Mark Scheme (RESULTS)

Summer 2026

Pearson Edexcel International Advanced Level in Business
WBS13/01

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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 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.	Mark
1(a)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS1:** Calculate, use and understand ratios, averages and fractions. **Knowledge** 1 mark for identifying a suitable formula for calculating the acid test ratio: $\frac{\text{Current assets – Inventory}}{\text{Current liabilities}}$ **(1)** **Application** Up to 2 marks for correct application of figures to formula: $\frac{(\$152\,987\text{m} - \$7\,286\text{m})}{\$176\,392\text{m}}$ **(1)** **(1)** **OR** $\frac{\$145\,701\text{m}}{\$176\,392\text{m}}$ **(1)** **(1)** **Analysis** 1 mark for showing correct answer: 0.83 **(1)** **NB: If no working is shown, award marks as follows:** • If the answer given is 0.83 award 4 marks	**(4)**

Question	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.	Mark
1(b)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS5:** Calculate cost, revenue, profit and break-even **Knowledge** 1 mark for identifying a suitable formula for calculating the total monthly contribution: (Selling price – Variable cost) x Number sold **(1)** **OR** Total revenue – Total variable costs **(1)** **Application** Up to 2 marks for correct application of figures to formula: ($1199 - $755 = $444) **(1)** x 2.2 million **(1)** **OR** $1199 x 2.2 million = $2 637 800 000 **(1)** $755 x 2.2 million = $1 661 000 000 **(1)** **Analysis** 1 mark for showing correct answer: $976 800 000 **(1)** **OR** $976.8m **(1)** **NB: If no working is shown, award marks as follows:** • If the answer given is $976 800 000 award 4 marks • If the answer given is 976 800 000 or 976.8m award 3 marks	**(4)**

Question	Discuss the possible benefits to Apple from using contribution when making decisions. **Answer**
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. **QS8:** Use and interpret quantitative and non-quantitative information in order to make decisions **QS9:** Interpret, apply and analyse information in written, graphical and numerical forms **Knowledge, Application, Analysis, Evaluation – indicative content** • Contribution is the amount of money left over after variable costs have been covered • By calculating the contribution per iPhone Apple can see which smartphones are most profitable. This helps in deciding which products to focus on • For example, smartphones with higher contributions per iPhone might be prioritised in marketing campaigns or considered for a premium price • Contribution highlights variable costs for each smartphone, helping Apple to find ways to reduce these costs, such as better supplier deals or improved production methods • Contribution helps Apple work out how many smartphones they need to sell to cover all costs, aiding in setting sales targets and making investment choices • However, focusing heavily on contribution figures might lead Apple to overlook qualitative factors such as brand value, customer loyalty and market trends, which are also vital for long-term success • Emphasising smartphones with a high contribution could lead Apple to ignore new technology products that might have lower contributions initially but are crucial for future growth • It can be difficult to accurately separate variable and fixed costs, especially with Apple's wide range of products • Contribution mainly looks at internal data and might exclude external influences like economic changes, competitor actions and new technologies that can affect product success

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	Using Porter's five forces and Extract C, assess the threat to Apple from the bargaining power of suppliers. **Answer**
1(d)	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. **QS8:** Use and interpret quantitative and non-quantitative information in order to make decisions **QS9:** Interpret, apply and analyse information in written, graphical and numerical forms **Knowledge, Application, Analysis, Evaluation – indicative content** • Porter's five forces is a framework that analyses the competitive pressures within an industry by examining the bargaining power of suppliers and buyers, the threat of new entrants and substitutes and the intensity of competitive rivalry • Apple relies on a few key suppliers, such as TSMC for chips and Foxconn for assembly • This concentration gives suppliers greater bargaining power as Apple has limited alternatives for high-quality components • Shifting production from China to other countries requires significant investment in infrastructure, training and logistics making it costly and time-consuming for Apple to change suppliers • Apple's CEO confirmed China's critical role in its supply chain. If Chinese suppliers raise prices or face government-imposed restrictions, Apple has little short-term flexibility to respond • With ongoing international political conflicts and supply disruptions key suppliers could demand higher prices, increasing Apple's costs and reducing profit margins • The complexity and scale of Apple's supply chain mean there are few alternative suppliers that can match quality and production capacity, increasing supplier power • However, Apple is one of the largest technology companies in the world, giving it significant negotiating power over suppliers who rely on its business for revenue • Apple sources from multiple suppliers such as Foxconn creating competition and reducing the power of any single supplier

	• Apple has been relocating some production to India and other Asian countries, reducing reliance on Chinese suppliers and weakening their bargaining power • Apple may have secured long-term agreements with suppliers which stabilises costs and reduces the likelihood of sudden price increases or supply disruptions • While supplier power is a consideration, other forces such as competitive rivalry from Samsung may pose a greater challenge to Apple's profitability and market position

