Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | | | | | |

Candidate Number | | | | |

Pearson Edexcel International GCSE

Thursday 21 May 2026

Afternoon (Time: 1 hour 30 minutes)

Paper reference **4BS1/02**

Business

PAPER 2: Investigating large businesses

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 ▶

Pearson

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 ☒.

1 The first Nando's restaurant was started in South Africa, by friends Robert Brozin and Fernando Duarte. The business began as a partnership but has since become a private limited company.

Nando's sells a variety of chicken dishes which have a unique mix of Portuguese and South African spices. While chicken is the main product, it also offers a wide menu including salads, wraps and vegetarian dishes.

Nando's now has 918 restaurants in over 30 countries globally, including Canada, India, the UK, the USA, Australia and Africa. All restaurants are brightly decorated using South African designs and modern artwork.

Employees at Nando's are referred to as Nandocas. Nando's encourages a friendly working environment, teamwork and good communication. It has won awards for being an excellent place to work, including an award for 'Employer of the year' in 2023.

(a) (i) Which **one** of the following is most likely to lead to business failure?

Select **one** answer.

(1)

☐ **A** Creating a unique product

☐ **B** Motivated employees

☐ **C** Poor cash flow

☐ **D** Lack of competition

(ii) Which **one** of the following is shown as a liability on a statement of financial position?

Select **one** answer.

(1)

☐ **A** A building

☐ **B** A bank loan

☐ **C** Cash

☐ **D** Inventory

(iii) Which **one** of the following describes a **shareholder**?

Select **one** answer.

(1)

- ☒ **A** Someone who invests in a business
- ☒ **B** Someone who supplies to a business
- ☒ **C** Someone who buys goods from a business
- ☒ **D** Someone who collects taxes from the business

A Nando's restaurant in Spain employs three full-time workers.

Each full-time worker is paid a salary of €1600 (euros) per month.

(iv) Which **one** of the following is the total amount paid by Nando's for all three full-time workers in one year?

Select **one** answer.

(1)

- ☒ **A** €4 800
- ☒ **B** €6 400
- ☒ **C** €19 200
- ☒ **D** €57 600

Figure 1 – Extract showing sales of a business in July 2025

Product	Quantity sold	Selling price
T-shirts	118	$10.50

Figure 1

(v) Which **one** of the following shows the total revenue from t-shirts in July 2025?

Select **one** answer.

(1)

- ☒ **A** $107.50
- ☒ **B** $128.50
- ☒ **C** $1 180.00
- ☒ **D** $1 239.00

(vi) Which **one** of the following is a fringe benefit used to motivate employees?

Select **one** answer.

(1)

☒ **A** Free health insurance

☒ **B** Job enrichment

☒ **C** Autonomy

☒ **D** Job rotation

(b) Define the term **competitor**.

(1)

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(c) Define the term **distribution channel**.

(1)

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(d) State **one** reason why profit is important to Nando's.

(1)

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A bank provides a business with an overdraft of £2 600.

The bank charges interest at a monthly rate of 6.58%.

(e) Calculate, to **two** decimal places, the total amount of interest the business will pay if it uses the £2 600 overdraft for one month. You are advised to show your working.

(2)

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(f) Explain **one** reason why packaging may be important for a business.

(3)

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Nando's began as a partnership but is now a private limited company.

(g) Analyse the benefits to Nando's of being a private limited company.

(6)

(Total for Question 1 = 20 marks)

2 (a) State **one** reason why Nando's operating profit may increase.

(1)

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(b) State **one** task that an employee in the marketing department of Nando's may carry out.

(1)

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(c) Explain **one** advantage for a business of having a strong brand.

(3)

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(d) Explain **one** advantage for a business of using quality control.

(3)

(e) Explain **one** reason why a business needs to follow legal controls for equal opportunities.

(3)

Nando's is opening new restaurants in Europe. To remain competitive, Nando's needs to consider its pricing strategy.

Nando's is considering the following two options:

Option 1: penetration pricing

Option 2: promotional pricing.

(f) Justify which **one** of these pricing strategies Nando's should choose to remain competitive.

(9)

(Total for Question 2 = 20 marks)

3 (a) Define the term **labour-intensive production**.

(1)

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(b) Outline **one** reason why good communication between employees is important at Nando's.

(2)

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Figure 2 – Number of Nando's employees in the UK in 2024 and 2025

	2024	**2025**
Number of UK employees	9 600	10 030

Figure 2

(c) Using Figure 2, calculate, to **two** decimal places, the percentage change in the number of employees in the UK between 2024 and 2025. You are advised to show your working.

(2)

....%

(d) Analyse the benefits to Nando's of providing induction training for new employees.

(6)

Nando's plans to offer restaurant managers a reward to try to retain them in the business. Nando's is considering two types of reward:

Option 1: offer the managers an extra five days' paid holiday a year

Option 2: pay a bonus to the managers whose restaurants achieve the highest levels of profit.

(e) Justify which **one** of these two options Nando's should choose to retain managers.

(9)

(Total for Question 3 = 20 marks)

4 **Figure 3** – Extract from a financial report of a business in 2025

	2025 £ (m)
Revenue	528
Cost of Sales	327

Figure 3

(a) Using Figure 3, calculate, to **two** decimal places, the gross profit margin in 2025. You are advised to show your working.

(2)

....%

Nando's plans to open new restaurants in Malaysia.

(b) Analyse how the Malaysian economy may benefit from Nando's expansion.

(6)

Nando's uses market orientation when developing and selling its products. This involves researching and identifying customer needs.

(c) Evaluate the extent to which market orientation will guarantee the future success of Nando's. 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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Sources:

https://www.nandos.com/heritage/our-story/
https://nandos.careers/
https://www.nandos.co.uk/blog
https://www.nandos.co.uk/about-us/food