



# Mark Scheme (Results)

Summer 2023

International GCSE

Commerce (4CM1 01)

Paper 1: Commercial operations and associated risks

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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	Which <b>one</b> of the following is the temporary document issued while the insurance policy is being prepared?  <b>Answer</b>	Mark
1 (a)	<b>AO1 = 1</b>  The only correct answer is <b>A</b> Cover note  B is incorrect as an endorsement is a clause in a policy  C is incorrect as a proposal form is completed before the insurance is taken out  D is incorrect as a prospectus gives details of the types of insurance available	<b>(1)</b>

Question number	Which <b>one</b> of the following is a customer of a cash-and-carry wholesaler?  <b>Answer</b>	Mark
1 (b)	<b>AO1 = 1</b>  The only correct answer is <b>C</b> Retailers  A – is incorrect as exporters move goods from one country to another  B – is incorrect as manufacturers make the goods  D – is incorrect as voluntary chains purchase goods from suppliers	<b>(1)</b>

Question number	Define the term <b>logo</b> .  <b>Answer</b>	Mark
1 (c)	<b>AO1 = 1</b>  Award 1 mark for definition of <b>logo</b> . <ul style="list-style-type: none"> <li>• Image or symbol that represents a business <b>(1)</b></li> </ul>	<b>(1)</b>

Question number	Define the term insurance <b>compensation</b> .  <b>Answer</b>	Mark
1 (d)	<b>AO1 = 1</b>  Award 1 mark for definition of insurance <b>compensation</b> . <ul style="list-style-type: none"> <li>• A payment received after an insured person has suffered a loss, injury or harm <b>(1)</b></li> </ul>	<b>(1)</b>

Question number	Calculate, to two decimal places the price of the Vans Classic shoes in GBP.  <b>Answer</b>	Additional guidance	Mark
1 (e) (i)	<b>AO2 = 2</b>  Award 1 mark for calculation and 1 mark for the answer.  $410.00 \div 9.23$ <b>(1)</b>  $= 44.42$ <b>(1)</b>	NB a candidate who responds 44.42 with no calculation would still gain both marks.  1 mark for the correct method but a calculation error.	<b>(2)</b>

Question number	State <b>one</b> possible effect on <i>Surfdome</i> of having summer sales.  <b>Answer</b>	Mark
1 (e) (ii)	<b>AO2 = 1</b>  Award 1 mark for stating an effect on <i>Surfdome</i> of having seasonal sales. <ul style="list-style-type: none"> <li>• Customers are more likely to buy the Vans shoes <b>(1)</b></li> <li>• Increase in the sales of sports equipment <b>(1)</b></li> </ul> <b>NB</b> Do not accept a possible effect that is not in the context of <i>Surfdome</i> .  Accept any appropriate response	<b>(1)</b>

Question number	State <b>one</b> possible reason why <i>Surfdome</i> sells its own label products. <b>Answer</b>	Mark
<b>1 (e) (iii)</b>	<p><b>AO2 = 1</b></p> <p>Award 1 mark for stating why <i>Surfdome</i> sells its own label products.</p> <ul style="list-style-type: none"> <li>• The own label tennis rackets may be cheaper than branded ones <b>(1)</b></li> <li>• <i>Surfdome</i> can respond quickly by designing fashionable shoes to meet changes in demand <b>(1)</b></li> </ul> <p><b>NB</b> Do not accept a possible reason that is not in the context of <i>Surfdome</i>.</p> <p>Accept any appropriate response</p>	<b>(1)</b>

Question number	Explain <b>one</b> role of an insurance assessor. <b>Answer</b>	Mark
<b>1 (f)</b>	<p><b>AO1 = 3</b></p> <p>Award 1 mark for a role of an insurance assessors and up to 2 marks for linked development.</p> <ul style="list-style-type: none"> <li>• Assessors are specialists in negotiating insurance claims and <b>(1)</b> they determine the true value of the loss <b>(1)</b> and arrive at a realistic value for compensation <b>(1)</b></li> <li>• Assessors are likely to be used for large insurance claims <b>(1)</b> as they can help remove the stress and strain of the claim <b>(1)</b> so that losses are restored quickly <b>(1)</b></li> </ul> <p>Answers that list three roles of an insurance assessors with no development will get 1 mark only.</p> <p>Accept any other appropriate response.</p>	<b>(3)</b>

