Mark Scheme (Results)

January 2026

Pearson Edexcel in International A Level in Business
WBS12/01A

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Janaury 2026
Question Paper Log Number P87661A
Publication Code WBS12_01A_2601_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 ‘market share’. (Extract A, line 5) **Answer**	Mark
1(a)	**Knowledge 2** Up to 2 marks for defining the term ‘market share’, e.g. • The sales/revenue of a business **(1)** as a percentage/proportion of the (whole) market **(1)**	**(2)**

Question	Using the data in Extract B, calculate to **two** decimal places, the operating profit margin for Kwik Fit 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 the formula for calculating operating profit margin: • $\frac{\text{Operating profit}}{\text{Revenue}} \times 100$ **(1)** **Application** Up to 2 marks for selecting the correct data from Extract B: • $\frac{\pounds 35\,856\,000 \textbf{ (1)}}{\pounds 633\,090\,000 \textbf{ (1)}} \times 100$ **Analysis** 1 mark for calculating the operating profit margin: • = 5.66% **(1)** **NB: If no working is shown, award marks as follows:** • If the answer given is 5.66% award 4 marks • If the answer given is 5.66 award 3 marks	**(4)**

Question	Analyse **two** reasons why sales forecasting may be difficult for Kwik Fit. **Answer**	Mark
1(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining sales forecasts, e.g. • The process of estimating future sales **(1)** either based on past data, industry comparisons or economic trends **(1)** **OR** For stating up to two reasons, e.g. • Economic variables may change **(1)** • Consumer trends may affect sales **(1)** **Application** Up to 2 marks for answers contextualised to Kwik Fit e.g. • Inflation was a problem for some businesses in 2024 **(1)** • Revenue increased in the 2024 financial year **(1)** **Analysis** Up to 2 marks for causes/consequences, e.g. • Therefore, costs/prices may be higher than anticipated and sales may fall **(1)** • This means using past data may underestimate future sales **(1)**	**(6)**

Question	Discuss the benefits of using on-the-job training for Kwik Fit. **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** • On-the-job training is given in the place of work, by the employer • Kwik Fit had more employees in 2024 • This means that the new employees are likely to have needed training before they could carry out services on cars • Training is a cost to a business but by doing this on-the-job, it is likely to be cheaper for Kwik Fit than other forms of training • It can be easier to organise, and services can actually be carried out at the same time • This is especially useful due to the increase in revenue experienced by Kwik Fit in 2024, as they may need to utilise the new employees in order to complete the additional car services that this increase indicates • However, those conducting the training may have less time available to do their own work, therefore reducing productivity • If not trained effectively, inexperienced employees may make mistakes, leading to problems with the servicing and potentially to dissatisfied customers • These factors could lead to a fall in demand and/or reduced profit

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 Extract B, assess the extent to which gross profit might be affected if Kwik Fit increases its prices. **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. **Quantitative skills assessed:** QS5: Calculate cost, revenue, profit and break-even **Knowledge, Application, Analysis, Evaluation – indicative content** • Gross profit gives a broad indicator of the financial performance of a business • It shows the difference between revenue and cost of sales • Kwik Fit's gross profit in 2024 was £138 304 000, an increase of 17.59% (£20 689 000) on 2023, when gross profit was £117 615 000 • In 2024, the revenue of Kwik Fit was 12.2% (£68 824 000) higher than in 2023 • The cost of sales increased by 10.78% (£48 135 000), which is a smaller increase than that of revenue • This means that Kwik Fit may benefit from increasing prices because if costs remain the same, it will lead to a higher gross profit • However, increasing prices may reduce demand for Kwik Fit's services • Therefore, although increased prices may generate more revenue per service undertaken, if demand falls, total revenue may increase less/fall if Kwik Fit has fewer customers • This could depend on the level of competition for services because this will affect whether customers have a choice where to have the service carried out • It may depend on price elasticity of demand (PED), which may be more inelastic if there are fewer competitors • It may depend on the rate of inflation, something which has been a concern to some businesses recently • As a result, the effect on gross profit may depend on whether/how much demand is affected by the price increase and/or whether any cost increases occur • It may also depend on the extent of any price increases

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	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	Define the term ‘consumers’. (Extract C, line 7) **Answer**	Mark
2(a)	**Knowledge 2** Up to 2 marks for defining the term ‘consumers’, e.g. • People/businesses/customers **(1)** that use a good/service **(1)**	**(2)**

Question	Using the data in Extract C, calculate to **two** decimal places, the capacity utilisation of Valdigrano’s production facilities. **Answer**	Mark
2(b)	**Knowledge 1, Application 2, Analysis 1** Quantitative skills assessed: **QS2**: Calculate, use and understand percentages and percentage changes **Knowledge** 1 mark for identifying the formula: • $\frac{\text{Capacity used}}{\text{Total capacity available}} \times 100$ **(1)** **Application** Up to 2 marks for selecting the correct data from Extract C: • $\frac{15{,}300 \ \mathbf{(1)}}{22{,}100 \ \mathbf{(1)}} \times 100$ **Analysis** 1 mark for calculating the capacity utilisation: • = 69.23% **(1)** **NB: If no working is shown, award marks as follows:** • If the answer given is 69.23% award 4 marks • If the answer given is 69.23 award 3 marks	**(4)**

