Mark Scheme (Results)

Summer 2026

Pearson Edexcel International Advanced Level in Business
WBS14/01

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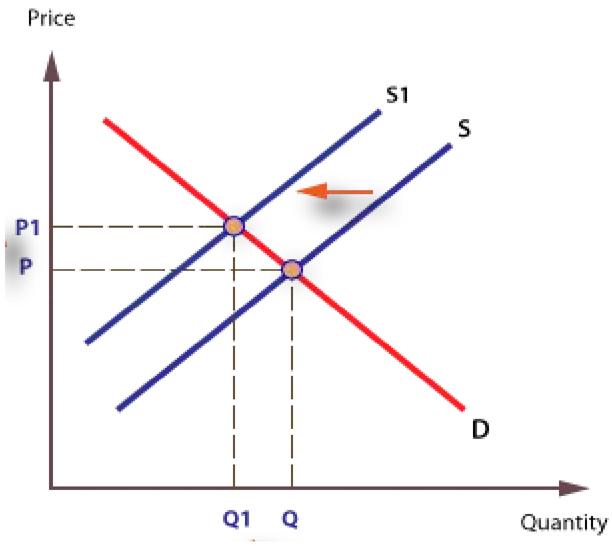
General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question	Construct a supply and demand diagram to show the impact on the global market for nickel following the decrease in Indonesia's nickel production. Answer	Mark
1(a)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS3:** construct and interpret a range of standard graphical forms. **Knowledge** 1 mark for correctly constructing a supply and demand diagram with correctly labelled axes as 'price' and 'quantity' **(1)** **Application** Up to 2 marks for: Showing original equilibrium price and quantity **(1)** Shifting the supply curve to the left **(1)** **Analysis** 1 mark for showing the new equilibrium and its effect on price (increasing) and quantity (decreasing) **(1)**  	**(4)**

Question	Explain **one** advantage of inorganic growth for a Harita Nickel. Answer	Mark
1(b)	**Knowledge 1, Application 2, Analysis 1** **Knowledge** 1 mark for identifying an advantage e.g.: • Ability to gain economies of scale **(1)** **Application** Up to 2 marks for contextualised answers, e.g.: • Harita is now the 5th largest nickel mining company in Indonesia **(1)** • It has 302 million tonnes of reserves **(1)** **Analysis** 1 mark for developing the advantage, e.g.: • One possible economy of scale is financial as Harita may be able to secure loans/investment at a cheaper interest rate to fund even more growth **(1)**	**(4)**

Question	Discuss the likely impact on Indonesian businesses of the reduction in quotas. Indicative content
1(c)	**Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • Import quotas are a form of protectionism designed to reduce reliance on imports and encourage the use of domestic substitutes • Indonesian farmers that produce corn and sugar, along with businesses that mine/extract salt, should see a rise in demand • This is likely to see prices rise as less is available and the profits of these businesses may also rise • A rise in profits is likely to encourage an increase in production of these commodities either from existing producers or new entrants into the market • If this encourages domestic production to increase, then they may be able to switch away from the imported products and use the domestic substitutes • However, those businesses that rely on the imports of corn, salt and sugar for raw materials such as processed food producers are likely to face price increases as less is available • This will increase costs and may lead to price increases which in turn may lead to loss of sales depending upon PED • There is a risk that other countries that supply these commodities may retaliate by imposing tariffs or quotas on Indonesian goods • This may have a negative effect on some Indonesian exporters

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–5	Accurate knowledge and understanding. Applied accurately to the business and its context. Chains of reasoning are presented, showing cause(s) and/or effect(s) but may be assertions or incomplete. An attempt at an assessment is presented that is unbalanced and unlikely to show the significance of competing arguments.
Level 3	6–8	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Logical chains of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, well contextualised, using quantitative and/or qualitative information, and shows an awareness of competing arguments/factors.

