

Mark Scheme (Results)

June 2011

International GCSE

Commerce (4CM0) Paper 01

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, ie if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
1(a)	<ul style="list-style-type: none"> • Primary/extractive 	(1)

Question Number	Answer	Mark
1(b)	<ul style="list-style-type: none"> • Rail/waterways/canal 	(1)

Question Number	Answer	Mark
1(c)	<ul style="list-style-type: none"> • Bonded 	(1)

Question Number	Answer	Mark
1(d)	<ul style="list-style-type: none"> • Profit <p>Note: do not accept Net Profit or Gross Profit</p>	(1)

Question Number	Answer	Mark
2(a)	<p>Valid points could include</p> <p>eg Provides facts/information/inform about the goods – egs bus timetable/ trade fairs, job vacancies</p> <p>(1 mark for definition plus 1 mark for example)</p>	(2)

Question Number	Answer	Mark
2(b)	<p>Valid points could include</p> <p>Aims to make people buy a good or service – egs washing powder, bright colours</p> <p>(1 mark for definition plus one mark for example)</p> <p>Note: No marks for sales promotion techniques</p>	(2)

Question Number	Answer	Mark
3	<p>Valid points could include</p> <p>£20 000 + £14 000 divided by 2 = £17 000 (1) £85 000 divided by £17 000 = 5 (1) (2 marks for correct answer) (1 mark for correct method but one calculation error)</p> <p>Allow OFR</p> <p>Notes: No marks for correct formula No marks for wrong method</p>	(2)

Question Number	Answer	Mark
4	<p>Valid points could include</p> <p>eg Easier to identify/recognise Uniform size/weight Guarantee of quality/reputation Brands are registered so cannot be copied Brand loyalty/Easy to remember goods Gives status</p> <p>(1 mark for each advantage)</p>	(2)

Question Number	Answer	Mark
5	<p>Valid points could include</p> <p>eg promotion/advertising stock training finance Advice on how to run the franchise</p> <p>(1 mark for each point)</p>	(2)

Question Number	Answer	Mark
6	<p>Valid points could include</p> <p>eg False descriptions High prices Inaccurate weights/measures Faulty goods/Good quality Expiry dates included Ingredients are shown</p> <p>(1 mark for each point)</p> <p>Notes: Answers relating to external agencies such as consumer advice/consumer council are not valid Meanings of laws are acceptable but not the naming of laws</p>	(2)

Question Number	Answer	Mark
7(i)	A	(1)

Question Number	Answer	Mark
7(ii)	B	(1)

Question Number	Answer	Mark
7(iii)	B	(1)

Question Number	Answer	Mark
7(iv)	A	(1)

Question Number	Answer	Mark
8	<p>Valid points could include</p> <ul style="list-style-type: none"> eg Arrange transport/moves goods Arrange insurance of goods Prepare transport Provide storage Pack goods Arrange customs clearance Prepares documentation <p>(1 mark for one correct function)</p>	(1)

Question Number	Answer	Mark
9	<p>Valid points could include</p> <ul style="list-style-type: none"> eg Encouragement of trade/more opportunities for exporting/wider markets Free trade between member countries/no trade restrictions Wider choice of goods for consumers/Get products that they cannot produce Access to cheap labour Free movement of labour Financial grants Simplified payments Standardisation of documents/technology <p>(1 mark for each point)</p>	(2)

Question Number	Answer	Mark
10(a)	<p>Valid points could include</p> <ul style="list-style-type: none"> eg The insured should be restored to the position before the event concerned took place/cannot make a profit from a loss <p>(1 mark for correct definition)</p>	(1)

Question Number	Answer	Mark
10(b)	<p>Valid points could include</p> <ul style="list-style-type: none"> eg Must give all relevant facts/tell the truth/gives accurate information <p>(1 mark for correct definition)</p>	(1)

Question Number	Answer	Mark
11	<p>Valid points could include</p> <ul style="list-style-type: none"> eg Lack of consumer choice Lack of profit motive Wastage/may have too much labour Inefficiency/bureaucratic Do not respond to change quickly/lacks innovation Large capital sums required by taxpayer Difficult to manage Too much Government interference Acts as a monopoly/no competition Slow decision-making <p>(1 mark for each point)</p>	(3)

Question Number	Answer	Mark
12	<p>Valid points could include</p> <ul style="list-style-type: none"> eg Speeds up the transport of goods Mechanisation allows for goods to be unloaded quickly Goods can be transhipped without being unpacked Reduction of handling/labour costs Less chance of theft/damage More secure/goods protected Packing costs/insurance costs reduced Containers do not need to be warehoused Containers can be stacked so saving dock/airport space Can be used by all forms of transport Do not have to be inspected after being sealed Use of refrigerated containers for perishables <p>(1 mark for each point)</p>	(2)

