Mark Scheme (Results)

October 2025

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	Using Extract A calculate to **two** decimal places, the percentage increase in export revenue between December 2023 and January 2024. **Answer**	Mark
1(a)	**Knowledge 1, Application 2, Analysis 1** **QS2** Calculate, use and understand ratios, averages and fractions **Knowledge** 1 mark for identifying any suitable formula, e.g.: $\frac{\text{Change in export revenue}}{\text{Original figure}} \times 100$ = percentage increase **(1)** **Application** Up to 2 marks for selecting the correct data: $\frac{€2.5bn}{€15.6bn}$ **(1)** **(1)** x 100 **OR** $\frac{€18.1bn - €15.6bn}{€15.6bn}$ **(1)** **(1)** x 100 **Analysis** 1 mark for calculating the percentage increase in export revenue = 16.03% **(1)** **NB: If no working is shown, award marks as follows:** If the answer given is 16.03% award 4 marks. If the answer given is 16.03 award 3 marks.	**(4)**

Question	Explain **one** disadvantage of specialisation for a country such as Ireland. **Answer**	**Mark**
1(b)	**Knowledge 1, Application 2, Analysis 1** **Knowledge** 1 mark for identifying a disadvantage, e.g.: • Over reliance on one area of the economy **(1)** **Application** Up to 2 marks for contextualised answers, e.g.: • 100,000 people in Ireland are employed in the MedTech and biopharma sectors **(1)** • 48% of Ireland's total exports come from Medical & Pharmaceutical products **(1)** **Analysis** 1 mark for developing the disadvantage, e.g.: • Competition from cheaper producers such as China or India may take market share away from Ireland and harm the economy **(1)**	**(4)**

Question	Discuss the likely benefits of international trade for a country such as Ireland. **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** • International trade allows a country to obtain goods and services it may not be able to produce by itself • It allows a country to obtain goods and services that can be bought more cheaply overseas • This increases consumer choice and welfare • A country such as Ireland can specialise in what it does best and sell the surplus. It earned €18.1bn in January 2024 from the sale of its exports • International trade creates opportunities for businesses to grow and increase profits • It stimulates growth for the whole economy and therefore benefits the population of a country by providing jobs and increasing incomes • Government can tax successful businesses and rising incomes to invest in future growth and provide important services such as education and healthcare • However, international trade allows more competition which may mean some domestic businesses may not be able to compete and will close down • This would increase unemployment and reduce some consumers' incomes • International trade attracts criticism because some say that it favours the more-developed economies • Whilst Ireland is a successful economy and benefits greatly, other less-developed economies, particularly those that rely on basic commodities may not do as well

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 importance of government incentives for a business when choosing a production location. **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** • Government incentives refer to anything a government is willing to do to attract FDI • This can include lower tax rates, grants and subsidies, training for the labour force and reduction of red-tape and regulations • Choosing a production location with a low tax rate such as Ireland's 12.5% would help the MedTech and biopharma companies to keep more of their profit from global operations • As a result, Ireland may be seen as a more attractive destination than other countries such as Portugal or Germany • Government incentives such as the 25% tax credits in Ireland are likely to be important to businesses in the MedTech and biopharma sectors because they need to research and innovate to maintain their competitive advantage • Government policy to increase the ease of doing business and reduce restrictions reduces the costs of setting up and running a business, which may be important • Government incentives may be the determining factor for businesses that are global and have no need to confine their activities to one particular location, such as the need to be close to raw materials • However, other factors may be more important such as the cost and availability of labour, access to raw materials, infrastructure and political stability • Ireland is a member of the EU and gaining open access to this market may have been the deciding factor

	• Irish workers are likely to be well-educated and relatively skilled, which may be a stronger factor for high-tech businesses such as MedTech and biopharma

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 impact of skills shortages on the international competitiveness of an economy such as Ireland. **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** • Skills shortages occur when employers cannot find enough workers with a particular skill, this is happening in the technology sector in Ireland • A lack of supply coupled with the demand increases the price of labour • In other words, wages and costs both rise. In Ireland wages are forecast to increase by 15% over the course of the next year • If the price of the product is increased to maintain profitability, domestic products may lose a competitive advantage to cheaper foreign substitutes • It may not just be a case of cost, industries that require particular skills may find it hard to recruit sufficient numbers of workers • 76% of businesses in the technology sector said this was a problem in 2023 • This means output may be restricted and lag behind other countries which can be crucial in establishing a competitive advantage • Without the right skills innovation and technological change can be hampered, once again restricting competitiveness • However, governments can intervene with policies to improve the level and quantity of skills available in the labour force and a skills shortage may only be temporary • Education and training is one such way with governments currently encouraging technology subjects in schools