Question	Assess the benefits for Indonesia of increasing amounts of FDI. Indicative content
1(d)	**QS9** Interpret, apply and analyse information in written, graphical and numerical forms. **Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • FDI is the value of inward investment from other countries/businesses into a country over a period of time • FDI means that capital is being invested in the productive capacity of the Indonesian economy • The amount of FDI in Indonesia is increasing rapidly by 21% between 2023 and 2024 • This will create jobs and reduce unemployment as new factories or production facilities are developed. Indonesian businesses will be involved in this as will local suppliers • Once these are built and in production, more jobs will be created raising incomes • When that extra income is spent it leads to a rise in both GDP and living standards, particularly in the area where the new businesses locate • These incomes can be taxed enabling greater expenditure by the Indonesian Government on areas such as health and education leading to more growth in the future • Technology transfer may take place improving the skills of the local workforce who may then start their own businesses or move to other local businesses and improve their efficiency • However, increased development may not be sustainable, particularly in areas such as mining and metals where resources cannot be replaced • Increased production can lead to environmental damage and pollution, which again, can be the case with extractive industries • FDI can create competition for Indonesian businesses which may lead to closure and rising unemployment

	• Not all jobs that are created may be well paid or have good working conditions

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5–8	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	9 –12	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors, leading to a supported judgement.

Question	Assess the importance of having an ethical policy for an international business such as Harita Nickel. Indicative content
1(e)	**QS9** Interpret, apply and analyse information in written, graphical and numerical forms. **Indicative content guidance** Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • Business ethics refer to the principles and acceptable behaviours that govern the ways in which a business operates, they are considered to be the 'right thing to do' • Many consumers and businesses are seeking out more sustainable and ethical options • Harita Nickel is expanding and growing and wants to be seen as a responsible business when trading globally • Nickel has many uses and other businesses that buy it as a raw material may want to know that the supply chain is ethically sound • Therefore, for Harita Nickel, gaining the IRMA audit may be important in gaining and maintaining sales and ultimately increasing profitability • It may be important for Harita and its owners to adopt an ethical policy simply because it is the right thing to do and it has already undertaken ethical and sustainable projects such as restoring 231 hectares of local ecosystems on former mining land • It may also be for practical reasons, such as avoiding consumer protest or complying with government legislation • It would, therefore, seem important that global businesses adopt a more sustainable and ethical approach either for purely practical reasons or for altruistic ones as well • However, creating and following an ethical policy will increase costs and divert resources away from other areas of the business and may increase prices • Not all customers may be ethically concerned and simply look for the cheapest resources available • Today, nearly all global businesses will have an ethical policy but the extent to which they adhere to it is open to question and

		may depend on the market that it operates in and the attitudes of its potential customers

Level	Mark	Descriptor
	0	A completely inaccurate response.
Level 1	1–2	Isolated elements of knowledge and understanding – recall based. Weak or no relevant application to business examples. Generic assertions may be presented.
Level 2	3–4	Elements of knowledge and understanding, which are applied to the business example. Chains of reasoning are presented, but may be assertions or incomplete. A generic or superficial assessment is presented.
Level 3	5–8	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Analytical perspectives are presented, with developed chains of reasoning, showing cause(s) and/or effect(s). An attempt at an assessment is presented, using quantitative and/or qualitative information, though unlikely to show the significance of competing arguments.
Level 4	9 –12	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. A coherent and logical chain of reasoning, showing cause(s) and/or effect(s). Assessment is balanced, wide ranging and well contextualised, using quantitative and/or qualitative information and shows an awareness of competing arguments/factors, leading to a supported judgement.

<table>
<tr><th>Question</th><th>Evaluate whether MNCs can be controlled.

Indicative content</th></tr>
<tr><td>2</td><td>QS9 Interpret, apply and analyse information in written, graphical and numerical forms.

Indicative content guidance
Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited.

