Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International GCSE

Tuesday 21 November 2023

Morning (Time: 1 hour 30 minutes)

Paper reference **4BS1/02**

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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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 Most people recognise Heinz for the phrase '57 varieties' even though it now produces many more than the original 57 varieties. H J Heinz, the founder of the Heinz business, believed the phrase sounded lucky.

Kraft Heinz is a world-wide producer of food products. It was formed from the merger of Kraft Foods and Heinz in 2015. This created the third largest food and drinks business in the USA and the fifth largest food and drinks business in the world.

Kraft Heinz has over 24 different brands, including Greenseas in Australia and Nutri+Plus in New Zealand. America has the largest number of brands from Maxwell House to Cool Whip. *Kraft Heinz* produces many different products including tomato sauce, 'Mac&Cheese', pasta and its famous baked beans that are used and eaten by many people.

Kraft Heinz uses many methods to advertise its products. These include posters, billboards and leaflets in supermarkets.

(a) (i) Which **one** of the following is an example of primary market research?

Select **one** answer.

(1)

☒ **A** Published government statistics

☒ **B** Magazine article

☒ **C** Internet research

☒ **D** Focus groups

(ii) Which **one** of the following is an example of external communication?

Select **one** answer.

(1)

☒ **A** A presentation by the chairperson to its employees

☒ **B** Sending a customer details of a special offer

☒ **C** A departmental meeting

☒ **D** Training sessions for new employees

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On 13 September 2022 the share price of *Kraft Heinz* in America at 10.00 am was $36.55 and at 4.00 pm it was $35.06.

(iii) Which **one** of the following is the percentage decrease in the share price?

Select **one** answer.

(1)

- ☒ **A** 1.49%
- ☒ **B** 1.96%
- ☒ **C** 4.08%
- ☒ **D** 4.25%

Kraft Heinz uses price promotions to encourage customers to purchase more of its products. The price of a tin of baked beans in the US is $0.54. If 12 tins are purchased the price is reduced by 12.5%.

(iv) Which **one** of the following is the price of 12 tins of baked beans with the 12.5% promotional price discount?

Select **one** answer.

(1)

- ☒ **A** $5.67
- ☒ **B** $6.48
- ☒ **C** $56.25
- ☒ **D** $81.00

(v) Which **one** of the following would be a long-term source of finance for a sole trader?

Select **one** answer.

(1)

- ☒ **A** Trade credit
- ☒ **B** Overdraft
- ☒ **C** Personal savings
- ☒ **D** Share capital

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(vi) Which **one** of the following is the break-even point?

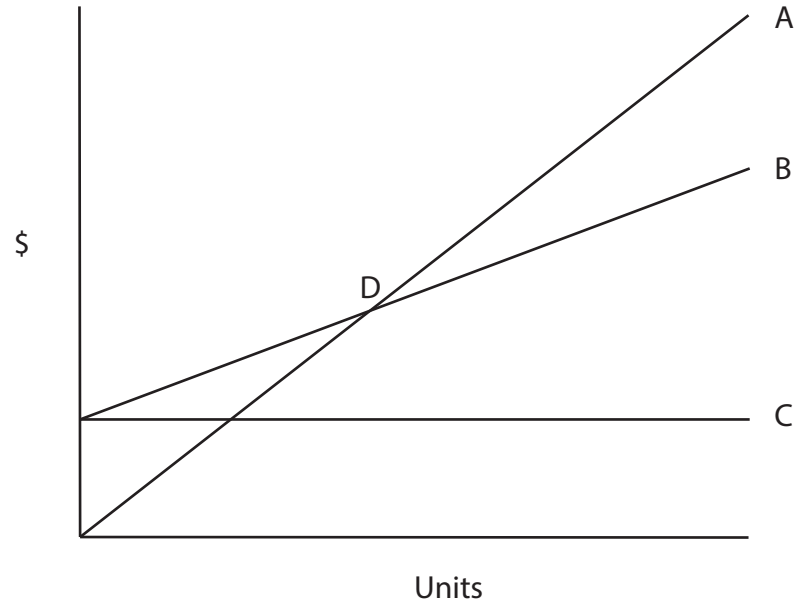

Figure 1

Select **one** answer.

