



Mark Scheme (Results)

November 2024

Pearson Edexcel International GCSE
In Commerce (4CM1)
Paper 01: Commercial Operation 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.

Q. No.	Which one of the following best describes branding? Answer	Mark
1 (a)	AO1 - 1 mark The only correct answer is B – Name of a product A – is not the correct answer as branding does not allow items to be self-service C – is not the correct answer as method of packaging is not giving a name to a product D – is not the correct answer as guarantee for goods is not giving a name to a product	(1)

Q. No.	Which one of the following defines a multinational? Answer	Mark
1 (b)	AO1 - 1 mark The only correct answer is C - a business that operates in at least two countries A – is not the correct answer as a multinational may have shareholders both in its home country and foreign countries B – is not the correct answer as non-multinationals could provide different services for customers D – is not the correct answer as a multinational has factories in other countries	(1)

Q. No.	Define the term primary sector . Answer	Mark
1 (c)	AO1 - 1 mark Award 1 mark for a correct definition of primary sector Extraction of raw materials from the earth (1)	(1)

Q. No.	Define the role of the wholesaler in the chain of distribution.	Mark
	Answer	
1 (d)	AO1 - 1 mark Award 1 mark for a correct definition of role of the wholesaler in the chain of distribution. Sells good to retailers by breaking of bulk (1)	(1)

Q. No.	Calculate, to two decimal places, the price of the shoes in euros. You are advised to show your working.	Additional Guidance	Mark
	Answer		
1 (e) (i)	AO2 - 2 marks Award 1 mark for calculation and 1 mark for the answer. 370×0.24 (1) $= 88.80$ (1) NB a candidate who responds with 88.80 and no calculation is awarded both marks.	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct answer with no working.	(2)

Q. No.	State one possible effect on <i>Priceless</i> sales to European tourists after the change in the exchange rate.	Mark
1 (e) (ii)	Answer A02 - 1 mark Award 1 mark for stating the possible effect on sales at <i>Priceless</i>. • The higher prices may mean fewer tourists will visit <i>Priceless</i>, reducing the revenue it makes from the sales of handbags (1) NB Do not accept a possible effect on sales that is not in the context of <i>Priceless</i>. Accept any appropriate response.	(1)

Q. No.	State one disadvantage to <i>Priceless</i> of accepting foreign currency for payment of goods bought.	Mark
1 (e) (iii)	Answer A02 - 1 mark Award 1 mark for stating a disadvantage to <i>Priceless</i> of accepting foreign currency for payment of goods bought. • The cost of the Euro may have lowered before <i>Priceless</i> can pay the money into the bank (1) • <i>Priceless</i> may have a number of different currencies including the Japanese Yen and English pound making it more complicated to pay into the bank (1) NB Do not accept a disadvantage that is not in the context of <i>Priceless</i>. Accept any appropriate response.	(1)

Q. No.	Explain one disadvantage to a business of using road transport to deliver its goods. Answer	Mark
1 (f)	A01 - 3 marks Award 1 mark for identification of a disadvantage to a business of using road transport to deliver its goods, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • Road transport can be difficult if the roads are not suitable for large vehicles to drive down (1). They can damage the vehicles because the roads were not built to take the large vehicles (1). Which incur expensive repairs on the vehicles (1) • If the vehicles are not full then it is a waste of resources (1) and can make the delivery of goods more expensive. (1) Using road transport needs careful planning so that vehicles are not used when empty (1) NB No marks are awarded for a definition. Answers that list three disadvantages with no explanation will get 1 mark only. Accept any appropriate response.	(3)

Q. No.	Explain why department stores are a popular type of retailer.	Mark
	Answer	
1 (g)	A01 - 3 marks Award 1 mark for identification of why department stores are a popular type of retailer, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • They sell a wide range of different products under one roof (1) this means there is one-stop shopping (1) and customers do not have to visit other retailers to get what they want (1) • Department stores are often located on the outskirts of town centres (1) where parking for cars is available (1) thus making it easier to shop for more than one item (1) NB No marks are awarded for a definition. Answers that identify why department stores are a popular retailer with no development will get 1 mark only. Accept any appropriate response.	(3)