	• Immigration can lessen the impact of a skills shortage • Other aspects of an economy can compensate for problems in the labour market such as government incentives • Despite the skills shortages Ireland is still a very attractive location for FDI with nine of the world's top 10 MedTech companies and 10 of the world's top 10 biopharma and technology companies

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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	Evaluate the usefulness of Porter's five forces for a global business when assessing potential markets in the pet-food industry. **Indicative content**
2	**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 • Porter's five forces can be used to investigate the intensity of competition within an industry • They can help a business analyse the competitive forces it faces and so devise an effective strategy for achieving competitive advantage • Porter's five forces could be useful because it assesses where power and opportunities lie in the pet-food market… • - Rivalry amongst existing competitors; the pet-food market is very competitive and dominated by several large businesses including *Nestlé*, *Mars, Hill's Pet Nutrition*, *Blue Buffalo*, and *Colgate-Palmolive.* This is likely to cause difficulty, Extract E refers to 'intense competition' • - Threat of new entrants; if it is easy for rivals to enter the market then future competition may increase. Areas such as Latin America, Asia Pacific, the Middle East, Africa and Eastern Europe which are relatively underdeveloped may attract more entrants • - Threat of substitutes; this is linked to the previous point and there are already other businesses successfully providing pet food although the scope for niche areas such as organic or natural pet foods may be an opportunity • - Bargaining power of suppliers; the greater the number of suppliers the greater the power of the business • - Bargaining power of buyers; many buyers should give greater power to the business, the pet-food market is global

	with many millions of individual customers, this should be an advantage for a global business • Altogether, Porter's five forces would tend to suggest that the pet-food market has some real risks but with the expanding nature of the market in terms of size and locations, it does identify considerable opportunities for entering the market • However, like other marketing tools, Porter's five forces is only a model and cannot take into account all the variables that might affect a business • It only looks at the current state of the market and does not take into account possible changes such as the expanding nature of the market (this is set to expand to $145.3bn by 2028) • This along with the increasing demand for organic or natural pet foods, the rising trend of humanisation of pets and the growing popularity of raw pet food all need to be thoroughly researched • Established businesses which are competing fiercely and introducing new and innovative products will need to be monitored and competitive strategies evolved • At best, Porter is a guide but needs to be supplemented by much more rigorous market research

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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.
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 implications of India's economic growth for international businesses. **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** • India is expected to continue to grow rapidly, with GDP expanding by 6.9% in 2022-23 • As economic growth rises, disposable incomes rise, thus increasing the demand for many goods and services • Extreme poverty has been halved and the middle classes are expanding rapidly which means a huge and growing potential consumer market for many non-Indian companies and this is likely to lead to increased sales and profitability • As India grows it is likely to need not just consumer goods but services as well • Infrastructure will need input from engineering and transport businesses. Communications systems and equipment will be needed. Established international businesses will have an opportunity here • International businesses may be able to move away from saturated home markets where growth may be limited or difficult and move to the expanding market in India • Product life cycles can be extended as models developed elsewhere can be introduced to the Indian markets • However, India's growth and increasing dominance can mean that Indian industries are more than capable of fulfilling domestic demand • Many Indian businesses are now capable of high-tech and high-quality manufacturing

	• Some Indian companies such as *Tata, Bharti Airtel, Infosys* and *HDFC* bank are amongst the biggest in the world and more than capable of competing with other businesses on a global level • They also have the power to expand into international markets and take away some of the domestic market share • Their competitiveness is increasing their share of global trade and GDP • Many of these Indian exports may be cheaper than their competitors • This increases pressure on international businesses and they may lose market share • Non-Indian businesses that are innovative, or compete on quality, or have strong brands should continue to thrive as the expanding Indian economy becomes more consumer orientated • Those that perhaps just compete on price, or do not adapt and change, may not survive for long

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