Mark Scheme (Results)

Summer 2026

Pearson Edexcel International Advanced Subsidiary Level in Business
WBS12/01

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Summer 2026
Question Paper Log Number P79709A
Publication Code WBS12_01_2606_MS

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	Define the term ‘advertising’. (Extract A, line 13) Answer	Mark
1(a)	**Knowledge 2** Up to 2 marks for defining the term ‘advertising’, e.g. • Communication from/promotion by a business **(1)** to make customers aware of/encourage customers to buy its products **(1)** **NB: Do not award marks for examples**	**(2)**

Question	Using Extract A and the data above, calculate the contribution per bed for Asia Hostel in 2024. Answer	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: • Selling price – variable costs **(1)** **Application** Up to 2 marks for selecting the correct data: • 100 000 UZS - **(1)** 12 500 UZS **(1)** **Analysis** 1 mark for calculating the contribution per bed: • = 87 500 UZS **(1)** **NB: If no working is shown, award marks as follows:** • If the answer given is 87 500 UZS award 4 marks • If the answer given is 87 500 award 3 marks	**(4)**

Question	Analyse **two** disadvantages for Nur Kurkova of being a sole trader. Answer	Mark
1(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining sole trader e.g. • A business organisation **(1)** that has only one owner **(1)** **OR** For stating up to two disadvantages, e.g. • The owner has unlimited liability **(1)** • The owner may have to work long hours **(1)** **Application** Up to 2 marks for answers contextualised to Nur Kurkova/Asia Hostel e.g. • Nur only opened the hostel in 2024, so it is a new business **(1)** • Managing all the advertising and reservations will take Nur a lot of time **(1)** **Analysis** Up to 2 marks for causes/consequences for Nur Kurkova/Asia Hostel, e.g. • Therefore, the owner will have to pay debts using personal possessions if the business runs into financial difficulties **(1)** • This means that there is likely to be less time to focus on looking after/improving the service for the guests **(1)**	**(6)**

Question	Discuss whether charging a fee to use these facilities is likely to lead to an increase in profits for Asia Hostel. Indicative content
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. **Knowledge, Application, Analysis, Evaluation – indicative content** • Profit = total revenue – total costs • Charging a fee for drinks would increase revenue for Asia Hostel • Fewer drinks are likely to be demanded by guests if they need to pay for them, meaning the variable costs for Asia Hostel are likely to decrease from 12 500 UZS • Therefore, the price of 100 000 UZS per bed per night is likely to lead to higher profits • However, some guests may stay elsewhere if drinks are included at the competitor's accommodation • Therefore, revenue may fall by a greater amount than the fall in variable costs • This could lead to a reduction in profit, rather than an increase

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 the data in Extracts A and B, assess the impact of changes in the Uzbekistan exchange rate on Asia Hostel. Indicative content
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. **Knowledge, Application, Analysis, Evaluation – indicative content** • Exchange rates are the value of one currency in terms of another • The value of the Uzbekistan som (UZS) depreciated overall against the dollar ($), from 2018 to 2024 • This is because $1 was able to buy more UZS in 2024 (13 000 UZS) than in 2018 (8 000 UZS) • As it would only cost approximately $7.69 (100 000/13 000 UZS) to stay at the hostel for a night in 2024, it would be cheaper than in 2018 when the $ was worth less against the UZS • This would make a trip to Tashkent/Uzbekistan cheaper for people visiting from countries using the dollar, such as the US • This may encourage more guests to stay at the hostel, thus increasing demand for the accommodation offered • Therefore, increasing revenue for Asia Hostel • However, some guests may visit from other parts of Uzbekistan, especially as travellers can travel to the nearby train station. The exchange rate will not affect the price paid by these domestic visitors • As the hostel offers shared accommodation, which is already cheap in price, some people travelling using the dollar may decide they can afford more expensive accommodation, given the stronger exchange rate of the $ • This could reduce demand for accommodation at Asia Hostel, thus reducing revenue • It may depend on other economic factors, such as the rate of inflation in Uzbekistan, meaning that if prices are rising at a higher rate than in other countries, this may reduce the number of visitors to Uzbekistan in the first place

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	5–7	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	8–10	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>Define the term ‘patent’. (Extract C, line 5)

Answer</th><th>Mark</th></tr>
<tr><td>2(a)</td><td>Knowledge 2

Up to 2 marks for defining the term ‘patent’, e.g.
• A form of legal protection (1) giving a business sole rights to manufacture a new product/to stop other from copying the design (1)

NB: Do not award marks for examples</td><td>(2)</td></tr>
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<table>
<tr><th>Question</th><th>Using the data in Extract D, calculate the operating profit for Snap-On in 2023.

Answer</th><th>Mark</th></tr>
<tr><td>2(b)</td><td>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:
• Gross profit – other operating expenses (1)

Application
Up to 2 marks for selecting the correct data from Extract D:
• $2 349.1m (1) - $1 309.2m (1)

Analysis
1 mark for calculating the operating profit:
• = $1 039.9m (1)

NB: If no working is shown, award marks as follows:
• If the answer given is $1 039.9m award 4 marks
• If the answer given is 1 039.9m award 3 marks</td><td>(4)</td></tr>
</table>

