

Pearson Edexcel International Advanced Level

Time 2 hours

Paper
reference

WBS12/01

Business

International Advanced Subsidiary
UNIT 2: Managing business activities

Source Booklet

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Source for use with Section A

Extract A

Auto Sound & Vision (ASV)

ASV is a business that installs security systems and Closed-Circuit Television (CCTV) in vehicles. It is based in Galway, Ireland and run by sole trader, Mark Saunders. ASV has steadily grown as a business for 22 years. There has been a sudden increase in customers over the last year. Mark is very busy, often needing to work seven days a week to meet the increased demand. 5

CCTV is popular with businesses and private customers, as it improves the security of their vehicles. The price of the cheapest system ASV installs is €625. However, ASV has recently had problems with the supply of cameras used in this system. An alternative supplier has been found but this will raise the price for customers by €75. 10

Mark has few competitors and many customers are prepared to travel across the country for the service provided by ASV. Most of the new customers come as a result of the positive reviews on social media from satisfied customers. ASV has a number of business customers who regularly require systems to be installed in their vehicle fleets.

ASV does not keep a large inventory but it is important to Mark that the latest technology is used in the various systems installed. New technology is often needed to carry out these installations and purchasing it can be expensive. Mark thinks this is important to ensure that he provides a high-quality service. Each system Mark installs is specific to that customer's vehicle. Mark is very careful when he hires employees because he wants to maintain high standards. Each employee needs to be trained in all aspects of the work carried out by ASV. 15 20



Extract B

Dapaah Chocolates

For several generations our family has been involved in farming Ghana's globally recognised cocoa. Our founder, Raphael, had the idea of using Ghana's quality cocoa to make luxury chocolate. Realising the opportunity this would bring to the local community in the form of higher wages and jobs, Raphael became determined to use 5 our family's heritage to have an impact on the chocolate industry. Kwaku and Afia Valerie joined their brother and *Dapaah Chocolates* began.

Despite growing as much as 20% of the world's global supply of cocoa, Ghana does not have a single chocolate brand that is globally recognised. In our business plan we aim to change this and become a premium chocolate brand that celebrates the heritage and 10 origins of Ghanaian cocoa.

Dapaah Chocolates are handmade from start to finish. They are made in small batches, using only the finest organic cocoa from the Eastern Region of Ghana. Sourcing from this single region means that we can maintain a close partnership with our suppliers and ensure that the cocoa is produced ethically and sustainably. Our chocolates are organic 15 and completely dairy-free.

In the UK, production and packaging takes place at our factory in London. A bar of *Dapaah* chocolate can be bought for £9.99 from our own website.

Sources for use with Section C

Extract C

A decision to be made about which business to choose

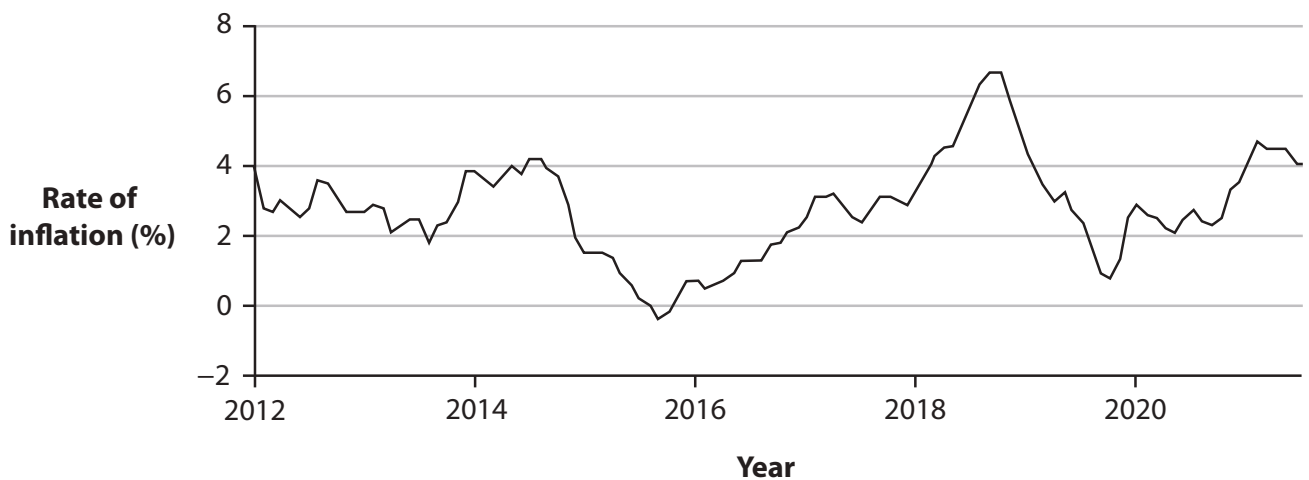
Gustavo lives in the Philippines. He has recently inherited some money and would like to start a small business in his local area. After studying some possibilities, he is now considering two options.

The first option is to sell second-hand goods in a shop known as a 'Thrift Shop'. If selected, Gustavo would sell second-hand bags, dresses and shoes to customers looking to manage on a cheaper budget. Research has shown this type of shop is very popular in the Philippines and revenue could reach \$300 per day. However, these shops need to be registered with the government, which then issues a permit to trade. In addition, Gustavo is unsure whether he has enough money to finance the start-up costs needed to open the shop. 5 10

The second option is to offer his services as a website designer. Gustavo has experience in this area and already owns most of the equipment he would need. However, he would need to build up a reputation as a designer by using marketing techniques to attract customers. 15

Extract D

The rate of inflation (%) in the Philippines 2012 – 2021



Extract E

Interest rates (%) in the Philippines 2012 – 2021

