Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number

Candidate Number

Pearson Edexcel Level 3 GCE

Tuesday 20 May 2025

Morning (Time: 2 hours)

Paper reference **9BS0/02**

Business

Advanced

PAPER 2: Business activities, decisions and strategy

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.
- There are two sections in this question paper.
- 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 100.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*
- You may use a calculator.

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

Answer ALL questions. Write your answers in the spaces provided.

SECTION A

Read the extracts (A to D) in the Source Booklet before answering Question 1.

1 (a) Explain **one** benefit to Tom Pellereau of using a business angel as a source of finance.

(4)

(b) Using the data in Extract B, calculate the acid test ratio for Stylideas Ltd in 2024 to 2 decimal places. You are advised to show your working.

(4)

(c) Assess whether Stylideas Ltd's distinctive capability of innovation is the main reason for its success.

(10)

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(d) Assess the likely effects on Stylideas Ltd of changes in the UK business cycle.

(12)

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As Stylideas Ltd grows, Tom Pellereau is considering whether to change its current role culture to a power culture to maintain the business' success.

(e) Evaluate these **two** options and recommend which one Tom Pellereau should choose to maintain the business' success.

(20)

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(Total for Question 1 = 50 marks)

TOTAL FOR SECTION A = 50 MARKS

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SECTION B

Read the extracts (E to H) in the Source Booklet before answering Question 2.

2 (a) Explain one reason why quality is a source of competitive advantage for Nivea.

(4)

The average price for a Nivea product is £10.

(b) Using the data in Extract F, calculate Nivea's predicted sales volume in 2025.
You are advised to show your working.

(4)

Tesco imports Nivea products that are manufactured in Germany.

(c) Using the data in Extract G, and any other relevant information, assess the effect on Tesco of the change in the £ exchange rate from August to December 2024.

(10)

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(d) Assess the importance of capital-intensive production for Beiersdorf's new factory.

(12)

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When making business decisions, Beiersdorf's Chief Executive believes that Beiersdorf should focus only on its shareholders. Other Directors argue that Beiersdorf should consider all its stakeholders.

(e) Evaluate these **two** options and recommend which one Beiersdorf should choose when making business decisions.

(20)

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(Total for Question 2 = 50 marks)

TOTAL FOR SECTION B = 50 MARKS
TOTAL FOR PAPER = 100 MARKS

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Source Booklet

Do not return this Booklet with the question paper.

Turn over

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Pearson

SECTION A

Read the following extracts (A to D) before answering Question 1.

Extract A

Stylideas Ltd

In 2011, Tom Pellereau became Lord Sugar's first Apprentice winner. Alan Sugar, a business angel, invested £250 000 in Tom Pellereau's business idea. The company is owned by Tom Pellereau and Sir Alan Sugar, with 50% of the shares each.

Stylideas Ltd produces and sells a range of luxury cosmetic products for the health and beauty market. These include a variety of products for skincare, nailcare and teeth whitening.

Stylideas Ltd has enjoyed rapid success since its formation. Its sales turnover in 2024 was more than £5 million. The company now employs 14 staff.

(Source: adapted from https://www.thesun.co.uk/tvandshowbiz/23378433/lord-sugar-apprentice-business-partner-tom-pellereau-multi-millionaire/)

Extract B

Selected financial information from Stylideas Ltd Statement of Financial Position 2024

	£m
Stock (inventory)	1.39
Receivables	1.03
Cash	0.12
Current liabilities	1.56

(Source: adapted from https://find-and-update.company-information.service.gov.uk/company/07746771/filing-history)

Extract C

Tom Pellereau

Tom Pellereau is the Chief Executive Officer (CEO) and Innovations Director of Stylideas Ltd. It has employees who work in specific functions, such as marketing, operations and finance, which allows Stylideas to adopt a role culture.

His beauty brand Stylideas has flourished with several market-leading products. Its most successful being the makeup brush cleaner and dryer, which retails for £29.99. "We've now sold over 2 million of those," says Tom. "As a result, I can now have a sales director, an operations director, and a marketing team, so I can focus on what I do best, which is innovation."

In 2023, the business won Gold for the Business Innovation Award at the London Business Awards for small and medium businesses. Its LED face mask was a 2024 Beauty Awards winner.

New products include a £54.99 beauty fridge that is selling at a rate of 250 units a week, anti-wrinkle and anti-ageing devices, innovative mirrors and sustainable makeup products like reusable cotton pads that can go in the washing machine.

As well as selling its products directly from its website, Stylideas Ltd supplies retailers such as Boots, Superdrug and Amazon. Most of the company's sales are in the UK, but it also distributes its products in France, Germany and Italy.

(Source: adapted from https://stylpro.co.uk/)

Extract D

Growth in the UK economy

The UK economy unexpectedly picked up in late 2024, where GDP grew by 0.9% compared to 0.4% in 2023. The growth reflected a strong performance by the UK's large service sector, the Office for National Statistics said.

"A pleasant surprise, but we're not out of the woods yet. Beneath the surface of these latest figures, consumer demand and business investment were weaker than expected," said Scott Gardner, an investment strategist.

The UK was the best performing major European economy, with Germany, France and Italy facing recession. But the UK trailed behind the United States, which saw 2.3% growth.