(1)

- ☒ **A**
- ☒ **B**
- ☒ **C**
- ☒ **D**

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(b) Define the term **labour intensive production**.

(1)

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.....

.....

(c) Define the term **trade bloc**.

(1)

.....

.....

.....

(d) State **one** reason why *Kraft Heinz* prefers to train its employees using on-the-job training.

(1)

.....

.....

.....

In North America, a *Kraft Heinz* employee is paid a salary of $15 750. If employees reach their production target for 'Mac&Cheese' they receive a bonus of 14%.

(e) Calculate the total pay an employee would receive once the bonus is added to their salary. You are advised to show your working.

(2)

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(f) Explain **one** purpose for a business of the statement of financial position.

(3)

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Kraft Heinz is introducing a new variety of tomato sauce and has made changes to the recipe for its Mac&Cheese.

(g) Analyse the benefits to *Kraft Heinz* of using social media to collect market research data.

(6)

(Total for Question 1 = 20 marks)

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2 *Kraft Heinz* has different functional areas within the business. These functional areas work together to ensure that *Kraft Heinz* maintains high standards of production with limited waste material.

Kraft Heinz aims to be involved in the local area through various methods such as charity and sporting events.

(a) State **one** task that human resources would carry out at *Kraft Heinz* when recruiting an employee.

(1)

(b) State **one** financial objective *Kraft Heinz* might have.

(1)

(c) Explain **one** reason why some businesses use crowdfunding as a source of finance.

(3)

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(d) Explain **one** disadvantage to a business of using retained profits to purchase goods and services.

(3)

(e) Explain **one** reason why the quality of goods manufactured by a business is important to its success.

(3)

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Kraft Heinz constantly aims to promote its products to encourage people to increase sales. To do this *Kraft Heinz* is considering using the following techniques:

Option 1: sponsorship of a local charity

Option 2: increasing the number of special offers.

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

(9)

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(Total for Question 2 = 20 marks)

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3 *Kraft Heinz* has set itself many targets to reach before 2025. These include reducing its impact on the environment and improving its use of robotic technology for production. It is hoped that these targets will lower the impact *Kraft Heinz* production has on the environment by reducing its waste and greenhouse gases that contribute to global warming.

(a) Define the term **public limited company**.

(1)

(b) Outline **one** impact that will come from *Kraft Heinz*'s use of robotic technology.

(2)

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Figure 2 shows the amount of waste to landfill for *Kraft Heinz* from 2019 to 2021.

	Landfill (metric tons)
2019	100,595
2020	92,856
2021	82,617

Figure 2

(c) Calculate the decrease in waste to landfill in metric tons for *Kraft Heinz* from 2019 to 2021. You are advised to show your working.

(2)

..... metric tons

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(d) Analyse how *Kraft Heinz* could benefit from reducing its waste.

(6)

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Kraft Heinz will need to recruit more managers to take responsibility for new production lines. It is considering two options:

Option 1: promote existing employees

Option 2: advertise managerial positions externally.

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

(9)

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(Total for Question 3 = 20 marks)

Kraft Heinz has factories in over 29 countries. Countries include Japan, The Netherlands, New Zealand and America.

4 **Figure 3** shows the gross profit for *Kraft Heinz* for the three months ending 25 June 2022:

	Million (US Dollars)
Gross profit	1 984
Revenue	6 554

Figure 3

(a) Calculate, to two decimal places, the gross profit margin for *Kraft Heinz* for the three months ending 25 June 2022. You are advised to show your working.

(2)

.....%

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(b) Analyse the benefits to countries where *Kraft Heinz* is located.

(6)

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Kraft Heinz advertises on a regular basis using different methods such as television and posters. Its products are purchased by the young and old. In 2019, it used a television advertisement with Ed Sheeran, the pop star, demonstrating his taste for Heinz tomato sauce.

(c) Evaluate the importance to *Kraft Heinz* of using a variety of different methods to advertise to its target customers. 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.kraftheinzcompany.com/esg/waste-reduction.html

https://ir.kraftheinzcompany.com/news-releases/news-release-details/kraft-heinz-reports-second-quarter-2022-results