Question number	<p>Explain <b>one</b> way a shop might deal with a complaint made by a customer.</p> <p><b>Answer</b></p>	Mark
1 (g)	<p><b>AO1 = 3</b></p> <p>Award 1 mark for one way a shop might deal with a complaint made by a customer and up to 2 marks for linked development.</p> <ul style="list-style-type: none"> <li>• The shop could ask for the product to be returned <b>(1)</b> for a replacement <b>(1)</b> or a refund to the customer of the price of the product <b>(1)</b></li> <li>• The shop could repair the faulty product <b>(1)</b> or give a credit note <b>(1)</b> for the customer to spend at another time <b>(1)</b></li> </ul> <p>Answers that identify three ways a shop might deal with a complaint with no development will get 1 mark only.</p> <p>Accept any other appropriate response.</p>	<b>(3)</b>

Question number	<p>Analyse the impact on customers of <i>UO Superstore</i> from the introduction of the new click and collect service.</p> <p><b>Indicative content</b></p>	Mark
1 (h)	<p><b>AO2 = 3 AO3 = 3</b></p> <p><b><u>AO2</u></b></p> <ul style="list-style-type: none"> <li>• By using click and collect customers can order their fresh vegetables online</li> <li>• By using this method customers do not have to go to the shop to buy cleaning products</li> </ul> <p><b><u>AO3</u></b></p> <ul style="list-style-type: none"> <li>• They can then decide a time and date which is convenient for them for collecting the goods from <i>UO Superstore</i></li> <li>• This means it is quicker to get the cleaning products</li> </ul>	<b>(6)</b>

Level	Marks	Level descriptor
	0	No rewardable material.
<b>Level 1</b>	1–2	<ul style="list-style-type: none"> <li>Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2)</li> <li>Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3)</li> </ul>
<b>Level 2</b>	3–4	<ul style="list-style-type: none"> <li>Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2)</li> <li>Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)</li> </ul>
<b>Level 3</b>	5–6	<ul style="list-style-type: none"> <li>Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2)</li> <li>Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)</li> </ul>

Question number	Which <b>one</b> of the following is the insurance premium paid by the high risk driver?  <b>Answer</b>	Mark
<b>2 (a)</b>	<p><b>AO2 = 1</b></p> <p><b>D</b> is the only correct answer \$547.31</p> <p>A is not correct as it is cost of the increase \$69.31</p> <p>B Is not correct as <math>\\$478 - 14.5 = \\$463.50</math></p> <p>C Is not correct as <math>\\$478 + 14.5 = \\$492.50</math></p>	<b>(1)</b>

Question number	Which <b>one</b> of the following has manufacturing as an example?  <b>Answer</b>	Mark
<b>2 (b)</b>	<p><b>AO1 = 1</b></p> <p><b>C</b> Secondary sector is the only correct answer</p> <p>A Is incorrect as manufacturing is not an Indirect services</p> <p>B Is incorrect as Primary sector is taking from nature and not just raw materials</p> <p>D Is incorrect as Tertiary activities involves the provision of services</p>	<b>(1)</b>

Question number	Identify the insurer with the lowest price for an individual's insurance.  <b>Answer</b>	Mark
2 (c) (i)	<b>AO2 = 1</b>  Award 1 mark for correct answer. <ul style="list-style-type: none"> <li>• Leisure Standard</li> </ul>	<b>(1)</b>

Question number	Identify the highest price of insurance for a couple.  <b>Answer</b>	Mark
2 (c) (ii)	<b>AO2 = 1</b>  Award 1 mark for correct answer. <ul style="list-style-type: none"> <li>• £52.00</li> </ul>	<b>(1)</b>

