



Mark Scheme (Results)

June 2015

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)	• Coincidence • Coincidence of wants Allow 'coincidence' if misspelt	(1)

Question Number	Answer	Mark
1 (b)	• Order/orders	(1)

Question Number	Answer	Do not accept	Mark
1 (c)	• Deferred • Defer Allow 'deferred' if misspelt	• Different	(1)

Question Number	Answer	Mark
1 (d)	• Bloc/block • Blocs/blocks	(1)

Question Number	Answer	Mark
2 (a)	• Advertising that gives facts/detail/information (1) e.g. Ford advertising their new cars, bus timetables (1) (1 mark for definition and 1 mark for example)	(2)

Question Number	Answer	Mark
2 (b)	• Advertising made by companies to attract/aware consumers (1) e.g. perfume, chocolate (1) (1 mark for each definition and 1 mark for example)	(2)

Question Number	Answer	Mark
3	5% of the total is deducted/discount (1) if the invoice is paid within 7 days (1) (1 mark per point)	(2)

Question Number	Answer	Mark
4	- Less staff need to be employed/wages saved - Less bank premises needed/reducing fixed costs - Can focus on offering other services aimed at particular customers - Advertise its services on the internet - Reduction of human error - Gives the bank a competitive edge - Reaches a wider audience (1 mark for each advantage)	(2)

Question Number	Answer	Mark
5	Coins or banknotes (1) that must be accepted (1) in law (1) if offered in payment of a debt (1)	(2)

Question Number	Answer	Mark
6	- One way to compete with other retailers - Fees charged bring in more sales/profits - Helps to have repeat customers/business /increase customer loyalty - Customers will see after-sales as a benefit to make their life easier/more likely to make the sale because it is given (1 mark for each reason)	(2)

Question Number	Answer	Mark
7	(i) Fax = Written (ii) Radio = Spoken (iii) Teletext = Written (iv) Videoconferencing = Spoken (1 mark for each method correctly matched)	(4)

Question Number	Answer	Do not accept	Mark
8	• ATM • Automated Teller Machine • Automatic Teller Machine • Cash dispenser	• Cash machine • Cashpoint	(1)

Question Number	Answer	Mark
9	• Can aim at targeted customers/market • Goods can be showcased/demonstrated • Gain free press coverage • Show off/promote products • Sell goods/take orders at trade fair • Give specialist advice to customers (1 mark for each reason)	(2)

Question Number	Answer	Mark
10	• E.g. Trade Descriptions Act/Unfair Trading Regulations (1) ensures that goods are correctly described or example such as falsely stating that a product is approved by a public body when it is not (1) (1 mark for any consumer law and 1 mark for relevant development)	(2)

Question Number	Answer	Mark
11	• Tariffs/duties • Quotas • Embargoes • Exchange controls or eg • Subsidies to home producers (1 mark for each way)	(3)

Question Number	Answer	Mark
12	• Lower room rates/prices • Have special deals/promotions • Improve advertising • Remind previous customers • Hold special events e.g. weddings • Hold business meetings/conferences • Booking facility on website (1 mark for each way)	(2)

Question Number	Answer	Mark
13	• Customer presents card to retailer • Retailer swipes card/customer inputs pin/signs counterfoil • Online validity check • Credit card company charges retailer commission on the sale • Cardholder receives monthly statement • Minimum repayment amount given • Payment due date given (1 mark per point)	(4)

Question Number	Answer	Mark
14 (a)(i)	• Public limited company • PLC/plc	(1)

Question Number	Answer	Mark
14 (a)(ii)	• Domino's Accept 'Domino's' if misspelt	(1)

Question Number	Answer	Mark
14(a)(iii)	Sainsbury's Accept 'Sainsbury's' if misspelt	(1)

Question Number	Answer	Mark
14 (b)	Dividend yield tells an investor how much shareholders receive in cash payout as compared with the share price (1). This number allows shareholders to look at shares and decide which ones will produce more income (1). The dividend yield is calculated as the amount of dividend divided by the share price/actual calculation (1). Since dividends on common stocks are not guaranteed, the dividend yield calculation uses historical dividends in its calculation (1). (1 mark for definition of dividend yield plus up to 2 marks for development)	(3)

Question Number	Answer	Mark
15 (a)(i)	- Land - Labour - Capital (1 mark for each factor)	(2)

Question Number	Answer	Mark
15 (a)(ii)	It is extracting raw materials (1) from the earth/land (1) (1 mark for each point)	(2)

Question Number	Answer	Mark
15 (b)(i)	• Employer's liability • Public liability • Fidelity guarantee • Theft • Fire • Consequential loss • Motor (1 mark for each example)	(2)

Question Number	Answer	Mark
15 (b)(ii)	• Buildings • Contents • Motor • Travel • Accident • Pet • Health • Debit/credit Card • Mortgage protection • Life (1 mark for each example)	(2)

Question Number	Answer	Mark
15 (c)	Clauses are to protect the insurance company from unreasonable risk/too much of a risk (1) and to remove them from liability (1) so that they do not suffer huge losses (1) from a major accident at the quarry (1) that could run into millions of pounds (1). Clauses make customers aware of what is/is not covered (1) and to minimise disagreements between the two parties (1). (1 mark per point)	(4)

Question Number	Answer	Mark
15 (d)(i)	The insured will not be able/cannot claim the full amount from both insurance companies (1) as under indemnity the insured cannot make a profit from a loss (1) The insurance companies will split the amount of loss/claim (1) allow example (1) and pay out a proportion each of the loss (1) (1 mark per point plus up to 3 marks for development)	(4)

