Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | | | | | |

Candidate Number | | | | |

Pearson Edexcel International Advanced Level

Friday 29 May 2026

Afternoon (Time: 2 hours)

Paper reference **WBS13/01**

Business

International Advanced Level
UNIT 3: Business decisions and strategy

You must have:
Source Booklet (enclosed)

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 in Sections A, B and C.
- 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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SECTION A

Read Extracts A, B, C and D in the Source Booklet before answering Question 1.

Write your answers in the spaces provided.

1 (a) Using the data in Extract A, calculate to **two** decimal places, Apple's acid test ratio on 28 September 2024. You are advised to show your working.

(4)

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(b) Using the data in Extract B, calculate the total monthly contribution from the iPhone 16 if Apple sells 2.2 million smartphones per month. You are advised to show your working.

(4)

(c) Discuss the possible benefits to Apple from using contribution when making decisions.

(8)

(d) Using Porter's five forces and Extract C, assess the threat to Apple from the bargaining power of suppliers.

(12)

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(e) Assess the benefits for Apple of paying a high salary to its CEO, Tim Cook.

(12)

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(Total for Question 1 = 40 marks)

TOTAL FOR SECTION A = 40 MARKS

SECTION B

Read Extract E in the Source Booklet before answering Question 2.

Write your answer in the space provided.

2 Evaluate the potential benefits to Wild from being taken over by Unilever.

(20)

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(Total for Question 2 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS

SECTION C

Read Extracts F and G in the Source Booklet before answering Question 3.

Write your answer in the space provided.

3 Evaluate the strategic benefits to Rolls-Royce Motor Cars (RRMC) of using SWOT analysis.

(20)

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(Total for Question 3 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS
TOTAL FOR PAPER = 80 MARKS

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Source Booklet
Do not return this Booklet with the question paper.

Turn over ▶

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Sources for use with Section A

Extract A

Selected financial data for Apple, year ending 28 September 2024

	2024 ($m)
Cash	29 943
Inventory	7 286
Other current assets	115 758
Total current assets	152 987
Total current liabilities	176 392
Non-current liabilities	131 638

Extract B

How much does it cost Apple to make an iPhone 16 smartphone?

Component	Variable cost ($)
Display	150
Processor	180
Memory and storage	160
Camera system	110
Battery	25
Other components	80
Labour	50
Total variable cost per unit	**$755**

In 2024, Apple sold 2.2 million iPhone 16 smartphones per month at an average retail price of $1 199.

Extract C

Apple's supply chain issues

In 2024, Apple's Chief Executive Officer (CEO), Tim Cook, visited China three times to reassure the country of its importance to Apple's supply chain. China is one of Apple's largest producers and one of its most important international markets. Over 95% of its iPhones, AirPods, Macs and iPads are made there.

Cook said, "There's no supply chain in the world that's more critical to us than China." Apple relies on Chinese companies like TSMC for microchips and Foxconn for assembling iPhones and iPads.

However, Apple has recently expanded manufacturing to other Asian countries, such as India. In September 2022, it began producing some iPhone 14 models in India. This was partly due to international political conflicts and China's strict Covid-19 restrictions, which disrupted supply chains.

Extract D

Apple's CEO's 18% pay rise in 2024

In 2024, Apple CEO Tim Cook received an 18% pay rise, bringing his total annual earnings to $74.6m. He leads one of the world's most valuable companies, with a market worth of $3 trillion. It comes with high pressure and rewards.

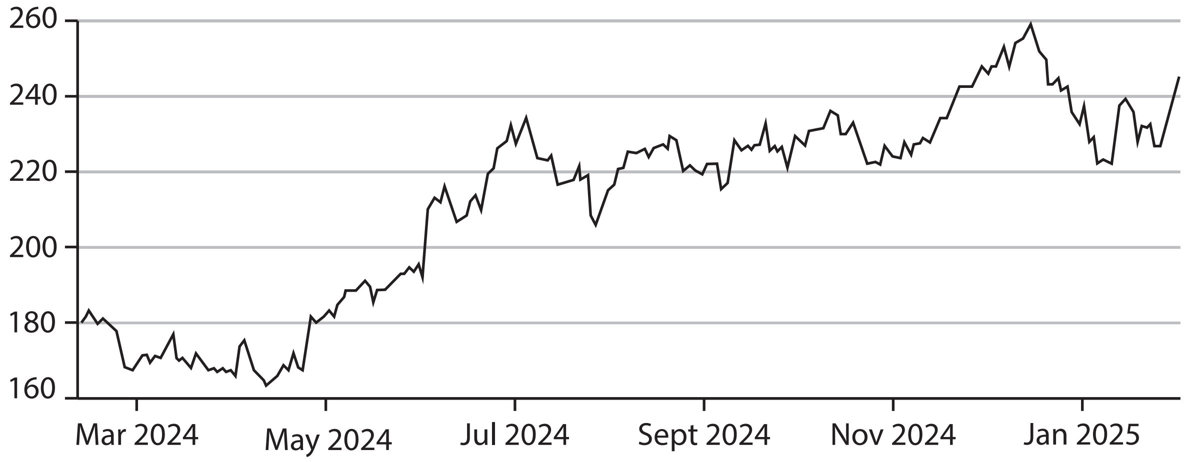
In 2024, Apple had a good year, with sales rising 2% to $391bn, operating income increased by 8% to $123.2bn and the gross profit margin increased from 2.1% to 46.2%. More importantly, it paid $11bn in dividends to shareholders.