Question number	Define the term <b>utmost good faith</b> .  <b>Answer</b>	Mark
2 (d)	<b>AO1 = 1</b>  Award 1 mark for defining the term <b>utmost good faith</b> . <ul style="list-style-type: none"> <li>• The insurer and insured must be honest in the data they give each other</li> </ul>	<b>(1)</b>

<b>Question number</b>	Explain <b>one</b> advantage for a customer using mail order <b>Answer</b>	<b>Mark</b>
<b>2 (e)</b>	<p><b>AO1 = 3</b></p> <p>Award 1 mark for <b>one</b> advantage for a customer using mail order and up to 2 marks for linked development.</p> <ul style="list-style-type: none"> <li>• Customers have the convenience of ordering from home <b>(1)</b> as they do not have to visit a shop <b>(1)</b> and the goods ordered are delivered by the postal service to the customers door <b>(1)</b></li> </ul> <p>Answers that list three advantages for a customer using mail order with no explanation will get 1 mark only.</p> <p>Accept any other appropriate response.</p>	<b>(3)</b>

<b>Question number</b>	Explain <b>one</b> disadvantage of a business partnership. <b>Answer</b>	<b>Mark</b>
<b>2 (f)</b>	<p><b>AO1 = 3</b></p> <p>Award 1 mark for explaining <b>one</b> disadvantage of a business partnership and up to 2 marks for linked development.</p> <ul style="list-style-type: none"> <li>• Profits are shared between all partners <b>(1)</b> this could cause dissatisfaction <b>(1)</b> as one partner may think he works harder than the others <b>(1)</b></li> <li>• There is unlimited liability <b>(1)</b> if the partnership is not successful each partner is responsible for the debts incurred <b>(1)</b> with all personal possessions at risk <b>(1)</b></li> </ul> <p>Answers that list three disadvantages of a business partnership with no development will get a maximum of 1 mark.</p> <p>Accept any other appropriate response.</p>	<b>(3)</b>

Question number	<b>Option 1:</b> department stores <b>Option 2:</b> supermarkets  <b>Indicative content</b>	Mark
2 (g)	<p><b>A02 = 3   A03 = 3   A04 = 3</b></p> <p>Arguments for choosing option 1</p> <p><b><u>A02</u></b></p> <ul style="list-style-type: none"> <li>• As department stores are located in city centres, they can attract more people who are interested in buying Peppa Pig toys for their children</li> <li>• Customers have the opportunity to purchase more expensive items in the Hey Duggee range as they can use their store card</li> </ul> <p><b><u>A03</u></b></p> <ul style="list-style-type: none"> <li>• Employees of the department store would be trained and have detailed knowledge of how the toys operate and the age range they are suitable for</li> <li>• This will enable them to spread the cost of the goods over a longer period of time</li> </ul> <p><b><u>A04</u></b></p> <ul style="list-style-type: none"> <li>• However, department stores may only be found in large cities and this may stop some shoppers from visiting the department store as it is too far away</li> <li>• However, there is no guarantee that all customers have store cards</li> </ul> <p>Arguments for choosing option 2</p> <p><b><u>A02</u></b></p> <ul style="list-style-type: none"> <li>• <i>HTI</i> can attract more customers by setting up displays of Peppa Pig in the local supermarket to encourage impulse buying whilst customers are purchasing their food products</li> <li>• Goods at supermarkets are competitively priced and Hey Duggee toys may be cheaper</li> </ul> <p><b><u>A03</u></b></p> <ul style="list-style-type: none"> <li>• This increases sales and awareness of the toys on offer</li> <li>• This may mean that <i>HTI</i> will have more sales through many other outlets</li> </ul> <p><b><u>A04</u></b></p> <ul style="list-style-type: none"> <li>• However, most customers may not be interested in buying toys when they are shopping for food items</li> <li>• However, supermarkets might not have sufficient space for large displays of toys and not sell a wide variety</li> </ul>	<b>(9)</b>