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	3–4	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 and 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 benefits for Apple of paying a high salary to its CEO, Tim Cook. **Answer**
1(e)	**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. **QS8:** Use and interpret quantitative and non-quantitative information in order to make decisions **QS9:** Interpret, apply and analyse information in written, graphical and numerical forms **Knowledge, Application, Analysis, Evaluation – indicative content** • High salaries can be justified if they are tied to the company's performance • In 2024, Apple's sales increased by 2% to $391bn and operating income rose by 8% to $123.2bn indicating effective leadership by Tim Cook • A competitive compensation package is necessary to attract and retain highly skilled executives, such as Tim Cook, capable of steering Apple towards continued success • High CEO salaries are common in large corporations reflecting the market rate for such positions • In 2024, Apple paid $11bn in dividends to shareholders, suggesting that the CEO's leadership positively impacted investor value • Apple's share value has risen by 34.65% since March 2024 indicating that the high salary is justified in terms of returns for shareholders who ultimately have the decision on pay • Generous compensation can motivate CEOs to pursue innovative strategies that drive company growth and profitability • However, excessive CEO compensation can intensify income differences within the company and society, raising ethical concerns • Very high executive pay may lead to resentment among lower-level employees potentially affecting morale and productivity • Tim Cook earned over a thousand times more than an average employee at Apple

	• Stakeholder groups may question the morality of high executive pay, especially if it contrasts sharply with average worker salaries • Extravagant CEO compensation such as $74.6m can attract negative media attention potentially harming Apple's reputation • Funds allocated to high salaries could be invested in other areas such as research and development, employee benefits or community initiatives

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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 and 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 potential benefits to Wild from being taken over by Unilever. **Answer**
2	**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. **QS: QS8, QS9** **Knowledge, Application, Analysis, Evaluation – indicative content** • A takeover is when one company purchases another either by buying a controlling stake (more than 50% of shares) or acquiring the entire business • Wild could use Unilever's global supply chain and retail partnerships to expand its reach beyond direct B2C sales, increasing market penetration • Being part of a multinational corporation could enhance Wild's reputation and branding helping to attract more mainstream consumers • Wild may benefit from lower production and distribution costs due to Unilever's large-scale operations • Unilever's resources could accelerate product innovation, improving Wild's competitive edge in the deodorant market • Wild's products could gain access to physical shelf space by selling in supermarkets and high-street retailers, leading to greater sales volumes • As Unilever pushes towards eco-friendly products, Wild supports this this strategic shift ensuring long-term business sustainability • The takeover may allow Wild to challenge established brands in the higher-value deodorant sector increasing its market power • However, Wild's strong sustainability ethos may be diluted under Unilever's corporate structure • If Unilever prioritises profit over sustainability, Wild's unique selling point could be compromised • Ethical consumers may see the takeover as a move by Unilever to capitalise on sustainability trends rather than a genuine commitment • Differences in business culture and leadership styles could create friction affecting Wild's agility and innovation

	• With Sure, Lynx and Dove already dominating the market, Wild may receive less strategic focus, limiting its growth potential • Wild's entrepreneurial founders may struggle to adapt to a corporate environment, leading to lower motivation or talent loss • The Competition and Markets Authority (CMA) or other regulators may scrutinise the takeover delaying integration and increasing costs

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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 and 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 cause 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 strategic benefits to Rolls-Royce Motor Cars (RRMC) of using SWOT analysis. **Answer**
3	**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. **QS: QS8 and QS9** **Knowledge, Application, Analysis, Evaluation – indicative content** • SWOT analysis is a strategic tool used by businesses to assess their internal strengths and weaknesses as well as external opportunities and threats to aid decision-making • RRMC can use SWOT to highlight strengths such as strong brand heritage, luxury positioning and financial backing from BMW to maintain its premium market presence • RRMC's reliance on skilled craftsmanship and highly customised production could be a weakness if production bottlenecks occur; SWOT helps identify such internal limitations • Helps RRMC to identify key opportunities such as the rising demand for luxury cars, particularly in China and the Middle East • With a £300m factory expansion planned, SWOT can guide investment decisions by assessing internal capabilities and market conditions • Unlike mass-market brands struggling with economic downturns, RRMC can use SWOT to ensure its premium market focus remains profitable • SWOT helps RRMC prepare for potential threats such as changes in regulations or competitor innovations in the luxury car market • SWOT ensures investment is directed towards high-growth areas such as expanding operations to meet rising demand for customised vehicles • The tool provides enhanced long-term planning by providing a structured framework for RRMC to support its vision with emerging market trends and customer preferences • However, SWOT provides a general overview but may lack the depth needed for a high-end manufacturer like RRMC, which operates in a niche, highly specialised market

	• SWOT identifies key issues but does not suggest specific actions, meaning RRMC still needs additional strategic analysis tools • The luxury car market evolves rapidly and reliance on SWOT alone may not capture fast-changing customer preferences, such as shifts toward sustainability • SWOT focuses on RRMC's internal strengths and weaknesses but does not directly account for competitor strategies or new entrants into the luxury-car market • Given the detailed and evolving nature of RRMC's operations, conducting frequent SWOT analyses may take time away from more immediate strategic planning • SWOT is best used alongside other strategic tools such as PESTLE or market analysis • In conclusion, while SWOT is helpful RRMC should not rely on it exclusively due to the complexity of the luxury automotive industry

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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 and 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 cause 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.