

Please check the examination details below before entering your candidate information

Candidate surname					Other names				
Centre Number					Candidate Number				

Pearson Edexcel Level 3 GCE

Monday 9 June 2025

Afternoon (Time: 2 hours)

Paper reference **9BS0/03**

Business

Advanced

PAPER 3: Investigating business in a competitive environment

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.

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(b) Assess the reasons why Rough Trade Records may choose to stay small.

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(c) Using the data in Extract B, and profitability ratios, assess the ways in which Rough Trade Records could improve its profitability.

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(Total for Question 1 = 50 marks)

TOTAL FOR SECTION A = 50 MARKS



SECTION B

Read Extracts (D to G) in the Source Booklet before answering Question 2.

- 2** (a) Assess **two** entrepreneurial motives that Simon Taffe might have had when setting up the End of the Road festival.

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(b) Assess the likely importance of Corporate Social Responsibility to the organisers of the End of the Road festival.

(10)

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(c) Assess the likely impact of the competitive environment on the End of the Road festival.

(12)

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In 2024, the End of the Road festival sold all available tickets. To improve the sales revenue of the festival in 2025, the organisers are considering either increasing ticket prices or increasing the capacity of the festival.

- (d) Using the data in Extract D, F and G, evaluate these **two** options and recommend which one is most likely to improve sales revenue.

(20)



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



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Pearson Edexcel Level 3 GCE

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reference

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Business

Advanced

**PAPER 3: Investigating business in a
competitive environment**

Source Booklet

Do not return this Booklet with the question paper.

Context

- This year the context is the music recording, distribution and live performance industries, and the businesses operating in this market.

Research

- To prepare for this year's context, you should research:
 - Current trends in the consumption of recorded music
 - Different businesses in the UK music retail market: independents and multinationals
 - Business growth and objectives in the music retail and distribution sector
 - Global music recording and distribution businesses
 - The roles and qualities of entrepreneurs setting up music events
 - Live music events in the UK and the businesses operating in these
 - Managing resources at live music events.
- You **cannot** take any of your research or investigation data carried out as part of the pre-release into the examination.

Turn over ►

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SECTION A

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

Extract A

Universal Music Group

Universal Music Group (UMG) is the world's largest music label, responsible for producing and distributing music. It has the largest market share, with 33.90%, followed by Sony Music Entertainment with 26.91%, Indies with 23.21% and Warner Music Group with 15.98%

5

UMG's artists include American and British acts: Taylor Swift, Kendrick Lamar, Elton John, and Sabrina Carpenter. UMG receives a proportion of each artist's sales of music.

In 2024 its revenue increased by 14.4%, helped by the strong sales for The Tortured Poets Department by Taylor Swift. In the UK alone the album has moved 255,515 copies on physical formats.

10

However, the potential of Artificial Intelligence (AI) to use artist material owned by UMG and TikTok's global influence on music consumption, provide challenges to UMG.

(Source: adapted from <https://www.universalmusic.com> and <https://www.musicbusinessworldwide.com/this-analyst-has-watched-universal-music-group-closely-for-years-and-hasnt-always-been-mega-positive-he-just-upgraded-umgs-stock-for-the-second-time-in-a-year/>)

Extract B

Rough Trade Records

Rough Trade is an independent record store, with 7 shops in cities including London and Liverpool.

Its owners are happy to remain small. They avoid locating in areas that already have a strong independent record shop, so as not to create competition for that store. The owners recognise that there are probably 5 or 6 cities where it could open a new Rough Trade record store.

5

For the year ending December 31, 2022, Rough Trade's Sales Revenue was £14 348 884, Gross Profit of £5 210 500, and Operating Profit was £528 330. Rough Trade's cost of sales and operating expenses both increased significantly during 2022.

10

Rough Trade pay its staff well above the minimum wage. It makes sure its staff have a good working environment and have the support they need to give great customer service. It also paid out a profit bonus to all staff.

Rough Trade increased its share of the UK market for vinyl to 8.4% (up from 7%). Sales of books and turntables also increased.

