

Please write clearly in block capitals.

Centre number

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Candidate number

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Surname

Forename(s)

Candidate signature

I declare this is my own work.

INTERNATIONAL GCSE BUSINESS

Paper 1 Influences of operations and human resources on business activity

Wednesday 29 April 2026

08:00 UK Time

Time allowed: 2 hours

Materials

For this paper you must have:

- a calculator, which you are expected to use where appropriate.

Instructions

- Use black ink or black ball-point pen.
- Fill in the boxes at the top of this page.
- Answer **all** questions.
- You must answer the questions in the spaces provided. Do not write outside the box around each page or on blank pages.
- If you need extra space for your answer(s), use the lined pages at the end of this book. Write the question number against your answer(s).
- All calculations must be shown.
- Do all rough work in this book. Cross through any work you do not want to be marked.

Information

- The marks for questions are shown in brackets.
- The maximum mark for this paper is 90.

Advice

You may use a bilingual dictionary.

For Examiner's Use	
Question	Mark
1–9	
10	
11	
TOTAL	



J U N 2 6 9 2 2 5 1 0 1

Section A

Answer **all** questions in the spaces provided.

For multiple-choice questions, only **one** answer per question is allowed.

For each question completely fill in the circle alongside the appropriate answer.

CORRECT METHOD



WRONG METHODS



If you want to change your answer you must cross out your original answer as shown.



If you wish to return to an answer previously crossed out, ring the answer you now wish to select as shown.



0 1

Which of these is **not** a factor of production?

[1 mark]

A Capital

☐

B Enterprise

☐

C Labour

☐

D Location

☐

0 2

A business increases its production. Economies of scale occur when...

[1 mark]

A average costs fall.

☐

B average costs rise.

☐

C total costs fall.

☐

D total costs rise.

☐


0 3

One feature of a short chain of command is...

[1 mark]**A** a narrow span of control.☐**B** many layers in the hierarchy.☐**C** opportunities for promotion.☐**D** quick communication.☐**0 4**

Private sector can be defined as organisations...

[1 mark]**A** owned by government.☐**B** funded by tax.☐**C** owned by individuals/shareholders.☐**D** providing services for free.☐**0 5**

Imports to France are...

[1 mark]**A** made in France and sold in France.☐**B** made in France and sold in another country.☐**C** made in another country and sold in France.☐**D** made in another country and sold in another country.☐

0 6

Explain what is meant by 'induction training'.

[2 marks]

0 7

Explain what is meant by 'organic growth'.

[2 marks]

0 8

At the start of 2025, a business had 180 employees. 36 of these employees left during the year and were not replaced.

Calculate the percentage of employees remaining in the business at the end of the year. Show your calculations.

[2 marks]

Answer _____ %



0 9

Explain how these **two** methods of motivation could increase employee productivity:

- style of management
- training.

[4 marks]

Style of management _____

Training _____

15

Turn over for Section B

Turn over ►



Section B

Answer **all** questions in the spaces provided.

1	0
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Item A – SDB

SDB makes wooden toys to sell in Europe. The toy market is highly competitive and SDB's toys are marketed at people buying gifts for children for special occasions. Almost 750 million people live in Europe, where average income is high and unemployment is 6%. SDB manufactures the toys in Brazil, where wage costs are lower than in Europe.

Customers in Europe want high-quality products. SDB's factories use flow production to make high-quality toys in large quantities. Employees at SDB are very experienced and have made toys in the same way for over 20 years.

SDB buys wood in bulk from a specialist supplier in Mexico but transport to Brazil can take several weeks. Only 60% of supplies arrived on time last year, so SDB is considering changing its supplier.

SDB has been expanding quickly. It rushed to launch three new designs this year but some quality issues were reported. As SDB expands it needs to recruit new employees to senior positions. The business has a lot of applicants and will need to spend 12 weeks shortlisting and interviewing.

1	0	.	1
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Explain how a rise in the unemployment rate in Europe might affect SDB.

[3 marks]

1	0	.	2
---	---	---	---

Explain **one** benefit to SDB of operating in a global market.

[3 marks]



1 0 . 3

SDB is considering changing to a supplier closer to the factory.

Explain **one** reason SDB may want to make this change.**[3 marks]**

1 0 . 4

SDB is recruiting new employees to senior positions.

Explain **one** advantage and **one** disadvantage of using external recruitment for these positions.**[6 marks]**

Advantage _____

Disadvantage _____

Turn over ►

[6 marks]

[illegible]

SDB's shareholders have agreed to continue with the rapid expansion as the objective is to increase profits. The business has a large bank loan for the expansion. It will need to pay high interest. Shareholders believe lowering costs would help to increase profits.

1	0	.	6
---	---	---	---

[6 marks]

[illegible]

Turn over ►



SDB directors are considering introducing Total Quality Management (TQM).

- analyse the advantages **and** disadvantages to SDB of using TQM
- use your analysis to recommend whether SDB should change to TQM.

[12 marks]

[illegible]

[illegible]

39

Section C

Answer **all** questions in the spaces provided.

1	1
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Item C – High Ridge

High Ridge is well known for making specialist clothing for outdoor sporting activities such as skiing. Customers are increasingly demanding clothing made from long-lasting materials

High Ridge customers can wear its clothing for many years leading to fewer natural resources being used and reduced environmental harm. Therefore, High Ridge buys more expensive materials for its clothing. Its supplier offers a discount if larger quantities of material are bought. High Ridge also provides high levels of customer service. One service they offer is the repair of any damaged High Ridge clothing free of charge.

High Ridge's factory is based in Sweden and has large amounts of storage space. High Ridge is known for quick delivery of items to customers. Due to the closure of other local businesses, unemployment in the local town has risen.

High Ridge makes all of its sales through its website. A large shop is available near the factory and the rent is cheap. Three competitors that make and sell similar products have popular shops in the town. Local people worry that more shops will bring increased road traffic.

1	1	.	1
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Explain **one** benefit to High Ridge of opening a shop in the town.

[3 marks]



1 1 . 2

Explain **one** benefit to High Ridge of using long-lasting materials.**[3 marks]**

1 1 . 3

Explain **two** advantages to High Ridge of providing good customer service.**[6 marks]**

Advantage 1 _____

Advantage 2 _____

Question 11 continues on the next page**Turn over ►**

Analyse how High Ridge opening the new shop might affect the local community.

[illegible]

High Ridge is looking to expand by adding new clothing items to its range to increase sales. To help do this, it is considering updating to technologically more advanced machinery in the factory to increase capacity. **Table 1** shows information collected about the decision. The currency is in Swedish Krona (SEK).

	Old machinery	New machinery
Investment required	0 SEK	50 million SEK
Items that can be made each day	300	500
Electricity cost each year	300 000 SEK	100 000 SEK
Training required for staff	None	2 weeks

Analyse how increasing its output would allow High Ridge to take advantage of economies of scale.

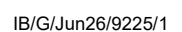
[illegible]

- [12 marks]**

[illegible]

[illegible]

36



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ANSWER IN THE SPACES PROVIDED**



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[illegible]

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Question number	Additional page, if required. Write the question numbers in the left-hand margin.

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