Question	Analyse **two** benefits of being a Snap-On franchisee. Answer	Mark
2(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining franchisee, e.g. • A person who pays a fee for the right **(1)** to use brands/knowledge/marketing from a successful/existing business **(1)** **OR** For stating up to two benefits, e.g. • The franchisor provides a brand name that is recognised and trusted by customers **(1)** • Training is provided to the franchisee by the franchisor **(1)** **Application** Up to 2 marks for answers contextualised to Snap-On, e.g. • Snap-On has designed high-quality tools since 1920 **(1)** • Over 85,000 products/tools are manufactured, continuously improved and sold by Snap-On **(1)** **Analysis** Up to 2 marks for reasons/causes/consequences for Snap-On, e.g. • Therefore, the franchisee is likely to be able to make sales without paying for their own advertising **(1)** • The franchisee may be able to sell more tools if s/he is trained in their use **(1)**	**(6)**

Question	Discuss whether share capital is likely to be a suitable method of finance for Snap-On. Indicative content
2(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. **Knowledge, Application, Analysis, Evaluation – indicative content** • Share capital is a method of finance received by a limited company from the sale of shares in the business • As a plc, Snap-On is able to sell shares on the stock market, meaning they can be purchased by members of the public • This means that a considerable amount of finance can be raised, especially by a successful and long-established company such as Snap-On • Therefore, Snap-On may be able to benefit from this finance in ways such as having an increased market share and/or economies of scale • The performance highlighted in the company's annual report, such as an increase in gross profit of 7.7% from 2022 to 2023 is likely to further encourage sales of shares, adding to the funds Snap-On could raise • As share capital does not need to be repaid and there are no restrictions to its use, it could be suitable for the requirements of Snap-On, such as for innovations with its already impressive product line • This is especially true as the dividend paid per share increased by $0.84 from 2022 to 2023, providing a further incentive for shareholders to invest • However, share capital could be an expensive method of finance for Snap-On • Shareholders may expect a higher return than they would receive from saving money in a bank, due to the higher risk • As anyone can purchase the shares, it is possible for control of the company to be lost to those outside the business • This may cause issues with the >13,000 employees if changes are made that they are unhappy about, potentially reducing productivity and therefore, increasing costs

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 likely benefits to Snap-On of using a budget based on historical figures. Indicative content
2(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. **Knowledge, Application, Analysis, Evaluation – indicative content** • A budget based on historical figures is one where the business uses data from trading in previous years • As Snap-On has been trading for over 100 years, there is a considerable amount of experience and plenty of data on which to base these budgets • By using this type of budget, managers can operate with consistency, making only gradual adjustments to account for any known changes in the production, cost or prices of Snap-On tools • It means that budgets are likely to be realistic as they use accurate data from actual results, meaning the figures are more reliable than looking at alternative sources which may be more based on guesswork • The system using historical figures is quite straightforward, allowing any of the >13,000 employees opportunity to understand it and coordinate across departments or between countries • Therefore, any changes needed should be easier to identify and implement quickly • However, as activities and the way calculations are made remain the same, there is little/no incentive to make changes • Therefore, Snap-On may be less likely to develop new ideas and produce new designs for its tools • Although it has been successful for many years, this may not continue if changes and innovation do not occur • There have been many changes over the >100 years Snap-On has been trading meaning there is a limit as to how much of the historical data is relevant to the company's budgeting. It encourages spending up to the budget, so that reductions are not made in future years

	• Therefore, costs may be difficult to reduce (e.g. it may have been possible to reduce the 3% increase in cost of sales from 2022 to 2023 if not using this type of budgeting) • Budgets may have been too generous in the past, meaning that costs could be saved or higher revenues aimed for, if historical data is not the focus (e.g. striving for a greater increase in revenue than the 5.28% achieved from 2022 to 2023)

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	5–7	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	8–10	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 importance of reducing over-utilisation of capacity for businesses operating flight simulators. Indicative content
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. **Knowledge, Application, Analysis, Evaluation – indicative content** • Over-utilisation of capacity occurs when the resources within a business are used more than the business is able to comfortably manage • One example is where flight instructors may have to work long hours and overtime to try to meet demand • This could mean the instructors are tired and demotivated. They may not be able to carry out their job to the best of their ability or may decide to leave the business • Therefore, there is likely to be a shortage of available simulator sessions and/or a cost to the business to recruit and train new instructors • In addition, customers may be dissatisfied with the experience received in the flight simulator, leading to poor feedback/reviews, which may in turn reduce demand • Breakdowns of machinery, such as the simulators, are more likely to occur if they are used too frequently without proper maintenance • This could lead to failing to provide the service customers have paid for, once again causing dissatisfaction (>2,500 unused vouchers for VA customers) and possibly reduced demand/lower revenue if customers switch to competitors • However, it is likely average costs will be minimised due to having little/no spare capacity • In the case of VA, the fixed costs of its six simulators would be spread across more customer experiences (>50,000 in about 12 years to the peak in 2023) • Therefore, the cost of equipment such as the flight simulators may be covered quickly, meaning it takes little time to break-even and for a profit to be made • High demand may make employees feel more secure in their jobs and happy with the opportunity to earn overtime, thus leading to higher motivation levels and feelings of job security

	• Difficulties in securing an available date for the experience may have made customers believe VA to be successful, thus encouraging higher demand • Overall, demand may fluctuate due to variations in economic variables, consumer trends and according to seasonal trends • Therefore, having an over-utilisation of capacity may not continue throughout the year and flight-simulator businesses may need to manage resources rather than only trying to reduce capacity • It may depend on the ability a business has to manage the over-utilisation of capacity, such as to decrease usage via charging higher prices/employing more instructors/outsourcing orders for experiences

Level	Mark	Descriptor
	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 knowledge and understanding, supported 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.