Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International Advanced Level

Tuesday 20 January 2026

Morning (Time: 2 hours)

Paper reference **WBS14/01**

Business

International Advanced Level
UNIT 4: Global business

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 Extract A, calculate to **two** decimal places the percentage increase in GDP between 2024 and 2025. You are advised to show your working.

(4)

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(b) Explain **one** disadvantage of using GDP as a measure of growth.

(4)

(c) Discuss the likely benefits of inorganic growth for a business such as Nissin Foods wanting to enter the Australian market.

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(d) Assess the role of the WTO in trade liberalisation.

(12)

(e) Assess the benefits for Australian businesses of membership of ECTA.

(12)

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(Total for Question 1 = 40 marks)

TOTAL FOR SECTION A = 40 MARKS

SECTION B

Read Extracts E and F in the Source Booklet before answering Question 2.

Write your answer in the space provided.

2 Evaluate the impact on international businesses of movements in exchange rates.

(20)

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(Total for Question 2 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS

SECTION C

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

Write your answer in the space provided.

3 Evaluate whether economies of scale are necessary for an international business to succeed.

(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.

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Sources for use with Section A

Extract A

Selected statistics - Australia

	2024	2025
GDP	$1.780 trillion	$1.818 trillion

It is estimated that 12% of Australia's economic activity occurs within the informal economy*****, sometimes called the grey economy.

*****_The informal economy refers to all economic activity that is not recorded and on which no tax is paid._

Extract B

Nissin Foods buys Australian frozen dumpling manufacturer ABC Pastry

Nissin Foods, a Japanese food company, has just successfully completed a takeover bid for ABC Pastry. Based in Sydney, Australia, ABC Pastry is a national manufacturer of premium quality dumplings.

The takeover will enable Nissin Foods to strengthen its position in Australia's frozen-food market. Nissin Foods says that the country's frozen-food market is expected to experience 'strong growth' as frozen dumplings, in particular, have been benefitting from rising Asian migration to Australia.

Additionally, through the takeover, Nissin Foods will tap into the growing demand for convenient, high-quality frozen foods. It will benefit from increasingly busy lifestyles and a desire for international foods. Nissin Foods anticipates that the trend will continue, with more opportunities for expansion of the premium frozen-food market in Australia.

Extract C

The World Trade Organization (WTO)

The main roles of the WTO are to:

- provide a forum for member countries to negotiate trade rules and agreements
- provide help in resolving trade disputes
- monitor and review domestic trade policies of member countries
- help developing countries to comply with WTO rules and benefit from membership.

Since 1995, Australia has been involved with the WTO to resolve disputes. For example, it successfully challenged meat import restrictions imposed by Korea and the United States, resulting in benefits for Australian farmers. More recently, it successfully challenged Canadian restrictions on the sale of wine, gaining increased access to the Canadian market for Australian winemakers.

Extract D

India and Australia mark three years of the ECTA

India and Australia have celebrated the third anniversary of the Economic Cooperation and Trade Agreement (ECTA). This trading agreement has reduced tariffs and given each country increased access to each other's markets. Since the agreement started, trade between the two countries has increased to $24bn per year.

There was a 14% rise in India's exports to Australia in 2023–24 compared to the previous year. In 2025, Australian exports to India have continued to rise.

Additionally, India's imports of essential raw materials from Australia, including metal ores, cotton and wood products, have contributed to industrial growth. This has reinforced the complementary nature of the partnership between the two countries.

Sources for use with Section B

Extract E

Why do currencies fluctuate?

Currency fluctuations are a natural part of the global financial system, primarily driven by changes in supply and demand. Local and international companies must carefully manage these fluctuations as they can affect their day-to-day operations and financial performance.

For example, a UK-based business that imports goods could make more profit if the value of the GBP (£) increases against the currency of another country. However, if the GBP (£) falls, then the UK business will pay more for such imports.

When businesses import raw materials and goods or hire foreign workers, changes in exchange rates can significantly affect the costs and total amount they pay.

Extract F

Why has the Japanese yen fallen and what does it mean for Japan’s economy?

The Japanese yen has been falling in value for more than three years, losing more than a third of its value since the start of 2021.

This could be bad news for people in Japan. A weaker yen affects households by increasing import costs. Japan is heavily reliant on imports for both energy supplies and food, meaning inflation could rise.

A weaker yen is however a benefit for Japanese exporters’ profits and for tourists visiting Japan who find their currencies going further. In February 2025, Japan recorded 2.79 million visitors, a record for the month.

Sources for use with Section C

Extract G

China is far outpacing the west in the switch to electric vehicles

In late 2020, President Xi Jinping approved a strategy under which sales of electric vehicles (EVs) would reach 20% of Chinese passenger car sales by 2025. China has far exceeded that target: in the second half of 2024, EV sales overtook those of petrol and diesel-engine cars.

The single biggest reason for this is the rapid advances that Chinese carmakers have made in reducing the cost of their vehicles. BYD, which now controls over a third of the domestic electric and hybrid car market, sells its lowest priced car for less than $10 000.

BYD's cost of production for EVs is estimated to be 50% lower than that of European rivals, due to economies of scale.

Extract H

Lululemon and Arc'teryx lead niche brands defying China's spending downturn

In China, a bestselling pair of Lululemon yoga pants costs nearly 1 000 yuan ($141), three to six times more than similar products from local brands. Yet, the Canadian activewear company has strong sales. Lululemon's performance is not unique, a select few premium brands have made solid gains in the world's second-largest economy.

Other premium activewear international brands are growing faster than mass-market offerings like Nike. Arc'teryx, a maker of premium outdoor clothing, has also risen in popularity in recent years. It recorded 54% year-on-year growth in revenue in 2024 in China.

'Consumers with real spending power still have a strong demand for products that are luxury and relatively niche,' an analyst said.

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Acknowledgements

Extract A adapted from: https://www.worldeconomics.com/Country-Size/Australia.aspx

Extract B adapted from: https://www.foodbev.com/news/nissin-foods-buys-australian-frozen-dumpling-manufacturer-abc-pastry

Extract C adapted from: https://www.dfat.gov.au/trade/organisations/wto/wto-disputes

Extract D adapted from: https://ddnews.gov.in/en/india-australia-mark-three-years-of-ecta-pledge-to-strengthen-economic-partnership/

Extract E adapted from: https://www.wales247.co.uk/how-currency-rate-fluctuations-could-influence-uk-businesses

Extract F adapted from: https://www.theguardian.com/world/2024/apr/30/japan-economy-yen-currency-value-falling-low-impact

Extract G adapted from: https://www.ft.com/content/517a09d8-386e-4ac2-9eae-bd4e85405094

Extract H adapted from: https://www.scmp.com/business/companies/article/3279319/lululemon-arcteryx-lead-niche-apparel-brands-defying-chinas-spending-downturn