



# Mark Scheme (Results)

January 2017

Pearson Edexcel  
International GCSE Commerce  
(4CM0/01)



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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, 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
1 (a)	Factors  NB accept factor, facter  Accept any recognisable spelling	(1)

Question Number	Answer	Mark
1 (b)	Codes/coding/code  NB DO NOT accept cord  Accept any recognisable spelling	(1)

Question Number	Answer	Mark
1 (c)	Corporation  NB DO NOT accept sector  Accept any recognisable spelling	(1)

Question Number	Answer	Mark
1 (d)	Bonded  Accept any recognisable spelling	(1)

Question Number	Answer	Mark
2 (a)	<ul style="list-style-type: none"> <li>Postal service for sending important items or those items that require proof of posting/delivery (1) e.g. important documents, birth certificates, examination certificates (1)</li> </ul> <p>(1 mark for definition and 1 mark for suitable example)</p>	(2)

Question Number	Answer	Mark
2 (b)	<ul style="list-style-type: none"> <li>Postal service for sending valuable items or those items that require guaranteed next day delivery (1) e.g. jewellery, cash (1)</li> </ul> <p>(1 mark for definition and 1 mark for suitable example)</p>	(2)

Question Number	Answer	Mark
3	<ul style="list-style-type: none"> <li><math>£10.80 \times 0.5 = 5.40</math> (1)</li> <li><math>£10.80 + £5.40 = £16.20</math> (1)</li> </ul> <p>(2 marks for correct answer, with 1 mark for correct method but calculation error)</p>	(2)

Question Number	Answer	Mark
4	<ul style="list-style-type: none"> <li>Commission is charged</li> <li>Increases paperwork/records kept</li> <li>Extra time needed to check for stolen cards/credit limits of customers</li> <li>May experience delays in receiving payments</li> <li>Credit card fraud</li> </ul> <p>(1 mark for each disadvantage)</p>	(2)

Question Number	Answer	Mark
5	<ul style="list-style-type: none"> <li>Exploitation by unscrupulous sellers e.g. fake goods</li> <li>Protection from faulty/dangerous/out of date goods</li> <li>Protection from wrongly sized/falsey described goods</li> <li>Lack of knowledge about consumer</li> </ul>	(2)

Question Number	Answer	Mark
6	<ul style="list-style-type: none"> <li>• Franchisor</li> <li>• Franchisee</li> </ul> <p>(1 mark for correct name)</p> <p>Accept any recognisable spelling</p>	(2)

Question Number	Answer	Mark
7	<p>(i) Bank draft = Home</p> <p>(ii) Direct debit = Home</p> <p>(iii) Documentary credit = International</p> <p>(iv) Mail transfer = International</p> <p>(1 mark for each method correctly matched)</p>	(4)

Question Number	Answer	Mark
8	<p>Collective/generic</p> <p>(1 mark for correct name)</p>	(1)

Question Number	Answer	Mark
9	<ul style="list-style-type: none"> <li>• portable</li> <li>• durable</li> <li>• acceptable</li> <li>• divisible</li> <li>• scarce</li> </ul> <p>(1 mark for each reason)</p>	(2)

Question Number	Answer	Mark
10	<ul style="list-style-type: none"> <li>• Customer collects points linked to money spent</li> <li>• These points can be redeemed against future purchases</li> <li>• Notification of targeted promotions/events</li> <li>• Free gifts/vouchers/discounts</li> </ul> <p>(1 mark for each benefit)</p>	(2)
Question Number	Answer	Mark
11	<ul style="list-style-type: none"> <li>• Ordinary</li> <li>• Preference</li> <li>• Cumulative preference</li> </ul> <p>Other acceptable types could include:</p> <ul style="list-style-type: none"> <li>• Participating preference</li> <li>• Redeemable preference</li> <li>• Convertible preference</li> <li>• Deferred</li> <li>• Founder</li> </ul> <p>(1 mark for each name)</p>	(3)
Question Number	Answer	Mark
12	<ul style="list-style-type: none"> <li>• To show details of goods delivered</li> <li>• Given back to the driver to have a proof/record that goods have been delivered</li> <li>• So that the buyer can check that the correct goods have been received</li> </ul> <p>(1 mark for each reason)</p>	(2)

Question Number	Answer	Mark
13	<ul style="list-style-type: none"> <li>• Importer obtains a letter of credit from their bank</li> <li>• Exporter produces letter of credit to their bank</li> <li>• Exporter receives payment from their bank</li> <li>• Letter of credit forwarded to importer's bank</li> <li>• Importer's bank receives money from the importer</li> <li>• Importer's bank hands over letter of credit to the importer</li> <li>• Importer's bank sends money to the exporter's bank</li> </ul> <p>(1 mark per point)</p>	(4)