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	<ul style="list-style-type: none"> <li>Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2)</li> <li>Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3)</li> <li>Makes a judgement, providing a simple justification based on limited evaluation of commercial information and issues relevant to the choice made. (AO4)</li> </ul>
Level 2	4–6	<ul style="list-style-type: none"> <li>Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2)</li> <li>Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)</li> <li>Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made. (AO4)</li> </ul>
Level 3	7–9	<ul style="list-style-type: none"> <li>Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2)</li> <li>Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)</li> <li>Makes a judgement, providing a clear justification based on a thorough evaluation of commercial information and issues relevant to the choice made. (AO4)</li> </ul>

Question number	Which <b>one</b> of the following insures against loss caused by fraud? <b>Answer</b>	Mark
<b>3 (a)</b>	<p><b>AO1 = 1</b></p> <p><b>C</b> Fidelity guarantee</p> <p>A is incorrect as credit insurance covers non-payment of goods B is incorrect as consequential loss covers a business if they are unable to trade D is incorrect as product liability is cover for faulty products</p>	<b>(1)</b>

Question number	Which <b>one</b> of the following is the price of the meal after the 15% has been taken off?	Mark
<b>Answer</b>		
3 (b)	<p><b>AO2 = 1</b></p> <p><b>B</b> 228.65</p> <p>A is incorrect as 40.35 is the 15% special offer deducted            C is incorrect as 254.00 is 269.00 minus 15            D is incorrect as 309.35 is 269.00 plus 40.35</p>	<b>(1)</b>

Question number	State <b>one</b> way public liability insurance would protect <i>SK</i> .	Mark
<b>Answer</b>		
3 (c)	<p><b>AO2 = 1</b></p> <p>Award 1 mark for one reason why <i>SK</i> would take out public liability.</p> <ul style="list-style-type: none"> <li>• If a customer wanted to sue <i>SK</i> because of an allergic reaction to a meal eaten in the restaurant <b>(1)</b></li> <li>• If a customer slips on the floor, breaking their leg <b>(1)</b></li> </ul> <p>Accept any other appropriate response.</p>	<b>(1)</b>

Question number	Outline <b>one</b> likely reason why <i>SK</i> purchase goods directly from suppliers.  <b>Answer</b>	Mark
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<b>3 (d)</b>	<p><b>AO2 = 2</b></p> <p>Award 1 mark for identifying one likely reason why <i>SK</i> purchase goods directly from the suppliers, and one mark for further development.</p> <ul style="list-style-type: none"> <li>• By purchasing the meat and vegetables direct from the suppliers the goods are fresher <b>(1)</b> and may be cheaper <b>(1)</b></li> <li>• If <i>SK</i> needs additional fruit for desserts they can go directly to the supplier and collect <b>(1)</b> which is quicker than waiting for delivery <b>(1)</b></li> </ul> <p>Answers that list two reasons why <i>SK</i> purchase goods directly from suppliers with no explanation will get 1 mark only.</p> <p><b>NB</b> Do not accept a possible reason that is not in the context of <i>Surfdome</i>.</p> <p>Accept any other appropriate response.</p>	<b>(2)</b>
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Question number	Analyse the impact of bad debts on <i>SK</i> 's suppliers of ingredients.  <b>Indicative content</b>	Mark
<b>3 (e)</b>	<p><b>AO2 = 3    AO3 = 3</b></p> <p><b>AO2</b></p> <ul style="list-style-type: none"> <li>• If <i>SK</i>'s suppliers have too many bad debts it may mean that they will go out of business <b>(1)</b></li> <li>• <i>SK</i>'s suppliers could increase the cost of fruit and vegetables to cover their debts <b>(1)</b></li> </ul> <p><b>AO3</b></p> <ul style="list-style-type: none"> <li>• This could mean that <i>SK</i> will have to find another supplier who sells the same ingredients <b>(1)</b></li> <li>• This could mean that the increase in the cost of ingredients becomes too expensive for <i>SK</i> to purchase them <b>(1)</b></li> </ul>	<b>(6)</b>