Q. No.	Analyse why an insurance business would want <i>Bombay Sweet Shop</i> to meet the principle of insurable interest when taking out insurance. Indicative content	Mark
1 (h)	A02 = 3 marks A03 = 3 marks <u>A02</u> <i>Bombay Sweet Shop</i> could not insure the premises of the sweet shop unless it was the owner - The insurance business would let them insure the sweet display cabinets as they belong to <i>Bombay Sweet Shop</i> <u>A03</u> - If the premises had a fire that <i>Bombay Sweet Shop</i> caused and it did not own the business then it would not be able to claim for any damage caused to the shop - This means that <i>Bombay Sweet Shop</i> must have an interest in the shop to have an insurable interest in the cabinets as they provided them to display the sweets	(6)

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	- Limited application of knowledge and understanding of commercial concepts and issues to the commercial context (A02) - Attempts to deconstruct commercial information and/or issues, finding limited connections between points (A03)
Level 2	3-4	- Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies (A02) - Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (A03)
Level 3	5-6	- Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout (A02) - Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning (A03)

Q. No.	Which one of the following risks is uninsurable? Answer	Mark
2 (a)	AO1 - 1 mark The only correct answer is C – failure of a business A – is not the correct answer as an employee injured at work would be insured B – is not the correct answer as a customer would be insured if they incurred an injury whilst visiting a shop D – is not the correct answer as stock would be insured against any flooding	(1)

Q. No.	Which one of the following is the amount of compensation that the insurance company would pay <i>Makro</i> ? Answer	Mark
2 (b)	AO2 - 1 mark The only correct answer is B – 2 750 as it is the cost of the repair A – is not the correct answer as 2 250 is the difference between cost price and sale price C – is not the correct answer as 3 750 is the cost price minus the repair D – is not the correct answer as 6 500 is the cost of supplying the television	(1)

Q. No.	Identify the insurer with the highest premium for an individual for a week. Answer	Mark
2 (c) (i)	A02 - 1 mark ♦ LV	(1)

Q. No.	Identify the lowest premium paid to insure a family for a week. Answer	Mark
2 (c) (ii)	A02 - 1 mark ♦ £11.52	(1)

Q. No.	Define the term bad debts . Answer	Mark
2 (d)	A01 - 1 mark Award 1 mark for a correct definition of bad debts . • When a customer fails to pay for goods (1)	(1)

Q. No.	Explain one role of an insurance assessor.	Mark
	Answer	
2 (e)	A01 - 3 marks Award 1 mark for identification of the role of insurance assessors plus 2 further marks for explaining the way, for a maximum of 3 marks. - Assessors are normally people who are most likely to represent the claimant (1) they decide the true value of the claim being made (1) so that the claimant does not lose out financially (1) - An assessor aims to ensure that the claimant will get fair compensation (1) for any loss or damage to any property insured (1) and to sort the claim out quickly (1) NB No marks are awarded for a definition. Answers that list three roles with no explanation will get 1 mark only. Accept any appropriate response.	(3)

Q. No.	Explain one reason that would make an area of land suitable for building a shopping centre on it. Answer	Mark
2 (f)	A01 - 3 marks Award 1 mark for identification of one reason that would make an area of land suitable for building a shopping centre on it, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • If the land is near to a town centre (1) or other shops (1) this will attract people to visit the shopping centre when it is built (1) • Transport links will need to be efficient (1) so that customers can visit the shopping centre (1) without having to travel long distances (1) NB No marks are awarded for a definition. Answers that list three reasons with no explanation will get 1 mark only. Accept any appropriate response.	(3)

Q. No.	Option 1: opening another shop Option 2: using ecommerce Justify which one of two options <i>Cicli Corsa</i> should choose. Indicative content	Mark
2 (g)	A02 = 3 marks, A03 = 3 marks, A04 = 3 marks Arguments for option 1 <u>A02</u> • By opening another shop, it can provide the cycle equipment that customers may want or need • The staff at the shop will have the expert knowledge of the cycling products and be able to demonstrate them to customers <u>A03</u> • This will allow them to reach more customers and increase its sales • Thus, providing the customers with a high level of choice ensuring that they return to <i>Cicli Corsa</i> <u>A04</u> • However, there is no guarantee that the shop will be successful when it is opened • However, customers may find that the cost of the goods are too expensive for customers want and will not purchase any products or services Arguments for option 2 <u>A02</u> • Customers can order the bicycle online rather than visit the shop • By shopping online <i>Cicli Corsa</i> can attract cycle enthusiasts from a wider area <u>A03</u> • Customers may find it easier to order and can do this 24/7 saving them time • This could increase the sales of <i>Cicli Corsa</i> and make them more popular <u>A04</u> • However, they are unable to see the actual bicycle and it may not suit their needs when it arrives • However, not all customers have access to the internet and without credit/debit cards they cannot purchase anything	(9)