Knowledge, Application, Analysis, Evaluation – indicative content

MNCs are large businesses that operate in more than one country, their actions can be controlled in a number of ways
Direct governmental control such as legislation and legal action can control MNCs to an extent
Extract F gives the example of the Greek Government imposing financial penalties on MNCs including Johnson & Johnson and Unilever for overpricing
Regulatory bodies such as the CMA in the UK, can investigate the actions of MNCs and if necessary, force them to moderate their behaviour by banning potential mergers or other practices that may be against the public interest
By representing public opinion, consumer pressure groups can create negative publicity for a business that can cause it to modify its behaviour
Extract G shows how willing many consumers are to act and gives examples of recent consumer boycotts against MNCs such as McDonald’s and Unilever
Action groups can organise campaigns and actions that create public awareness and force a business to change its ways for fear of losing reputation and/or sales, such as Starbucks and not paying enough tax
The use of social media can be effective in mobilising public opinion and support to campaign against and modify the actions of MNCs
Some MNCs are self-regulating and pride themselves on their ethical stance and behaviour such as IKEA and do not need controlling as such
However, the biggest MNCs have large resources and are able to mount legal and PR campaigns against pressure groups and can dispute legal challenges by governments
</td></tr>
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	• The effectiveness of government control/legal regulation is dependent on the size and influence of the country and on the size and resources of the MNC, for example, the US is likely to be more successful than Vietnam • Some fines may seem large but can be considered small in terms of the turnover of some MNCs. In some cases, it can even be cheaper/ more profitable to pay the fines and continue uninterrupted • Some governments are reluctant to confront MNCs too directly for fear of losing important investment and employment created by the MNCs • In some developing economies the MNC may be able to avoid legal challenge by corruption • In practice it is often a combination of many factors that lead to success in controlling the actions of MNCs

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	0	No rewardable material.
Level 1	1–4	Isolated elements of knowledge and understanding. Weak or no relevant application of business examples. An argument may be attempted but will be generic and fail to connect causes and/or consequences.
Level 2	5–8	Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question. A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.
Level 3	9–14	Accurate knowledge and understanding, supported by relevant and effective use of the business behaviour/context. Uses developed chains of reasoning, so that causes and/or consequences are complete, showing an understanding of the question. Arguments are well developed. Quantitative and/or qualitative information is introduced in an attempt to support judgements, a partial awareness of the validity and/or significance of competing arguments and may lead to a conclusion.
Level 4	15–20	Accurate and thorough knowledge and understanding, supported throughout by relevant and effective use of the business behaviour/context. Uses well-developed and logical, coherent chains of reasoning, showing a range of causes and/or effect(s). Arguments are fully developed. Quantitative and/or qualitative information is/are used well to support judgements. A full awareness of the validity and significance of competing arguments/factors, leading to balanced comparisons, judgements and an effective conclusion that proposes a solution and/or recommendations.

Question	Evaluate the benefits of a global joint venture as a method of business expansion. Indicative content
3	**QS9** Interpret, apply and analyse information in written, graphical and numerical forms. Indicative content guidance Answers must be credited by using the level descriptors (below) in line with the general marking guidance. The indicative content below exemplifies some of the points that candidates may make but this does not imply that any of these must be included. Other relevant points must also be credited. **Knowledge, Application, Analysis, Evaluation – indicative content** • A joint venture is when two or more businesses come together for a specific project. It is not a formal takeover or merger and the businesses remain independent • A joint venture spreads risk and the cost of investment • Joint ventures are common in many overseas markets such as China or Thailand where the host government insists that MNCs join a local partner • For MNCs such as BP and JERA it is an opportunity to combine resources such as each other's supply chains and their resources in different parts of the world • The new venture can benefit from economies of scale, reducing costs and enhancing profitability • By combining resources and expertise, a joint venture can enable businesses to grow faster and increase productivity, this may be important as renewable energy is a rapidly expanding area • BP and Jera can share the financial burden and risks associated with a new venture, potentially making some projects feasible that wouldn't be possible individually • Both businesses can benefit from each other's expertise, technology, or resources to create a more competitive offering • JERA Nex BP is expected to become one of the world's largest offshore wind developers and gain considerable market power • However, not all joint ventures are successful, it is estimated that between 40% to 70% of all joint ventures ultimately fail • Extract I shows the example of Boeing and Embraer failing to make the joint venture work • If costs are shared, then it is likely that profits will be shared as well

	• There can be a clash of cultures or management styles that cause difficulties and prevent efficient operation of the joint venture • Decisions may need to be jointly made; this can be slow and lead to inefficiency especially if there are conflicting priorities • Differences in management styles and corporate cultures can lead to friction and disagreements between partners, hindering collaboration • While joint ventures can be risky, a well-planned and well managed project can yield mutual benefits

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Level 2	5–8	Elements of knowledge and understanding, which are applied to the business example. Arguments and chains of reasoning are presented but connections between causes and/or consequences are incomplete. Attempts to address the question. A comparison or judgement may be attempted but it will not successfully show an awareness of the key features of business behaviour or business situation.
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