



# Mark Scheme (Results)

## Summer 2013

### International GCSE Commerce (4CM0)

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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, i.e. 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
<b>1 (a)</b>	<ul style="list-style-type: none"> <li>Trade/exchange/markets/trading (1)</li> </ul> <p><b>Do not accept:</b> market trader/market trading</p>	<b>(1)</b>

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

Question Number	Answer	Mark
<b>1 (c)</b>	<ul style="list-style-type: none"> <li>Lloyd's (1)</li> </ul>	<b>(1)</b>

Question Number	Answer	Mark
<b>1 (d)</b>	<ul style="list-style-type: none"> <li>Imports (1)</li> </ul> <p><b>Accept:</b> imported goods/goods imported/goods that are imported  <b>Do not accept:</b> Imported and exported goods</p>	<b>(1)</b>

Question Number	Answer	Mark
<b>2 (a)</b>	<ul style="list-style-type: none"> <li>Part of economy owned by individuals/companies/shareholders (1) Eg sole proprietor/partnership/companies or name of business (1)</li> </ul>	<b>(2)</b>
<b>(b)</b>	<ul style="list-style-type: none"> <li>Part of economy that is owned by state/government (1) Eg public corporations, municipal/local council enterprises, government departments or name of government departments eg Education/NHS/Post office/Electricity (1)</li> </ul> <p>(1 mark for each definition and 1 mark for each example)</p>	<b>(2)</b>

Question Number	Answer	Mark
<b>3</b>	<ul style="list-style-type: none"> <li>• £60 000/£300 000 (1) = 20% (1)</li> </ul> <p>(1 mark for correct method but calculation error)</p>	<b>(2)</b>

Question Number	Answer	Mark
<b>4</b>	<ul style="list-style-type: none"> <li>• Has speeded up transport to goods</li> <li>• Goods can be transhipped without unpacking</li> <li>• Goods protected from theft/safer/more secure</li> <li>• Goods protected from damage/weather</li> <li>• Quicker turnaround/unloading</li> <li>• Insurance/packing costs are lower</li> <li>• Saving of space/containers can be stacked</li> <li>• Allows goods to be transferred from one transport to another</li> </ul> <p>(1 mark for each advantage)</p>	<b>(2)</b>

Question Number	Answer	Mark
<b>5</b>	<ul style="list-style-type: none"> <li>• To pay from one account into another account</li> <li>• Use of a bank giro/credit transfer form</li> <li>• One cheque for total amount</li> <li>• Can be for single/multiple payments</li> <li>• Money transferred electronically</li> <li>• Contains a list of employees/accounts to be paid</li> </ul> <p>(1 mark for each feature)</p>	<b>(2)</b>

Question Number	Answer	Mark
<b>6</b>	<ul style="list-style-type: none"> <li>• Physical attraction</li> <li>• Colour</li> <li>• Social acceptance</li> <li>• Status/image</li> <li>• Hero-worship/famous people</li> <li>• Emotions</li> <li>• Humour</li> </ul> <p>(1 mark for each method)</p>	<b>(2)</b>

Question Number	Answer	Mark
<b>7</b>	<p><b>(i)</b>      • Debenture = long-term</p> <p><b>(ii)</b>     • Debt factoring = short-term</p> <p><b>(iii)</b>    • Overdrafts = short-term</p> <p><b>(iv)</b>     • Retained profits = long-term</p> <p>(1 mark for each source correctly matched)</p>	<b>(4)</b>

Question Number	Answer	Mark
<b>8</b>	<ul style="list-style-type: none"> <li>• Airmail/Express mail/express post</li> </ul> <p>(1 mark for correct name of postal service)</p>	<b>(1)</b>

Question Number	Answer	Mark
<b>9</b>	<ul style="list-style-type: none"> <li>• Are legal tender</li> <li>• Are generally acceptable</li> <li>• Used for small purchases</li> <li>• Generally available</li> <li>• No risk of non-payment/bad debts</li> <li>• Immediate payment</li> <li>• No interest to be paid</li> <li>• <u>Portability</u> – easy to carry around</li> <li>• <u>Durability</u> – can be kept for a long time</li> <li>• <u>Divisibility</u> – small denominations</li> </ul> <p>(1 mark for each reason)</p>	<b>(2)</b>

Question Number	Answer	Mark
<b>10</b>	<ul style="list-style-type: none"> <li>• [Advice note] – to tell buyer goods have been despatched/are on their way</li> <li>• [Credit note] – to correct a mistake on invoice or to correct an overcharge or for returned goods/packing cases</li> </ul> <p>(1 mark for each purpose)</p>	<b>(2)</b>