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-3	- Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2) - Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3) - Makes a judgement, providing a simple justification based on limited evaluation of commercial information and issues relevant to the choice made. (AO4)
Level 2	4-6	- Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2) - Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3) - Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made. (AO4)
Level 3	7 - 9	- Detailed application of knowledge and understanding of commercial concepts and issues to the business context throughout. (AO2) - Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3) - Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made. (AO4)

Q. No.	Which one of the following is the insurance principle on which this payment is made? Answer	Mark
3 (a)	AO1 - 1 mark The only correct answer is A – Indemnity B – is not the correct answer as insurable interest is not a payment C – is not the correct answer as utmost good faith is giving the truth to the insurance company when taking out a policy D – is not the correct answer as subrogation is once a claim has been paid the goods then belong to the insurance company	(1)

Q. No.	Which one of the following would be the price for two packets of spaghetti with the reduction applied? Answer	Mark
3 (b)	AO1 - 1 mark The only correct answer is C – 26.23 A – is not the correct answer as 11.27 – is the cost of one packet of spaghetti with the discount applied B - is not the correct answer as 18.74 – is cost of two packets of spaghetti with the discount added D - is not the correct answer as 29.98 - is the cost of two packets of spaghetti	(1)

Q. No.	State one reason why <i>Shoprite</i> might take out credit insurance. Answer	Mark
3 (c)	AO2 - 1 mark Award 1 mark for identifying one reason why <i>Shoprite</i> might take out credit insurance and one mark for further development. • Credit insurance will protect <i>Shoprite</i> from customers who fail to pay for the television they bought on credit NB Do not accept a reason that is not in the context of <i>Shoprite</i>. Accept any other appropriate response.	(1)

Q. No.	Outline one advantage for <i>Shoprite</i> of providing credit facilities to its customers. Answer	Mark
3 (d)	AO2 - 2 mark Award 1 mark for one identification of one advantage of <i>Shoprite</i> providing credit facilities to its customers, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • Credit facilities allow customers to purchase home appliances such as a fridge without having to pay for it immediately. (1) Encourages more customers to buy a range of goods such as toasters and kettles as the cost can spread over several months (1) NB Do not accept an advantage that is not in the context of <i>Shoprite</i>. Accept any other appropriate response.	(2)

Q. No.	Analyse the importance to <i>Shoprite</i> of having a good after sales service. Indicative content	Mark
3 (e)	AO2 = 3 marks AO3 = 3 marks AO2 - It encourages <i>Shoprite's</i> customers to return to the store to purchase additional items including kettles - If <i>Shoprite</i> offers customers a delivery or installation service for a fridge purchased AO3 - The customer knows that if the kettle did have a fault <i>Shoprite</i> would ensure that the problem is sorted out - Customers know that they are being looked after by the store which could increase repeat business for <i>Shoprite</i>	(6)

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	- Limited application of knowledge and understanding of commercial concepts and issues to the commercial context (AO2) - Attempts to deconstruct commercial information and/or issues, finding limited connections between points (AO3)
Level 2	3-4	- Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies (AO2) - Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3)
Level 3	5-6	- Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout (AO2) - Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3)

Q. No.	Option 1: buy from suppliers in South Africa Option 2: buy from suppliers in other countries. Justify which one of these two options <i>Shoprite</i> should choose. Indicative content	Mark
3 (f)	A02 = 3 A03 = 3 A04 = 3 Arguments for choosing option 1 <u>A02</u> • There would be no language barrier when ordering the wider range of kettles • Can negotiate the price of new cookers <u>A03</u> • Questions can be resolved quickly and a particular order can be discussed and amended as it is easier to discuss individual requirements • It is easy for suppliers to contact <i>Shoprite</i> if there needs to be changes to quoted prices <u>A04</u> • However, the quality of kettles may not be as good as those obtained from other countries • However, there may not be a large enough range of cookers for <i>Shoprite</i> Arguments for choosing option 2 <u>A02</u> • Shoprite have access to a large range of toasters and kettles • The opportunity to buy fridges from different manufacturers around the world <u>A03</u> • <i>Shoprite</i> will be able to offer its customers a greater choice of household appliances improving customer satisfaction and increasing sales • This will enable <i>Shoprite</i> to buy the fridges that are the most reliable and of good quality <u>A04</u> • However, buying from other countries can be time consuming and delay the supply of kettles to its supermarkets • However, the price of the fridges may be higher and South African customers may not be able to afford them	(9)