Question Number	Answer	Mark
15 (d)(ii)	With utmost good faith, you must tell the truth (1) and give all material facts or relevant information that might affect your claim (1) Allow example (1) withholding information will have affected the premium paid (1) and makes the contract null and void (1) and you will not receive any compensation for the loss/claim made (1) (1 mark per point plus up to 3 marks for development)	(4)

Question Number	Answer	Mark
16 (a)(i)	• Can deliver to many customers on one journey • Flexible with routes • Flexible with times • Can offer door-to-door delivery • Fast over short distances • Suitable for carrying fragile goods • Roads are accessible everywhere (1 mark for each reason)	(3)

Question Number	Answer	Mark
16 (a)(ii)	A method of acquiring assets without buying them (1) with the asset hired/rented out (1) for an agreed period (1) in return for a payment (1) (1 mark for each point)	(2)

Question Number	Answer	Mark
16 (b)	• Wholesaler can provide a variety of goods (1) whereas if a manufacturer was used they would need to go to individual manufacturers (1) wasting time/money (1) • Provide storage of goods (1) eg seasonal goods (1) this saves space for the retailer (1) which the manufacturer would not do as space is needed for production (1) • Convenience (1) as wholesaler is usually well situated (1) to provide retailer needs at short notice (1) whereas manufacturer could be located anywhere in the country/world (1) • Breaking bulk (1) with bulk purchases split into smaller quantities (1) saving retailer expense of keeping large stocks (1) and manufacturers would not deal with many small orders (1) • Will provide advice (1) such as via sales representatives (1) and wide knowledge of the market (1) whereas manufacturers do not such expertise (1) • Will allow credit (1) so that the retailer can sell the goods before he pays the wholesaler (1) if the retailer had bought from the manufacturer he might have expected to pay cash (1) • Delivery (1) so that retailers do not run short of goods (1) whereas manufacturers would not be able to provide this service (1) (1 mark per reason plus 1 mark for development of each reason plus 1 mark for reference to manufacturers)	(6)

Question Number	Answer	Mark
16 (c)	• Larger footfall (1) possibility of making more sales/increased profits (1) assisting survival (1) • Ease of access because of location (1) due to good transport links (1) for suppliers/workers/customers (1) • Many consumers in the town may prefer to shop at small retailers as they offer the goods/services they require (1) with a personal/friendly service (1) that may not be offered at large retailers (1) • Town council may have encouraged small shops to stay in business by offering low rates/taxes (1) local residents may be able to walk/cycle to the town centre (1) whilst others will have access by bus/road/rail (1) (1 mark per point plus up to 2 marks for development)	(3)

Question Number	Answer	Mark
16 (d)	Advantages: • There will be less documentation needed (1) as compared to using a transport company (1) and direct contact with customers so that their needs/problems can be sorted out quickly (1) • Goods will be better supervised – as John will have his own drivers – so there is less chance of theft/damage (1) with delivery times arranged (1) to suit customer/business (1) • He will be able to buy specialised vehicles to suit the company's needs (1) e.g. refrigerated vans (1) and can place adverts on the side of the vans (1) e.g. logo/details of business (1) with vans being hired out to other people if not needed (1) Disadvantages: • There will be a high capital cost (1) and high running costs (1) such as repairs (1) someone to manage the fleet (1) which his business might not be able to afford (1) and the money spent could be utilised elsewhere (1) • There may be insufficient return loads (1) and lack of normal loads (1) so that the vehicles are standing idle (1) (1 mark per point plus up to 5 marks for development) Note: Maximum of 4 marks for either side	(6)

Question Number	Answer	Mark
17 (a)	• £20 x 80 (1) = 1600 rupees (1) (1 mark for correct method but a calculation error) NB: If 'rupees' not given only award 1 mark. NB: If answer given is only '1600 rupees' award 2 marks.	(2)

Question Number	Answer	Mark
17 (b)(i)	• Currency fall would make imports dearer (1) import costs rise (1) (1 mark for each effect)	(2)

Question Number	Answer	Mark
17 (b)(ii)	• Currency fall will make exports cheaper (1) selling price will/may fall (1) (1 mark for each effect)	(2)

Question Number	Answer	Mark
17 (c) (i)	• Letter of undertaking issued by the importer's bank (1) sent by the importer to the exporter (1) to guarantee payment (1) for goods bought from abroad (1) (1 mark per point of definition)	(2)

Question Number	Answer	Mark
17 (c)(ii)	• Very safe method of payment (1) when there is a risk of non-payment (1) because of the distance between the supplier/exporter and the importer (1) • The letter of credit is issued by the bank (1) so that it is likely to be more trustworthy (1) than if it was issued by an individual supplier/exporter (1) • The supplier/exporter has a guarantee of payment (1) before the documents are handed over (1) to the importer's bank (1) • The importer has ownership of the goods (1) by possessing the documents (1) before the payment is made (1) (1 mark per point plus up to 3 marks for development)	(4)

Question Number	Answer	Mark
17 (d)	• Instead of you selling the goods (1) the factor will sell the goods on your behalf (1) and they will have possession of the goods (1) and deliver the goods directly to buyers (1) rather than Hazel's Handbags needing to have transport to carry out this function (1) • The factor will save you time/money (1) by collecting payment (1) making contracts for you (1) and can guarantee payment (1) which will solve the problem of not being sure whether they will receive payment from an unknown customer (1) and the problem of different currencies (1) • The factor will have greater knowledge of the market that they want to sell to (1) as this would be impossible for agents based in the UK to do (1) and would be able to develop new markets/prospective buyers (1) (1 mark per point plus up to 7 marks for development) Note: Maximum of 3 marks for simply stating reasons	(8)