Apple employed 164,000 people in 2024. Tim Cook's pay was over a thousand times higher than that of an average employee.

Apple share price March 2024 – February 2025

Share price on 19th February 2025, $244.47

Share price in $



Source for use with Section B

Extract E

Wild and plastic-free deodorant

Wild, a deodorant, was launched in summer 2019 as a direct business-to-consumer (B2C) brand, the invention of Freddy Ward and his friend Charlie Bowes-Lyon. By 31 December 2023, the brand had increased its global turnover by 77.6% year on year to £46.9m and had an operating profit of £600 000. Nine months later, the value of sales of Wild deodorants in the UK had more than doubled.

“At some point, we see Wild being part of a larger organisation, helping to drive change and to be at the forefront of that,” Wild co-founder Freddy Ward said in August 2023. It looks like that will happen perhaps sooner than he might have imagined. Wild is about to be taken over by Unilever in a £230m deal.

Unilever already owns the UK’s top three deodorant brands: Sure, Lynx and Dove, worth a combined £396.4m. This is more than half the value of the UK deodorant market.

Unilever’s existing deodorant products are all about effectiveness, fragrance and skincare. Wild, on the other hand, brings something new as it has sustainability at its heart. Its natural deodorants are plastic-free and refillable, while the stick refills are biodegradable. Plus, everything is stylishly packaged, proving being green can also be beautiful.

Both Wild and Unilever aim to reposition these deodorants as higher-value products. A Wild deodorant is priced at £12, much higher than Unilever’s current products. Unilever has been working hard to add value to its portfolio. For the past few years, it has been developing luxury sprays, sticks and roll-ons.

Sources for use with Section C

Extract F

Rolls-Royce Motors Cars (RRMC)

In 1904, Charles Rolls and Henry Royce teamed up to create Rolls-Royce Motor Cars (RRMC), driven by their passion for engineering and a goal to build the 'Best Car in the World.'

Today, RRMC is owned by BMW and produces high-end luxury vehicles. Its cheapest Ghost model starts at £255 020, while the exclusive Arcadia Droptail car is rumoured to be priced at £25m.

In 2024, RRMC sold 5,712 cars - its third-highest annual total.

Extract G

Customised Rolls-Royce cars

RRMC is to invest a record £300m to double the size of its UK factory. This is to meet the rapidly rising demand for customised cars that can sell for more than £1m.

At the same time, mass-market car manufacturers are shutting operations and cutting jobs in Britain, as many struggle to meet electric-vehicle sales targets. Vauxhall owner, Stellantis, announced it was closing its Luton factory in November 2024, while Ford has said it plans to cut 800 jobs in the UK by 2027.

As a maker of luxury vehicles, RRMC has not been affected by the same poor economic conditions that are negatively affecting manufacturers of low-margin, mass-market cars.

Demand for customised cars is increasing with spending on them up by 10%. Requests have included illuminated star charts in car ceilings and leather seat patterns requiring more than 850,000 stitches. Employees with superior craftsmanship and attention to detail are required to fulfil the many requests from customers.

While customised designs are popular worldwide, demand is particularly high in the Middle East and in China, where the average age of buyers is just 40. Chinese customers often request cultural symbols such as illuminated or embroidered dragon designs.

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Acknowledgements

Extract A adapted from: https://www.apple.com/newsroom/pdfs/fy2024-q4/FY24_Q4_Consolidated_Financial_Statements.pdf

Extracts B adapted from: https://www.simplymac.com/iphone/how-much-does-it-cost-to-make-an-iphone

https://www.macobserver.com/news/iphone-sales-increased-by-about-6-yoy-in-f4q24/?utm_

Extract C adapted from: https://www.silicon.co.uk/mobility/smartphones/apples-tim-cook-reassures-china-of-supply-chain-importance-555519

Extract D adapted from:

https://www.theregister.com/2025/01/14/tim_cook_apple_salary/

https://www.google.com/finance/quote/AAPL:NASDAQ?sa=X&ved=2ahUKEwiY-_DB48-LAxVSRUEAHffiJ5wQ3ecFegQIPhAf&window=1Y

Extract E adapted from: https://www.thegrocer.co.uk/comment-and-opinion/why-unilever-has-gone-wild-for-a-deodorant-challenger-brand/700962.article

Extract F adapted from: https://www.rolls-roycemotorcars.com/en_GB/inspiring-greatness/values/how-rolls-met-royce.html

Extract G adapted from**:** https://www.telegraph.co.uk/business/2025/01/08/rolls-royce-invest-record-300m-uk-as-demand-soars/