Question Number	Answer	Mark
<b>11</b>	<ul style="list-style-type: none"> <li>• Can deliver to many customers on one journey/at short notice</li> <li>• Direct contact with customers if there are problems</li> <li>• Goods may be better supervised</li> <li>• Less chance of theft/damage</li> <li>• Delivery times more flexible</li> <li>• More economic if regular loads</li> <li>• Less documentation compared to using a transport company</li> <li>• Specialised vehicles can be bought to suit the company's requirements</li> <li>• Can be hired out</li> <li>• Can advertise name on vehicle</li> </ul> <p>(1 mark for each benefit)</p>	<b>(3)</b>

Question Number	Answer	Mark
<b>12</b>	<ul style="list-style-type: none"> <li>• Interest rates</li> <li>• Inflation</li> <li>• Financial stability of a country/economic performance</li> <li>• Political news eg change in government</li> <li>• Natural disasters or eg</li> <li>• Change in value of imports/exports</li> <li>• Demand for currency changes</li> <li>• National debt</li> </ul> <p>(1 mark for each reason)</p>	<b>(2)</b>

Question Number	Answer	Mark
<b>13</b>	<ul style="list-style-type: none"> <li>• Home trade is buying/selling within a country – international trade is buying/selling between countries</li> <li>• Home trade has wholesalers/retailers – international trade has importers/exporters</li> <li>• Home trade has no customs duties/quotas – international trade has customs/quotas</li> <li>• Home trade the same weights/units of length/voltage are used – International trade uses different units of weight/measures</li> <li>• Home trade uses the same currency or e.g. such as £ - whereas international trade countries use different currencies or e.g. such as the dollar</li> <li>• Home trade has same means of payment e.g. cheques – whereas international trade different means of payment are used or e.g. documentary credits.</li> <li>• More complicated documents in international trade than in home trade</li> <li>• Difficult forms of transport used</li> <li>• Differences in language</li> </ul> <p>(2 marks for each difference)</p>	<b>(4)</b>

Question Number	Answer	Mark
<b>14 (a)</b>	To attract new customers/business (1)	<b>(1)</b>
<b>(b)</b>	£4,200 – 20% = £3,360 (1) divided by 24 = £140  (1 mark for correct method but calculation error)	<b>(2)</b>
<b>(c)</b>	The bank you are borrowing the money from will look into your credit history/accounts – to see whether you are who you say – if you are a home owner – how much you earn – to see if you meet the company’s criteria of requirements – if you are the right status they will pay you the sum needed. What security you can offer – such as shares – that could be used to repay the loan. <ul style="list-style-type: none"> <li>• Purpose of loan</li> <li>• Amount of finance used</li> <li>• Length of time required</li> </ul> (1 mark for each point plus 2 marks for development)	<b>(3)</b>

Question Number	Answer	Mark
<b>15 (a)</b>	<p>£1 x 350 = £350 (1)            £5 x 72 = £360 (1)            £350 + £360 = £710 (1)            (2 marks for correct method but calculation error)</p>	<b>(3)</b>
<b>(b)</b>	<p>Premiums are affected by the level of risk – the higher the risk, the higher the premium – there is a greater risk of fire and theft to stock – there may more previous claims on stock            (1 mark for the point plus 1 mark for development)</p>	<b>(2)</b>
<b>(c)</b>	<p>Insurance brokers are intermediaries – they bring people wanting insurance and insurance companies together – they have expert knowledge about the insurance market – and give advice – on the best policy – as they obtain quotations from several insurance companies – and guide clients to the most competitive insurance premium – and then place the insurance with the insurance company – and arrange documentation – he will receive a commission              (1 mark for each point plus 3 marks for development)</p>	<b>(4)</b>
<b>(d)</b>	<p>Provides storage – of furniture awaiting transport – or sale - retailers can inspect the furniture – to examine the goods. Protects furniture from theft/damage/weather – as goods are not kept in the open air. To meet unexpected demand – unless there is surplus stock in the warehouse, the demand cannot be satisfied – and retailers will run out. To keep ahead of demand – as wholesalers need warehouses to make sure they meet shortages – thus balancing out supply of goods with the demand – keeps prices stable. Provides a place for processing functions – such as packaging or sorting.              (1 mark for each point plus 4 marks for development)</p>	<b>(5)</b>