Level	Marks	Descriptor
	0	No rewardable material.
<b>Level 1</b>	1–2	<ul style="list-style-type: none"> <li>Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2)</li> <li>Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3)</li> </ul>
<b>Level 2</b>	3–4	<ul style="list-style-type: none"> <li>Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2)</li> <li>Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)</li> </ul>
<b>Level 3</b>	5–6	<ul style="list-style-type: none"> <li>Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2)</li> <li>Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)</li> </ul>

Question Number	<p><b>Option 1:</b> increasing the size of the restaurant</p> <p><b>Option 2:</b> renting new premises for delivery orders.</p> <p><b>Indicative content</b></p>	Mark
3 (f)	<p><b>A02 = 3   A03 = 3   A04 = 3</b></p> <p>Arguments for choosing option 1.</p> <p><b><u>A02</u></b></p> <ul style="list-style-type: none"> <li>• Increasing the size of the restaurant allows <i>SK</i> to also offer a wider variety of meals at the same time as having space to store more food produce</li> <li>• If the restaurant is expanded this could encourage more specialist chefs in desserts wanting to join the business</li> </ul> <p><b><u>A03</u></b></p> <ul style="list-style-type: none"> <li>• <i>SK</i> may also be able to offer additional meals and desserts as they have the additional space</li> <li>• Their skills and knowledge could improve the reputation of <i>SK</i>'s restaurant and sales of desserts</li> </ul> <p><b><u>A04</u></b></p> <ul style="list-style-type: none"> <li>• However, if the restaurant does not increase in size customers may have to go to another restaurant for their meals and hence <i>SK</i> may lose custom</li> <li>• However, there is no guarantee sales will increase and the chefs will require a larger salary</li> </ul> <p>Arguments for choosing option 2.</p> <p><b><u>A02</u></b></p> <ul style="list-style-type: none"> <li>• <i>SK</i> will have premises in other areas of Stellenbosch</li> <li>• This means new staff would have to be recruited with skills in main dishes and desserts</li> </ul> <p><b><u>A03</u></b></p> <ul style="list-style-type: none"> <li>• This will enable them to increase the number of meals delivered to customers and further expand their business</li> <li>• This would increase the choice of menus, attracting a wider range of customers</li> </ul> <p><b><u>A04</u></b></p> <ul style="list-style-type: none"> <li>• However, having new premises in different areas might not be successful, as delivery might take longer for the meals to get to customers and they could become dissatisfied with the service</li> <li>• However, the increase in recruitment costs may not cover the costs of the service if unsuccessful</li> </ul>	(9)

Level	Marks	Descriptor
	0	No rewardable material.
<b>Level 1</b>	1–3	<ul style="list-style-type: none"> <li>Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2)</li> <li>Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3)</li> <li>Makes a judgement, providing a simple justification based on limited evaluation of commercial information and issues relevant to the choice made. (AO4)</li> </ul>
<b>Level 2</b>	4–6	<ul style="list-style-type: none"> <li>Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2)</li> <li>Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)</li> <li>Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made. (AO4)</li> </ul>
<b>Level 3</b>	7–9	<ul style="list-style-type: none"> <li>Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2)</li> <li>Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)</li> <li>Makes a judgement, providing a clear justification based on a thorough evaluation of commercial information and issues relevant to the choice made. (AO4)</li> </ul>

<b>Question number</b>	Calculate, to two decimal places the profit he made on Sunday <b>Answer</b>	<b>Mark</b>
<b>4 (a)</b>	<p><b>AO2 = 2</b></p> <p>Award 1 mark for correct calculation and 1 mark for correct answer.</p> <p><math>2300 \times 0.275</math> <b>(1)</b> = 632.50</p> <p><math>2\ 300 + 632.50 = 2\ 932.50</math> <b>(1)</b></p> <p><b>OR</b></p> <p><math>2\ 300 \times 1.275</math> <b>(1)</b></p> <p>= 2 932.50 <b>(1)</b></p> <p>NB A candidate who responds with 2 932.50 and no calculation would still get both marks.</p>	<b>(2)</b>