Question Number	Answer	Mark
14 (a)(i)	<p>Internet (1)</p> <p>NB Accept internet if in a sentence</p> <p>Accept any recognisable spelling</p>	(1)

Question Number	Answer	Mark
14 (a)(ii)	<p>Posters/billboards/digital billboards/hoardings/neon lights/neon signs/transport/carrier bags</p> <p>NB: Do not accept flyers/leaflets</p> <p>(1 mark for a suitable method)</p>	(1)

Question Number	Answer	Mark
14(a)(iii)	<ul style="list-style-type: none"> <li>• £444m + £1911m (1) = £2352m (1)</li> </ul> <p>OR</p> <ul style="list-style-type: none"> <li>• 16% x £14700m/100 (1) = £2352m (1)</li> </ul> <p>(2 marks for correct answer, with 1 mark for correct method but calculation error)</p>	(2)

Question Number	Answer	Mark
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14 (b)	<ul style="list-style-type: none"> <li>• Cinema advertising is only seen by/targeting a limited audience (1) if the cinema goer does not go often to the cinema (1)</li> <li>• Cinema goer misses the advertisement (1) as many people come in late to see the film/talk over the adverts (1)</li> <li>• It is usually seen once only (1) so the advertisement is not reinforced (1)</li> </ul> <p>(1 mark for a point plus 1 mark for development)</p>	(2)
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Question Number	Answer	Mark
15 (a)(i)	The difference between exported goods (1) and imported goods (1)	(2)

Question Number	Answer	Mark
15 (a)(ii)	The difference between exported goods and services (1) and imported goods and services (1)	(2)

Question Number	Answer	Mark
15 (b)	<ul style="list-style-type: none"> <li>• More goods being available for export (1) leading to increase in national income (1)</li> <li>• Less need to import iron ore (1) leading to a more favourable balance of trade/payments (1)</li> </ul> <p>(1 mark for a point plus 1 mark for development)</p>	(2)

Question Number	Answer	Mark
15 (c)	<ul style="list-style-type: none"> <li>• Setting tariffs (1) to make the cost of imports more expensive (1)</li> <li>• Enforcing quotas (1) to control the amount of goods coming in/out of the country (1)</li> <li>• Exchange control (1) whereby importers are restricted in the purchase of foreign exchange to pay for imports (1)</li> <li>• Issue of import licences (1) which limit the amount of imports brought into the country (1)</li> <li>• Enforcing embargoes (1) total bans on certain products or example such as drugs (1)</li> </ul> <p>(1 mark for the how plus one mark for development)</p>	(4)

Question Number	Answer	Mark
15 (d)	<ul style="list-style-type: none"> <li>• Brokers bring buyers and sellers together whereas (1) factors sell goods on behalf of their principals (1)</li> <li>• Brokers are responsible for the delivery of goods (1) whereas factors do not buy goods for their principals (1)</li> <li>• Brokers do not have possession of the goods (1) whereas factors have possession of the goods and deliver sold goods directly to buyers (1)</li> <li>• Brokers cannot arrange contracts in their own names (1) whereas factors can only deal with goods as if they were the owners/can sell in their own name (1)</li> <li>• Brokers gain commission for their services (1) but a factor can earn extra commission if acting as a del credere agent/or profit (1)</li> </ul> <p>(2 marks for each difference)</p>	(4)

Question Number	Answer	Mark
15 (e)	<ul style="list-style-type: none"> <li>• Growth of global economy (1) high demand for overseas goods (1) particularly lightweight goods/electronics (1)</li> <li>• Increased number of airports (1) making more air routes available (1) with better facilities at these airports for handling cargo (1)</li> <li>• Larger cargo doors on aircraft (1) allowing greater capacity (1) and range of products transported (1)</li> <li>• The need for speed (1) particularly for perishables/valuable goods (1) that can absorb the costs of air transport (1)</li> <li>• More cargo planes available (1) that are more fuel efficient (1) leading to relative freight charges coming down/prices are falling (1)</li> <li>• Insurance costs are decreasing (1) this lowers the cost of transporting goods by air (1) making it a more affordable (1)</li> </ul> <p>(1 mark for each point plus 2 marks for development of each reason) (x2 reasons)</p>	(6)

Question Number	Answer	Mark
16 (a)(i)	$3600/8000 \times 100 (1) = 45\%$  (2 marks for correct answer, with 1 mark for correct method but calculation error)	(2)