Question Number	Answer	Mark
<b>15 (e)</b>	<p>They would not want to compete with their own customers – the retailers – who then might decide to use the services of another wholesaler. The wholesaler would need to have two different kinds of premises – one for the retail in a shopping area – and a warehouse on an industrial estate – this would push up costs – that the wholesaler might not be able to afford. Operating both would increase the workload – requiring different/more skills – extra staff would be needed – who would require training – on customer service - and might need to use other wholesalers to supply the retail side of the business – more deliveries will be required – higher transport costs.</p> <p>Wholesalers do not have a direct link with customers - this would be time consuming – to provide personal services</p> <p>Would need to provide extra services - eg home delivery</p> <p>(1 mark for each point plus 5 marks for development)</p>	<b>(6)</b>

Question Number	Answer	Mark
<b>16 (a)</b>	Number of shares on offer – type of shares - ordinary – preference – price per share – with minimum bid range – prospectus available. Purpose of business – names of directors – whether issue is underwritten. Previous profits made – future potential profits. Date/time of opening/closing offer  (1 mark for each point)	<b>(4)</b>
<b>(b)</b>	Indicates that shareholders have limited liability – shareholders only liable up to their investment - personal possessions cannot be taken – allow example – on insolvency.  (1 mark for each point plus 2 marks for development)	<b>(3)</b>
<b>(c)</b>	Advertisement in newspaper – e.g. The Times Issue of offer for sale document to existing shareholders – of the company. Distribution of offer for document through brokers – by post / email. Distribution of offer for sale document through financial institutions – such as clearing banks – merchant banks.  (1 mark for the point plus 2 marks for development)	<b>(3)</b>

Question Number	Answer	Mark
<b>16 (d)</b>	<p>Protects shareholders from fraud – people taking their money. Because of this security – shareholders more willing to invest. Company has to be run under rules laid down – in the Articles of Association. The legal status of company is clear – creditors understand who is the debtor.</p> <p>(1 mark for each point plus 3 marks for development)</p>	<b>(4)</b>
<b>(e)</b>	<p>Money paid for shares may be lost – if company does not perform well. Shareholders rank last – after all creditors – if company is wound up. Dividends depend on profits – if there is a company loss – there will be no dividend - if company does not perform well – allow example. Share values may fall – and shares become worthless – not able to sell.</p> <p>(1 mark for each point plus 5 marks for development)</p>	<b>(6)</b>

Question Number	Answer	Mark
<b>17 (a)</b> <b>(i)</b>	<p>Persuade people to buy goods – increase sales – increase profits. Inform customers – e.g. new goods or price changes</p> <p>Remind people – maintain customer loyalty – so that customers return.</p> <p>(1 mark for each point plus 1 mark for development)</p>	<b>(4)</b>
<b>(ii)</b>	<p>Makes it easier to recognise/identify goods – uniform packaging - amongst other coffee jars. There is a guarantee of quality/reputation – consumers trust branded goods – they believe they are superior to ordinary/unbranded goods. Has a status appeal – if you drink this coffee you are better than others that do not – example. Creates brand loyalty – consumers will continue to buy that brand of coffee - differentiates from that of competitors – leading to increased sales/profits</p> <p>(1 mark for each point plus 2 marks for development)</p>	<b>(3)</b>
<b>(b)</b>	<p>Nearly every home has one - reaches nationwide/vast audiences – as it comes directly into people’s homes – can be repeated – so that most people in the household will see it – when relaxing/at leisure. Has impact of colour/sound/vision – movement/imagery - to attract attention. Can target specific audiences – by time of day – by programme – allow example. Product can be demonstrated – making it suitable for people who cannot read – such as young children/illiterates. Use of celebrity.</p> <p>(1 mark for each point plus 4 marks for development)</p>	<b>(5)</b>
<b>(c)</b>	<p>Consumers will get to know the coffee available – from a range of producers - allowing comparisons of different suppliers – on price/quality/aroma – helping them to make a better choice – best buy or informed choice for the consumer - giving a saving of time in searching the market. Increased competition between suppliers can lead to lower prices – owing to the need for mass production – and better quality of coffee.</p> <p>May lead to higher prices – due to unsuccessful/high cost of advertising. The</p>	

	<p>advertising may be misleading – leading to disappointed consumers – allow example. May reduce competition – as only the larger firms can afford the most successful advertising methods – leading to the consumer having less choice – as many small coffee firms cannot compete.</p> <p>(1 mark for each point plus 3 marks for development of each side – 4 marks if only advantages or disadvantages considered)</p>	<b>(8)</b>
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