<b>Question number</b>	Analyse the impact of the depreciation of the Hong Kong currency on Hanamoji's sales. <b>Indicative content</b>	<b>Mark</b>
<b>4 (b)</b>	<p><b>AO2 = 3 AO3 = 3</b></p> <p><b>AO2</b></p> <ul style="list-style-type: none"> <li>• The cost of buying paper from his overseas supplier for his Chinese lanterns would increase</li> <li>• There could be an increase in foreign tourists visiting the market as products would be cheaper</li> </ul> <p><b>AO3</b></p> <ul style="list-style-type: none"> <li>• The rise in the cost of materials could lead to him having to raise his prices and this could impact on local visitors to the market</li> <li>• An increase in tourists could lead to higher sales of his souvenirs as they would appear to be cheaper</li> </ul>	<b>(6)</b>

<b>Level</b>	<b>Marks</b>	<b>Descriptor</b>
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<b>Level 1</b>	1–2	<ul style="list-style-type: none"> <li>Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2)</li> <li>Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3)</li> </ul>
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<b>Level 3</b>	5–6	<ul style="list-style-type: none"> <li>Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2)</li> <li>Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)</li> </ul>

<b>Question number</b>	Evaluate the reasons why Hanamoji should take out insurance for his stall and contents.  <b>Indicative content</b>	<b>Mark</b>
<b>4 (c)</b>	<p style="text-align: center;"><b>A01 = 3 A02 = 3 A03 = 3 A04 = 3</b></p> <p><b><u>A01</u></b></p> <ul style="list-style-type: none"> <li>• Hanamoji could take out insurance on his stall to reduce the risk of it being damaged in a storm</li> <li>• Hanamoji may take out insurance to provide financial protection for himself if the stall is affected by fire</li> </ul> <p><b><u>A02</u></b></p> <ul style="list-style-type: none"> <li>• He would therefore have to ensure that he sold sufficient lanterns to cover the cost of the insurance as well as making a profit</li> <li>• If the stall next to him caught fire and also damaged his stall then he would be covered for any losses of income</li> </ul> <p><b><u>A03</u></b></p> <ul style="list-style-type: none"> <li>• If a storm did happen, he would be covered by the insurance for the lanterns that have been damaged</li> <li>• This would take the worry away from him not receiving any income</li> </ul> <p><b><u>A04</u></b></p> <ul style="list-style-type: none"> <li>• However, Hanamoji may decide not to take out the insurance because the risk is too low and he may not suffer any damages to his stall and lanterns</li> <li>• However, the cost of taking out insurance could be too expensive for Hanamoji and he may decide that he could not afford it</li> </ul>	<b>(12)</b>

Level	Marks	Descriptor
	0	No rewardable material.
<b>Level 1</b>	1-4	<ul style="list-style-type: none"> <li>• Demonstrates elements of knowledge and understanding of commercial concepts and issues, with limited commercial terminology used. (AO1)</li> <li>• Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2)</li> <li>• Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3)</li> <li>• Draws a conclusion, supported by generic assertions from limited evaluation of commercial information and issues. (AO4)</li> </ul>
<b>Level 2</b>	5-8	<ul style="list-style-type: none"> <li>• Demonstrates mostly accurate knowledge and understanding of commercial concepts and issues, including appropriate use of commercial terminology in places. (AO1)</li> <li>• Sound application of knowledge and understanding of commercial concepts and issues to the commercial context, although there may be some inconsistencies. (AO2)</li> <li>• Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)</li> <li>• Draws a conclusion based on sound evaluation of commercial information and issues. (AO4)</li> </ul>
<b>Level 3</b>	9-12	<ul style="list-style-type: none"> <li>• Demonstrates accurate knowledge and understanding of commercial concepts and issues throughout, including appropriate use of commercial terminology. (AO1)</li> <li>• Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2)</li> <li>• Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)</li> <li>• Draws a valid and well-reasoned conclusion based on a thorough evaluation of commercial information and issues. (AO4)</li> </ul>