Question Number	Answer	Mark
16 (a)(ii)	$1800/8000 \times 100 (1) = 22.5\%$  (2 marks for correct answer, with 1 mark for correct method but calculation error)	(2)

Question Number	Answer	Mark
16 (a)(iii)	$1800/10000 \times 100 (1) = 18\%$ (2 marks for correct answer, with 1 mark for correct method but calculation error)	(2)

Question Number	Answer	Mark
16 (b)	<ul style="list-style-type: none"> <li>• To keep goods (1) ahead of demand (1)</li> <li>• To obtain goods quickly (1) in order to refill shelves/increase income (1)</li> <li>• So that the store does not run out of stock (1) so as not to lose customers (1)</li> <li>• To offer special facilities (1) such as cold storage for perishables (1)</li> </ul> (1 mark for reason plus one mark for development)	(2)

Question Number	Answer	Mark
16 (c)	<p>Voluntary chains are groups of retailers who join together (1) to buy as much as possible from a wholesaler (1). The wholesaler bulk buys for the voluntary chain (1) with part of the quantity discount passed on to the retailers (1) with the retailer able to offer lower prices so as to compete with large-scale retailers (1). Also, the chain will sell goods under their own brand name (1) with such goods usually cheaper than other manufacturer brands (1). The voluntary chain offer other services to the retailers (1) example, such as advice on display (1) and they may receive a loan to help with running or expansion of the business (1)</p> <p>(1 mark for point plus up to 5 marks for development)</p>	(6)

Question Number	Answer	Mark
16 (d)	<ul style="list-style-type: none"> <li>• More customers are served with fewer staff (1) as assistants only needed to stack shelves/act as cashiers (1) and will therefore lower wage costs (1)</li> <li>• There will better use of space in shop (1) allowing a greater variety of stock (1) with customers being able to be served more quickly/less waiting for customers (1)</li> <li>• Sales may increase as many customers prefer self-service (1) as they are able to inspect goods before buying (1) with exposure to store displays (1) leading to impulse buying (1) with the retailer gaining more profit from customers buying goods that they did not intend to buy (1)</li> </ul> <p>(1 mark per point plus up to 5 marks for development)</p>	(6)
Question Number	Answer	Mark
17 (a)(i)	<ul style="list-style-type: none"> <li>• Emergency evacuation</li> <li>• Return of a minor</li> <li>• Flight connection was missed due to airline schedule</li> <li>• Travel delays due to weather</li> <li>• Hijacking/terrorism</li> <li>• Trip interruption</li> <li>• Accidental death</li> <li>• Repatriation of remains</li> <li>• Overseas funeral expenses</li> </ul> <p>(Any one risk)</p>	(1)

Question Number	Answer	Mark
17 (a)(ii)	<p>Claims are affected by the level of compensation (1) the compensation for medical care is much higher than the compensation for cancellations (1) with the high costs of doctor/hospital fees abroad/medical costs of transporting home (1)</p> <p>(1 mark per point plus up to 2 marks for development)</p>	(3)

Question Number	Answer	Mark
17 (b)(i)	<p>Cannot insure anything that one does not own/suffer the loss (1) cannot insure someone else's possible loss (1) because he/she might be tempted to cause the loss (1) to gain profit when not affected by the loss (1)</p> <p>(1 mark per point plus up to 3 marks for development)</p>	(4)

Question Number	Answer	Mark
17 (b)(ii)	<p>The insurer may not accept the insurance (1) as questions should have been answered truthfully (1) because this determined the correct premium to be paid/in order to reduce premium (1) the insurer may declare contract void (1)</p> <p>(1 mark per point plus up to 3 marks for development)</p>	(4)

Question Number	Answer	Mark
17 (c)	<ul style="list-style-type: none"> <li>• One main advantage of buying insurance online is convenience (1) as you do not have to spend hours on the telephone or driving around from one place to another (1) talking with insurance agents and giving out your information over and over again (1). Instead of doing that, you can sit down at your computer, fill out one form one time (1) and get quotes 24/7 (1). There will be no one pressurising you to buy a particular policy (1) and it is more conducive for comparative insurance quotes (1) which online companies may be able to offer better rates (1) as they are able to take advantage of savings in labour costs/marketing costs (1)</li> <li>• The main disadvantage of buying insurance online is that the personal touch is lost (1) and it may be difficult to obtain information/advice on queries that arise (1). The website advert may give very little information about the insurance offered (1) and what you are, or are not, covered for (1). Also, customers may encounter identity fraud (1) which could take a long time to be corrected (1)</li> </ul> <p>(1 mark for each point plus 3 marks for development of each side – 4 marks maximum if only advantages or disadvantages considered)</p>	(8)