Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | | | | | |

Candidate Number | | | | |

Pearson Edexcel International GCSE

Monday 11 May 2026

Afternoon (Time: 1 hour 30 minutes)

Paper reference **4BS1/01**

Business

PAPER 1: Investigating small businesses

Some business names have been amended in this version of the question paper.

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 ▶

P:1/1/1/1/1/1/

P 7 9 4 5 7 R A 0 1 2 0

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:

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

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 ☒.

Crumb is a cake business and cafe in London, UK. It was started by Alex who was born in the US and has a passion for baking. Alex first sold her cakes at a London market before opening the cafe in 2011.

The business produces high-quality cakes and biscuits including buns, brownies, coconut macaroons and a wide choice of cookies. All ingredients used in the cakes are organically grown. The fruit for the cakes is supplied by farms in England and Italy and the chocolate from businesses in France and Belgium.

Crumb supplies cakes for weddings and special occasions. The design and flavour of the cakes are discussed and agreed with customers to suit their specific requirements. Crumb has supplied the wedding cake for many celebrities.

Alex has also written a number of cookbooks that contain cake recipes. The book is available to buy in the cafe and online.

1 (a) (i) Which **one** of the following is a task carried out by the human resources (HR) functional area of a business?

(1)

Select **one** answer.

☒ **A** Quality control

☒ **B** Cashflow forecasting

☒ **C** Workforce planning

☒ **D** Sales promotion

(ii) Which **one** of the following is an internal source of finance?

(1)

Select **one** answer.

☒ **A** An overdraft

☒ **B** Selling assets

☒ **C** Venture capital

☒ **D** Crowdfunding

(iii) Which **one** of the following pricing strategies describes price skimming?

(1)

Select **one** answer.

☒ **A** A price set at the same level as competitors

☒ **B** A temporarily reduced price to encourage sales

☒ **C** A low price charged when the product is first introduced into the market

☒ **D** A high price charged when the product is first introduced into the market

(iv) Which **one** of the following represents qualitative research data collected by a car retailer?

(1)

Select **one** answer.

☒ **A** The number of people who buy a sports car

☒ **B** The average amount of money spent buying a car

☒ **C** The opinions of customers who have bought an electric car

☒ **D** The age of people who buy red cars

Figure 1 shows an extract from a menu in a coffee shop.

	£
Coffee	2.20
Sandwich	6.80

Figure 1

The coffee shop has a special offer every Monday. It offers a 25% discount when a customer buys a sandwich.

(v) Using Figure 1, which **one** of the following is the discount received by the customer if they buy a sandwich on a Monday?

Select **one** answer.

(1)

☒ **A** £1.70

☒ **B** £2.20

☒ **C** £5.10

☒ **D** £9.00

Crumb received 60 application forms for a job in the cafe.

Alex shortlisted 5% of the applicants and invited them to an interview.

(vi) Which **one** of the following is the number of job applicants who were shortlisted and invited to an interview?

Select **one** answer.

(1)

☒ **A** 3

☒ **B** 6

☒ **C** 9

☒ **D** 15

(b) Define the term **primary sector**.

(1)

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(c) Define the term **remuneration**.

(1)

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(d) State **one** variable cost that Crumb is likely to have.

(1)

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Crumb sells small wedding cakes for £240 each.

In 2025 Crumb sold nine small wedding cakes every month.

(e) Calculate Crumb's total revenue from the sale of small wedding cakes in 2025. You are advised to show your working.

(2)

£ ....

(f) Explain **one** disadvantage for a business of having a long chain of command.

(3)

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(g) Analyse why Crumb may request a curriculum vitae (CV) from job applicants.

(6)

(Total for Question 1 = 20 marks)

2 (a) State **one** reason why building customer relationships is important for Crumb.

(1)

(b) State **one** reason why Crumb may employ part-time workers.

(1)

(c) Explain **one** reason why business aims and objectives may change over time.

(3)

(d) Explain **one** reason why a business may benefit from economies of scale.

(3)

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(e) Explain **one** reason why business failure may be caused by poor cash flow.

(3)

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Alex wants to increase the revenue of Crumb. She is considering two options:

Option 1: Write and sell a new recipe cookbook

Option 2: Introduce a range of vegan products.

(f) Justify which **one** of these two options Alex should choose to increase revenue.

(9)

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(Total for Question 2 = 20 marks)

3 (a) Define the term **exporter**.

(1)

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(b) Outline **one** way Crumb could motivate its employees.

(2)

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Figure 2 shows the price of a cookie at Crumb in 2025 and 2026.

Year	**Price (£)**
2025	2.95
2026	3.25

Figure 2

(c) Using Figure 2, calculate, to **two** decimal places, the percentage change in the price of a cookie between 2025 and 2026. You are advised to show your working.

.... %

(2)

(d) Analyse the advantages for Crumb of using focus groups when making decisions.

(6)

Alex, the owner of Crumb, is planning to expand the business and open a second cafe in London.

Alex is considering two sources of finance for the new cafe:

Option 1: Personal savings

Option 2: A loan.

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

(9)

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(Total for Question 3 = 20 marks)

Figure 3 is an extract from a statement of financial position for a business.

	£(m)
Total current assets	6.5
Inventory	2.3
Total current liabilities	5.1

Figure 3

4 (a) Using Figure 3, calculate, to **two** decimal places, the acid test ratio for the business. You are advised to show your working.

(2)

....

(b) Analyse the benefits to Crumb of using job production for some of its products.

(6)

Crumb has many competitors in London. The management at Crumb focus on maintaining a strong brand by providing high-quality products and service.

(c) Evaluate the extent to which quality will give Crumb a competitive advantage. You should use the information provided as well as your own knowledge of business.

(12)

(Total for Question 4 = 20 marks)

TOTAL FOR PAPER = 80 MARKS

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