Question Number	Answer	Mark
13	<p>Valid points could include</p> <p>eg</p> <ul style="list-style-type: none"> • When buying on HP you become the owner when you have completed payment – when buying on credit sale you become the owner when you make your first payment. • When buying on HP the owner can repossess the goods – goods cannot be repossessed when buying on credit sale. • With HP the contract can be cancelled but at least half of the total HP price must be paid – in credit sale the contract cannot be cancelled • Goods for HP have second-hand value/expensive goods/example – good for credit sale have little second-hand value/cheaper/example • Goods on HP cannot be sold until all payments are made-goods can be sold with credit sales <p>(2 marks for each difference x 2)</p>	(4)

Question Number	Answer	Mark
14(a)	<p>Valid points could include</p> <p>eg Convenience/shop is near customer's home Personal service/advice Deliveries to customers Shop opening hours may suit customer Credit often offered Supplies distress goods/ basic or daily products/need a few items After-sales service</p> <p>(1 mark for each point)</p>	(3)

Question Number	Answer	Mark
14(b)	<p>Valid points could include</p> <p>eg Helps staff to restock shelves as sections identified Convenient storeroom for workers to go and find products Staff can see if there is any shoplifting taking place Staff can assist customers more easily or</p> <p>eg As store room is near entrance it means that staff do not have far to carry goods Easy for staff to move around It saves staff time because they do not have to explain goods for sale</p> <p>(1 mark for each point)</p>	(3)

Question Number	Answer	Mark
15(a)(i)	<p>$£565\ 000 - £580\ 000 (1) = -£15\ 000m (1)$</p> <p>(2 marks for correct answer) (1 mark for correct method but one calculation error)</p> <p>Note: No marks for formula</p>	(2)

Question Number	Answer	Mark
15(a)(ii)	<p>$- 15m + £278\ 000m (1\ mark) = £263\ 000m - £294\ 000m (1\ mark) = -31m (3\ marks\ for\ the\ correct\ answer)$</p> <p>OR</p> <p>$£565\ 000 + £278\ 000 (1\ mark) - £580\ 000 + £294\ 000 (1\ mark) = -31m (3\ marks\ for\ the\ correct\ answer)$</p> <p>(Up to 2 marks for the correct method but incorrect answer)</p> <p>(Please allow the OFR for incorrect balance of trade figure brought forward from (a)(i))</p> <p>(3 marks for the correct answer)</p>	(3)

Question Number	Answer	Mark
15(b)	<p>Valid points could include</p> <p>eg Provides a wider variety of goods/services – leading to more choice for consumers – thereby improving their standard of living Helps to develop the economy – with more jobs – less unemployed Need to export to pay for imports – to gain foreign currency Provides goods that cannot be produced in own country – due to climate – lack of raw materials Benefits of comparative advantage – Example – allowing for international specialisation Sells surplus goods- earns foreign currency Friendship between countries-less chance of wars</p> <p>(1 mark per point plus up to 4 marks for development)</p> <p>Note: Maximum of 3 marks for simply stating reasons</p>	(5)
Question Number	Answer	Mark
15(c)	<p>Valid points could include</p> <p>Tariffs will cause the price of imported goods to rise – leading to a reduction of demand for these goods – there might be a demand for home-produced goods – thereby protecting home industries-improves balance of payments</p> <p>OR</p> <p>Quotas will place a limit on the number of foreign goods coming into a country – example – thereby stopping the dumping of goods on a market - so as to protect home production-improves balance of payments</p> <p>(1 mark per point up to 3 marks for development of either tariff or quota)</p> <p>Note: If not clear whether tariff or quota then maximum 2 marks</p>	(4)

Question Number	Answer	Mark
15(d)	<p>Valid points could include</p> <p>eg</p> <ul style="list-style-type: none"> • Multinationals can exploit natural resources of a country – once resources are dried up – multinationals move on – country then left without resources – and sometimes pollution is left behind • They pay higher wages than local businesses – so it might attract the best of the local labour – and entice people away from primary occupations – so that there is less production of local needs • Multinationals often bring in employees from other parts of the world – usually the managers – the local people can be left with the lower paid jobs • Profits often leave the host country – going back to the Head Office - reducing the foreign currency reserves • Local firms can go out of business-as they cannot compete with the economies of scale of multinationals • Often multinationals have an undue influence over the government- could lead to political decisions forming multinationals- that are not in the best interests of the economy. <p>(1 mark for each way plus up to two marks for development x 2)</p> <p>(Maximum of three marks for one way)</p>	(6)

Question Number	Answer	Mark
16(a)(i)	<p>Valid points could include</p> <p>eg Money held in an individual or savings account – used for spare money/for later use Interest paid – monthly or yearly – as % of amount - Fixed Deposit account Withdrawal can be partial – or in full – notice –</p> <p>eg 7 days instant access No payment facilities – no cheque book – but normally a passbook – no bank charges Usually higher interest - the longer the period of saving</p>	