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-3	- Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2) - Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3) - Makes a judgement, providing a simple justification based on limited evaluation of commercial information and issues relevant to the choice made. (AO4)
Level 2	4-6	- Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2) - Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3) - Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made. (AO4)
Level 3	7 - 9	- Detailed application of knowledge and understanding of commercial concepts and issues to the business context throughout. (AO2) - Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3) - Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made. (AO4)

Q. No.	Calculate, to two decimal places, the price of the loss leader Xbox after a reduction of 7.5%. You are advised to show your working. Answer	Additional Guidance	Mark
4 (a)	AO2 - 2 marks Award 1 mark for calculation and 1 mark for the answer. Award 1 mark for correct calculation and 1 mark for correct answer $249.99 \times 0.075 = 18.75 \text{ (1)}$ $249.99 - 18.75$ $= 231.24 \text{ (1)}$ NB A candidate who responds with 231.24 and no calculation is awarded both marks	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct answer with no working.	(2)

Q. No.	Analyse why <i>Microsoft</i> would want a cover note when taking out insurance on its products. Indicative content	Mark
4 (b)	AO2 = 3 marks AO3 = 3 marks <u>AO2</u> • A cover note is a contract between <i>Microsoft</i> and an insurance business that insurance has been taken out on its products such as a headset • It is a temporary document covering products such as consoles until the certificate of insurance has arrived <u>AO3</u> • The cover note gives details of the type of insurance that is being covered incase <i>Microsoft</i> incurred a loss before the policy was issued • If <i>Microsoft</i> has to make a claim before the certificate has arrived, they have proof that the insurance has been taken out	(6)

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	- Limited application of knowledge and understanding of commercial concepts and issues to the commercial context (A02) - Attempts to deconstruct commercial information and/or issues, finding limited connections between points (A03)
Level 2	3-4	- Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies (A02) - Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (A03)
Level 3	5-6	- Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout (A02) - Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning (A03)

Q. No.	Evaluate why it is important for <i>Microsoft</i> to ensure that the goods it sells are not faulty. You should use the information provided and your own knowledge of commerce in your answer.	Mark
4 (c)	AO1 = 3 marks AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks <u>AO1</u> • Legislation is in place to deal with faulty goods • Faulty goods can be dangerous <u>AO2</u> • <i>Microsoft</i> must ensure that its games consoles meet the legislation requirements • <i>Microsoft</i> sells electrical products, such as laptops causing an accident if faulty <u>AO3</u> • This would then maintain a good reputation for <i>Microsoft</i> games console and other products it sells and could attract many new customers from reviews written on the websites and chat sites • This could decrease the sales and bad publicity to the buyer of being hurt or injured <u>AO4</u> • However, if the quality of the products is not maintained then <i>Microsoft</i> may have to replace faulty products or repair products which could increase its costs • However, if the service provided is up to the standard expected, then satisfied customers may post positive reviews which could cause good publicity for <i>Microsoft</i> and this could mean increased sales	(12)

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-4	• Demonstrates elements of knowledge and understanding of commercial concepts and issues, with limited commercial terminology used. (AO1) • Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2) • Attempts to deconstruct business information and/or issues, finding limited connections between points. (AO3) • Makes a judgement, providing a simple justification based on limited evaluation of commercial information and issues relevant to the choice made. (AO4)
Level 2	5 - 8	• Demonstrates mostly accurate knowledge and understanding of commercial concepts and issues including appropriate use of commercial terminology in places. (AO1) • Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2) • Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3) • Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made. (AO4)
Level 3	9 - 12	• Demonstrates accurate knowledge and understanding of commercial concepts and issues throughout, including appropriate use of commercial terminology. (AO1) • Detailed application of knowledge and understanding of commercial concepts and issues to the business context throughout. (AO2) • Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3) • Makes a judgement, providing a clear justification based on a thorough evaluation of commercial information and issues relevant to the choice made. (AO4)