At the end of 2024, the Bank of England halved its forecast for growth in 2025 to 0.75%, although other forecasters, such as the National Institute of Economic and Social Research, were more optimistic about future growth.

(Source: adapted from https://www.msn.com/en-gb/money/economy/uk-economy-unexpectedly-picked-up-in-late-2024-outlook-for-2025-still-sluggish/ar-AA1yXZlt?ocid=BingNewsSerp)

SECTION B

Read the following extracts (E to H) before answering Question 2.

Extract E

Beiersdorf

Beiersdorf is a German multinational company that manufactures personal-care products. It employs 20,000 people in more than 160 countries. It is a public limited company (plc), but is controlled by the German businessman Michael Herz, who owns 50.49% of the shares. The company's headquarters and manufacturing centre is in Hamburg, Germany. This factory supplies businesses, such as Tesco, in its UK and European markets.

Beiersdorf's best-selling skincare brand is Nivea. The Nivea brand benefits from high levels of consumer trust based on quality products. Beiersdorf has built on this by launching several new Nivea skin care products. Nivea is a global brand with consistent names, products and packaging.

(Source: adapted from https://www.beiersdorf.com/about-us/beiersdorf-global)

Extract F

The UK Men's Skincare Market

The UK men's skincare market has experienced a steady annual growth rate of around 5% over the past few years. This growth is expected to continue, with forecasts predicting that the market will have a value of £750m by 2025. Factors contributing to this growth include the rising popularity of skincare routines, the influence of social media, and the increasing availability of high-quality men's skincare products.

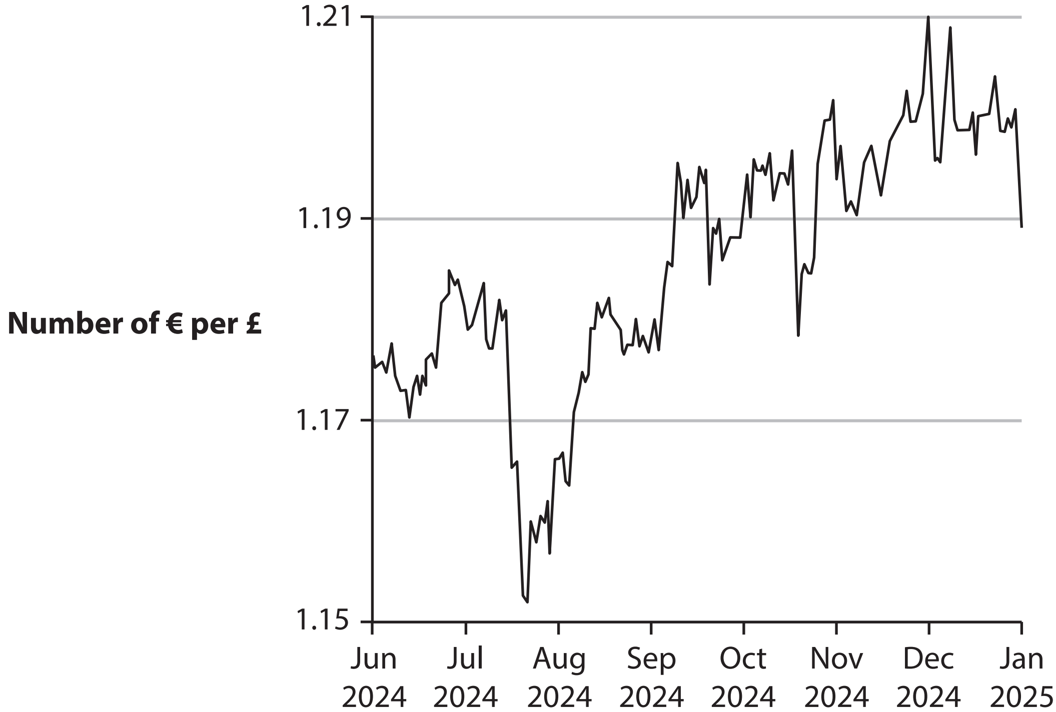
Brand	Market share
Bulldog	20%
L'Oreal	15%
Nivea	12%
Clinique	10%

Several key trends are shaping the UK men's skincare market. These include growing demand for natural and organic products, environmentally friendly packaging and products tailored to individual skin types.

(Source: adapted from Mintel, UK Men's Skincare Report 2023 and Euromonitor International, Men's Grooming in the United Kingdom, 2023)

Extract G

The euro to £1 exchange rate June 2024 to January 2025



(Source: adapted from https://www.xe.com/currencycharts/?from=GBP&to=EUR)

Extract H

Beiersdorf's new cutting-edge factory

In 2023, Beiersdorf invested heavily in its new production site and fulfils the highest environmental and technological standards. At almost €300 million, the new site in Leipzig (Germany) is the largest investment Beiersdorf has ever made in a production site.

The new production site uses state of the art technology. It utilises semi-automated and automated tube filling and labelling machines to reduce chance of human error and improve quality.

It has a capacity of up to 450 million products per year and started producing in September 2023. It uses a cutting-edge system which facilitates faster, more standardised, and automated global business processes.

(Source: adapted from https://www.beiersdorf.com/about-us/beiersdorf-global)

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