**

(continued on the next page)

Turn over

1(a) continued

A 7-day holiday in Thailand in October 2023 cost £998.00

The exchange rate is £1 = 40.91 Thai Baht (THB).

- (v) Which ONE of the following was the cost of the holiday in Thai Baht?
(1 mark)**

Select ONE answer.

- ☐ **A 24.40**
- ☐ **B 1 038.91**
- ☐ **C 40 828.18**
- ☐ **D 40 869.09**

(continued on the next page)

Turn over

1(a) continued

- (vi) Which ONE of the following is a reason why a sole trader would want to become a private limited company?
(1 mark)**

Select ONE answer.

- ☐ **A The business can keep financial records confidential**
- ☐ **B The business will have unlimited liability**
- ☐ **C Shareholders are liable for all debts**
- ☐ **D Increased ability to raise finance**

(continued on the next page)

Turn over

1 continued

- (b) Define the term FRANCHISE.
(1 mark)**

(continued on the next page)

1 continued

- (c) Define the term PROFIT.
(1 mark)**

(continued on the next page)

1 continued

- (d) State ONE reason why **TUI** pays its employees above the minimum wage.
(1 mark)

(continued on the next page)

Turn over

1 continued

TUI is charging an adult £725.92 for a week in Cyprus. If booked online there is a discount of 12.5%

- (e) Calculate the total price of a holiday for **TWO** adults with a 12.5% promotional discount for booking online. You are advised to show your working.
(2 marks)

£ _____

(continued on the next page)

Turn over

1 continued

- (f) Explain ONE of the factors in Herzberg's motivational theory.**
(3 marks)
Answer space continues on the next page

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Turn over

1(f) continued

(continued on the next page)

1 continued

- (g) Analyse the benefits for **TUI** from including health and safety training for its employees in their induction training.

(6 marks)

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1(g) continued

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1(g) continued

(Total for Question 1 = 20 marks)

2 TUI has employees throughout the world. Some are employed to greet customers arriving at their holiday destination by air, rail or road. Others sell trips and excursions to customers once they reach their holiday destination. **TUI** prides itself on looking after all its employees and making sure that their needs are met.

- (a) State **ONE** possible reason why **TUI** would want to keep its customers loyal.
(1 mark)

(continued on the next page)

2 continued

- (b) State ONE reason why **TUI** would employ casual employees.
(1 mark)

(continued on the next page)

Turn over

2 continued

- (c) Explain ONE reason why businesses employ people with disabilities.**

(3 marks)

Answer space continues on the next page.

[illegible]

Turn over

2(c) continued

(continued on the next page)

2 continued

- (d) Explain ONE benefit to a business of having a short chain of command.**

(3 marks)

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[illegible]

Turn over

2(d) continued

(continued on the next page)

2 continued

- (e) Explain ONE important piece of information that should be included in a job advertisement in a newspaper.**

(3 marks)

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[illegible]

Turn over

2(e) continued

(continued on the next page)

2 continued

The travel market that **TUI** operates in is very competitive, with many different businesses offering the same holidays at the same venues. When **TUI** introduces a new holiday or experience it has to consider the pricing strategy it will use. For its new holiday destination in Sri Lanka it is considering two options:

OPTION 1: competition pricing

OPTION 2: promotional pricing.

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

(9 marks)

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2(f) continued

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2(f) continued

[illegible]

Turn over

2(f) continued

(Total for Question 2 = 20 marks)

3 **TUI** wants to maintain its reputation by continuing to provide quality holidays and experiences that customers will enjoy. This will encourage them to return to book future holidays with **TUI**.

(a) Define the term **MULTINATIONALS**.
(1 mark)

(continued on the next page)

3 continued

- (b) Outline **ONE** reason why **TUI** offers employees working in its travel agencies a commission based on the number of holidays they sell.
(2 marks)

(continued on the next page)

Turn over

3 continued

FIGURE 1 shows the current assets and current liabilities for **TUI** in 2022.

FIGURE 1

2022	€ '000
Current assets	7 758 152
Current liabilities	5 654 468

- (c) Calculate, to two decimal places, the current ratio for **TUI** for 2022. You are advised to show your working.
(2 marks)

3 continued

- d) Analyse the effect on **TUI** customers of an increase in interest rates.

(6 marks)

Answer space continues on the next 2 pages

Turn over

3(d) continued

[illegible]

Turn over

3(d) continued

(continued on the next page)

3 continued

TUI constantly checks for customer feedback and comments on its holidays, including hotel stays and cruises. It is considering the following two options to gain the most up-to-date views:

OPTION 1: using the internet

OPTION 2: asking customers to complete a questionnaire.

- (e) Justify which **ONE** of these two options **TUI** should use.

(9 marks)

Answer space continues on the next 3 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 **FIGURE 2** shows the total cost to **TUI** of employees' salaries.

FIGURE 2

TOTAL COST OF EMPLOYEES	€ '000
2021	39 631
2022	57 498

- (a) Calculate, to two decimal places, the percentage increase in the total cost of employees from 2021 to 2022. You are advised to show your working. (2 marks)

_____ %

(continued on the next page)

Turn over

4 continued

- (b) Analyse how **TUI** could make use of the **Boston Matrix** to review all the different types of holidays it offers.

(6 marks)

Answer space continues on the next two pages

Turn over

4(b) continued

[illegible]

Turn over

4(b) continued

(continued on the next page)

4 continued

- (c) Evaluate the benefits for **TUI** of providing a quality service. You should use the information provided as well as your own knowledge of business.

(12 marks)

Answer space continues on the next 3 pages

Turn over

4(c) continued

[illegible]

Turn over

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

SOURCE:

https://www.tuigroup.com/damfiles/default/tuigroup-15/en/investors/6_Reports-and-presentations/Reports/2022/TUI_AGBericht2022_EN_221213.pdf-44a97dee48cddc58f9014f6685f612ec.pdf