	(1 mark per point plus up to 1 mark for development or 1 mark for each point)	(2)
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Question Number	Answer	Mark
16(a)(ii)	<p>Valid points could include</p> <p>eg Money paid to company for capital – to become a part owner – shareholder Share certificate issued – indicating number of shares held Shares bought and sold on a stock exchange – called equities Obtain a dividend – dependant on profits – not fixed – come last in distribution of profit Gives voting rights</p> <p>(1 mark per point plus up to 1 mark for development or 1 mark for each point)</p>	(2)

Question Number	Answer	Mark
16(b)	<p>Valid points could include</p> <p>eg Provides a ready market to buy and sell shares for Jackie – of listed/approved companies Jackie will be helped by stock exchange brokers – who deal with market makers – as they obtain the best deal – available on the market at time required Brokers help Jackie by handling settlement of debt – and share transfer Share prices are always quoted – in newspapers – so investors, such as Jackie, will know what they will receive/have to pay</p> <p>(1 mark per point plus up to 3 marks for development)</p>	(4)

Question Number	Answer	Mark
16(c)	<p>Valid points could include</p> <p>eg Shares earn dividends – debentures earn fixed interest Dividends are paid only when profits are made – debentures are paid whether or not there are profits Shares paid after interest on debentures – debentures paid before ordinary shareholders Shares are not linked to company assets – debentures may be mortgaged against company assets Shareholders are owners – debenture holders are creditors Shares have voting rights – no voting rights for debenture holders Shares are a risky investment – debentures are a safe investment</p> <p>(2 marks for each difference x 3)</p>	(6)

Question Number	Answer	Mark
16(d)	<p>Valid points could include</p> <p>eg Jackie may be looking for a long-term investment – with capital growth in shares - as over the years, share prices rise in general – above inflation – and more than the rate of interest held in a deposit account Jackie may not require the money to provide an income – and willing to take some risk for a greater reward – if company is making profits – there are high dividends However, shares may fall in value – capital loss on sale – no dividend – if profits low or losses – If company becomes insolvent – Jackie’s shares will be worthless – if she kept her money in a deposit account the money is safe – and she will earn interest – which will add to her income</p> <p>(1 mark per point plus up to 5 marks for development)</p>	(6)

Question Number	Answer	Mark
17(a)	<p>Valid points could include</p> <p>Refrigeration /temperature controlled (1 mark)</p> <p>eg As they are dealing with perishable goods, without goods being kept at the right temperature they would perish – they would be ruined by frost/damp – particularly over long distances – including exports – exporters would not sell over long distances if there was no cold storage</p> <p>Gives time to sell the goods-find a market</p> <p>(1 mark per point plus up to 2 marks for development)</p>	(5)

Question Number	Answer	Mark
17(b)	<p>Valid points could include</p> <p>eg Wholesaler buys ahead of demand – bearing the risk of losses if demand falls – example, such as change in fashion - if demand falls, may have to sell off goods at a loss</p> <p>Wholesaler must bear the risk of losses for damaged goods – and for goods that deteriorate in warehouse – leading to wastage</p> <p>Reduces the risk of potential losses if too many goods are bought</p> <p>(1 mark per point plus up to 2 marks for development)</p>	(3)

Question Number	Answer	Mark
17(c)	<p>Valid points could include</p> <p>eg Growth of large-scale retailers – have the financial resources to buy directly from manufacturers – in large bulk – can provide many of the services that wholesalers did provide – such as storage – in regional distribution centres</p> <p>Many manufacturers sell branded goods – which are pre-packed – example such as chocolate – these products are easily recognised – sold direct to retailers – can push their own goods better</p> <p>Changes in shopping habits – growing demand for one-stop shopping – example such as the weekly shop in supermarkets – leading to the decline of small scale retailers – that wholesalers traditionally supplied</p> <p>Manufacturers setting up their own retail stores – such as factory shops - or selling online – helping them to remain competitive – cutting out wholesaler costs – keeping prices low</p> <p>Growth of franchised businesses – where the shopkeeper is supplied by the franchisor – and this is often the producer of the goods that are franchised</p> <p>(1 mark for each reason plus up to 2 marks for development) (Note: Maximum of 3 marks for simply stating reasons)</p>	(6)

Question Number	Answer	Mark
17(d)	<p>Valid points could include</p> <p>eg offer goods at lower prices/cheaper goods – to help small scale retailers compete –these wholesalers keep costs low by not offering credit – no delivery of goods – in small bulk – consumers can then continue to have the convenience of their local small cash and carry to obtain basic goods</p> <p>(1 mark per point plus up to 5 marks for development)</p>	(6)

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