Question	Analyse **two** possible disadvantages of capital-intensive production methods for employees of Valdigrano. **Answer**	Mark
2(c)	**Knowledge 2, Application 2, Analysis 2** **Knowledge** Up to 2 marks for defining capital-intensive, e.g. • A method of production **(1)** which predominantly uses machinery **(1)** **OR** For stating up to two disadvantages, e.g. • Reduction in the number of jobs available **(1)** • Reduced skill requirement **(1)** **Application** Up to 2 marks for answers contextualised to Valdigrano's employees, e.g. • Valdigrano produces a high volume of pasta for customers in over 50 countries **(1)** • Valdigrano produces multiple types and shapes of pasta **(1)** **Analysis** Up to 2 marks for causes/consequences, e.g. • Machinery can perform tasks more efficiently; thus, automated procedures lead to a reduced need for labour **(1)** • Skilled roles may no longer be required due to machines taking over more complex tasks **(1)**	**(6)**

Question	Discuss whether the use of a trademark is likely to benefit Valdigrano. **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** • Trademarks are a type of intellectual property right to protect a brand/product • Valdigrano could put the ® symbol next to the trademark to show it is owned and cannot be used by others • It would enable Valdigrano to protect its name and brand (and logo) against being copied by a competitor • Therefore, Valdigrano could take legal action against anyone who uses the trademarked name/brand without permission • As Valdigrano is a successful and quality brand, selling in many countries, this could enable the business to maintain its market share without the risk of competitors attempting to sell their own products using the Valdigrano name/brand • However, the trademark needs to be registered in each country in which it is used, and different countries are likely to have differences in their registration processes • Depending on the country, a fee may be applicable to register the trademark, and it may only be valid for a certain period of time (e.g. 10 years) • This means, it could take time and be expensive for Valdigrano to register trademarks due to it having customers in over 50 countries

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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.

<table>
<tr><th>Question</th><th>Assess whether flow production is a suitable method of production for Valdigrano.

Indicative content</th></tr>
<tr><td>2(e)</td><td>
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

Flow production is a form of mass production where raw materials/ ingredients are changed into the finished product via a continuous process
As Valdigrano produces multiple shapes of pasta in several varieties (e.g. organic) it would need to produce a large volume
Flow production is a suitable method for producing the volume needed as the continuous movement of the pasta through the production process is likely to be faster and more efficient for Valdigrano than other methods of production
It means that Valdigrano does not have to stop production to change ingredients and therefore has a greater quantity of production in any given period of time, leading to cheaper costs of production
The process allows for pasta to be produced on a continuous basis by low skilled employees which helps Valdigrano to meet the demands from supermarkets, restaurants and online consumers, leading to a favourable response from customers
However, the production machinery used to make/package the pasta may not easily be changed if demand from the supermarkets etc. changes, requiring different types/shapes of pasta
Therefore, it may be difficult to adapt to the needs of the customer. Although the scale of production facilities at Valdigrano’s factory in Rovato, may mean this is less of an issue
The cost to set up the five production lines is likely to have been extremely high, requiring a considerable amount of sales to be made before any profit would be gained
Employees may become bored and demotivated due to the standardised, repetitive work, meaning recruitment costs may be high if there is a high labour turnover
</td></tr>
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	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 whether the use of business angels or crowd funding is the more suitable source of finance for Bulungula Lodge. **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** Business Angels • Business angels are entrepreneurial individuals who provide capital in return for a proportion of the equity of the business • They take a high personal risk in the expectation of owning part of a growing and successful business • Business angels not only provide investment but also considerable knowledge and support for running a business • The investment means Bulungula Lodge may continue to receive ongoing business expertise for a considerable time in the future • An investment to reach to goal of $70 000 would not need to be repaid and it could allow further finance to be raised in the future through this source, especially as business angels are likely to want to protect their investment • Therefore, Bulungula Lodge may find it easier to retain profits/fund further projects in the future • However, it would mean Bulungula Lodge was no longer totally owned by the community of Nqileni, a significant factor given its traditional status • This factor may be unpopular with members of the village community and may deter tourists who were attracted by the previous ownership status • Bulungula Lodge is trying to provide an environmentally friendly and sustainable form of transport in a poor and remote part of South Africa. Business angels may not see this as a priority if they want to enhance their investment • Bulungula Lodge would need to provide a considerable amount of documentation to support the proposal, something that may be difficult owing to the lack of expertise within the village Crowd funding • Crowd funding is a project to raise finance by a large number of people who each contribute a relatively small amount to the total • It is often done via the internet, allowing the possibility to gain extra support and awareness from a wider range of people • Crowd funding can be a fast way to raise finance and has no initial fees to pay, which would be beneficial to Bulungula Lodge, as it is owned by one of the poorest communities in South Africa

	• Crowd funding has been very successful so far as Bulungula Lodge has raised more than 50% of the finance needed, that it does not need to repay • Crowd funding is likely to be a more suitable source of finance as many small investors like the idea of an environmentally-friendly project • However, there is no guarantee that the rest of the $70 000 target will be raised • This could result in any funds that have been raised already, being returned to the investors • Raising finance through crowd funding requires time to prepare the proposal and is dependent on the business skills of the management at Bulungula Lodge. These may not be the most prominent skills possessed within the community of Nqileni • Investors may not have an incentive to support the goal as they do not have the opportunity to contribute towards running Bulungula Lodge. Therefore, the community may not meet its target • Overall, it may depend on the financial status and business capabilities of Bulungula Lodge • It may depend on whether other investment opportunities are available to those considering making an investment • Alternative sources of finance may be available which may be the most suitable in the circumstances

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.