15

(Source: adapted from <https://www.musicweek.com/labels/read/rough-trade-retail-reports-record-revenue-amid-vinyl-sales-boom/088586#:~:text=Profit%20before%20tax%20was%20down,both%20increased%20significantly%20during%202022>)



Extract C

Emerging markets and the global music industry

The music industry's focus has slowly moved towards emerging markets. Labels such as UMG brought Western music influences into these markets through international marketing of global artists. However, regional scenes and local artists are taking on global sounds. K-pop, Reggaeton and Afrobeats are examples of this influence. Sales of artists, such as Tiara Andini in Indonesia and Chris Mj in Chile, are expected to grow. 5

Emerging markets are vital for streaming services and major labels. Spotify and Apple Music were late to realise the potential of emerging markets. This allowed local streaming services such as JioSaavn in India to provide local consumers with easier access to local music. It also enabled local artists to find new opportunities to become superstars in their home markets. These local streaming services lack a global presence, but successfully focus on regional music. 10

European and North American artists who are looking for global relevance are turning to local sounds and cultures to differentiate their music.

(Source: adapted from <https://www.midiaresearch.com/blog/emerging-market-music-cultures-are-shaping-the-global-music-industry>)

SECTION B

Read the following extracts (D to G) before answering Question 2.

Extract D

The End of the Road festival

The End of the Road festival is an annual music festival in England which focuses on independent rock and folk music.

Every time its founder, Simon Taffe went to a music festival, he thought: "I could do this." He went home and spent two weeks doing research, calling security firms and portable toilet companies.

5

The venues Simon contacted all said they wouldn't let him hold a festival. The only place agreed was the village of Larmer Tree on the border of Wiltshire and Dorset.

The first End of the Road festival was in September 2006 and cost £150 000. He sold his house to cover some of the cost and the rest came from loans. In the April of 2006, ticket sales were slow; no matter how much was put into advertising, sales did not grow. Simon realised then that he was going to lose a lot of money. He hired a van and drove around the country, dropping leaflets at any festival he could find.

10

The first festival made a loss of £35 000. Simon was 25 and still had his decorating business. The second year, the festival made a loss of £50 000. By the fourth year, the festival had just about become profitable.

15

In 2024, 15 000 people attended the End of the Road festival set in fields, woodland and Victorian gardens, and had six stages.

(Source: adapted from <https://www.theguardian.com/lifeandstyle/article/2024/aug/21/a-moment-that-changed-me-drunken-idea-start-music-festival-sold-my-house> and https://en.wikipedia.org/wiki/End_of_the_Road_Festival#Line-ups and <https://www.theguardian.com/commentisfree/article/2024/sep/01/music-festivals-egalitarianism-end-of-the-road>)

Extract E

End of the Road festival – environmental and charity initiatives

FreeFill is a reusable Cup Scheme which charges festivalgoers £1 per cup to reduce single-use plastic consumption. The reusable aspect of this scheme has also helped End of The Road in reducing recyclable waste. The End of The Road donates some of its income to fund various clean water projects across the globe.

5

The End of the Road festival promotes War Child, a charity which aims to secure a safe future for every child affected by war, and supports it financially. War Child works with local communities and governments to help protect and educate children and support them to heal and learn.

(Source: adapted from <https://endoftheroadfestival.com/environmental-initiatives/>)



Extract F

UK music festivals

The Leeds and Reading festivals attract almost 200 000 fans between them. Smaller UK festivals sell between 5 000 and 20 000 tickets, and have experienced many problems including competition, and rising costs.

192 out of 600 operating in 2019 have closed. The Secret Garden Party in Cambridgeshire closed and symbolically burned down its main stage at the end of July 2024. Founder Freddie Fellowes said: "It's no longer sustainable for independents to run festivals. The difficulty is that if you put your ticket price out early, you commit to a price and a budget. That is a huge risk. Profit Margins are incredibly tight." 5

However, The Green Man festival, in south Wales, sold out in just two hours in 2025, and the Lake District's Kendal Calling has seen record ticket sales for August 2025. A general boom in summer events indicates that consumers are willing to spend money on memorable experiences. 10

Sponsorship is also important to festivals. Ticket prices would need to increase without it. Oxfordshire's Wilderness festival is sponsored by carmaker Audi. 15

(Source: adapted from <https://www.theguardian.com/business/article/2024/aug/25/smaller-uk-music-festivals-struggle-to-be-heard-in-crowded-market>)

Extract G

Selected festival prices and capacities

Festival	Weekend adult ticket price (2025)	Festival capacity (number of customers)
End of the Road	£240	15 000
Reading	£250	105 000
Latitude	£308	45 000
Isle of Wight	£289.95	60 000
Green Man	£275	25 000

(Source: adapted from various festival websites)

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