



Mark Scheme (Results)

Summer 2019

Pearson Edexcel International GCSE
In Commerce 4CM1 Paper 02R
Facilitating commercial operations

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications come from Pearson, the world's leading learning company. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information, please visit our website at www.edexcel.com.

Our website subject pages hold useful resources, support material and live feeds from our subject advisors giving you access to a portal of information. If you have any subject specific questions about this specification that require the help of a subject specialist, you may find our Ask The Expert email service helpful.

www.edexcel.com/contactus

Pearson: helping people progress, everywhere

Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at:

www.pearson.com/uk

Summer 2019

Publications Code 4CM1_02_msc_20190822

All the material in this publication is copyright

© Pearson Education Ltd 2019

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.
- Mark schemes will indicate within the table where, and which strands of QWC, are being assessed. The strands are as follows:
 - i) ensure that text is legible and that spelling, punctuation and grammar are accurate so that meaning is clear*
 - ii) select and use a form and style of writing appropriate to purpose and to complex subject matter*
 - iii) organise information clearly and coherently, using specialist vocabulary when appropriate.*

Question Number	Answer	Mark
1 (a)	A01 = 1 mark B – Mortgage	(1)

Question Number	Answer	Mark
1 (b)	A01 = 1 mark C – Receipt	(1)

Question Number	Answer	Mark
1 (c)	A01 = 1 mark Average inventory is a calculation comparing the value or number of a particular good or set of goods during two or more specified time periods.	(1)

Question Number	Answer	Mark
1 (d)	A01 = 1 mark A bank draft is a cheque drawn by a bank against its own funds.	(1)

Question Number	Answer	Mark
1 (e) (i)	A02 = 1 mark <i>Choconat</i> sales turnover may increase as the ingredients have shown to show health benefits.	(1)

Question Number	Answer	Mark
1 (e) (ii)	A02 = 1 mark One reason why <i>Choconat</i> buys from Costa Rica is because they cannot grow the raw materials in the US. One reason why <i>Choconat</i> buys from Costa Rica is because the raw materials may be cheaper than other suppliers.	(1)

Question Number	Answer	Additional guidance	Mark
1 (e) (iii)	A02 = 2 mark Percentage Change $52 - 46 = 6 / 46 = 0.1304$ (1) $0.1304 \times 100 = 13.04\%$ (1) 1 mark for the correct formula	Award 2 marks if only correct answer is given	(2)

Question Number	Answer	Mark
1 (f)	A01 = 3 marks Award 1 mark for identifying a suitable mode of transport one and up to 2 marks for explaining that mode for a maximum of 3 marks. A mode of transport that could be used would be a goods train (1) this can transport large quantities of heavy goods. (1) This is a relatively cheap way of transporting heavy goods.(1) A mode of transport that they could use would be freight plane (1) this can transport goods that are urgently required (1) but it is an expensive method of transportation. (1) Answers that list three modes with no explanation will get a maximum of 1 mark. Accept any other appropriate response.	(3)

Question Number	Answer	Mark
1 (g)	A01 = 3 marks Award 1 mark for identifying a reason for using a warehouse and up to 2 marks for explaining that reason for a maximum of 3 marks. A retailer would use a warehouse to store its goods (1) This allows the retailer to fulfil orders quickly (1) as they already have completed goods waiting to be bought (1). A retailer would use a warehouse to distribute their goods to its stores (1) this allows the retailer to hold more stock than could be held in stores (1) offering a greater range of stock to be sold. (1) Answers that list three reasons with no explanation will get a maximum of 1 mark. Accept any other appropriate response.	(3)

Question Number	Indicative content	Mark
1 (h)	AO2 = 3 marks AO3 = 3 marks • Informative advertising is when only the benefits of a product (Choconat's Chocolate) are promoted. (AO2) • Informative advertising would let customers know the ingredients in Choconat's products. (AO2) • This would inform the customers of the benefits which include how it can help with healthy blood pressure and support concentration therefore encouraging more sales. (AO3) • Customers who are interested in organic ingredients will be made aware through the informative advert. This could lead to increased sales in this part of the market. (AO3)	(6)

Level	Mark	Descriptor
	0	Mo 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)

Question Number	Answer	Mark
2 (a)	A01 = 1 mark C – A letter	(1)

Question Number	Answer	Mark
2 (b)	A02 - 1 mark A – Dividend	(1)

Question Number	Answer	Mark
2 (c) (i)	A02 - 1 mark App using email to log in	(1)

Question Number	Answer	Mark
2 (c) (ii)	A02 - 1 mark App using social media log in	(1)

Question Number	Answer	Mark
2 (d)	A02 - 1 mark Inventory turnover is a measure of the number of times inventory is sold or used in a time period such as a year.	(1)

Question Number	Answer	Mark
2 (e)	A01 = 3 marks Award 1 mark for identifying one way and up to 2 marks for explaining the way for a maximum of 3 marks. To decrease price on each product or service sold (1) This would mean more would be sold because it would attract more customers (1) thereby increasing sales revenue (1) To increase the promotion of the business products and services (1) The more a business promotes its products it would increase awareness of them in the market. (1). This could result more sales increasing the turnover (1) Answers that list three ways with no explanation will get a maximum of 1 mark. Accept any other appropriate response	(3)

Question Number	Answer	Mark
2 (f)	AO1 = 3 marks Award 1 mark for identifying why they use video conferencing and up to 2 marks for explaining why for a maximum of 3 marks. Video conferencing can be used to show visual images (1) These could include graphs and charts (1) these could be discussed in the meeting (1). It is used to save the cost of travel (1) people from different offices don't have to travel (1) this saves the business time and money (1). Answers that list three ways with no explanation will get a maximum of 1 mark. Accept any other appropriate response.	(3)

Question Number	Answer	Mark
2 (g)	AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks Arguments for option 1 - Using Crowdfunding allows Hedgehog Lab to attract many potential investors from across India. (AO2) - Using crowd funding people who are interested only contribute small amounts of finance. (AO2) - The crowdfunding method is suitable as it will not limit investors who can help fund the expansion. (AO3) - It will protect the ownership of Hedgehog Lab as investors do not take a stake in it. (AO3) - However, if Hedgehog Lab do not reach the \$300 000 needed for the expansion they will not receive any of the money invested. (AO4) - However, some investors may be more interested in formal ownership by the purchase of shares instead of having no say. (AO4) Arguments for option 2 - Using venture capital Hedgehog Lab would need to attract a large sum of money usually from one or two people. (AO2) - Venture capitalist require share of the business for their investment. (AO2) - If Hedgehog Lab were to use Venture Capital it may make it easier to enter into the app building market in India, as the Venture Capitalist may have knowledge of the Indian market. (AO3) - Hedgehog Lab is an established business in other countries, as such it can attract more Indian venture capitalist. This could reduce the risk to Hedgehog Lab as the venture capitalist might accept a lower percentage of ownership. (AO3) - The number of venture capitalist with knowledge of the app building market may be limited. (AO4) - Venture capitalist will require part ownership of Hedgehog Lab through the purchase of shares meaning present owners will lose come control of the business. (AO4)	(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 commercial 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)

Question Number	Answer	Mark
3 (a)	A01 - 1 mark D	(1) A01a

Question Number	Answer	Mark
3 (b)	A02 - 1 mark C	(1) A01a

Question Number	Answer	Mark
3 (c)	A02 - 1 mark They will be able to identify customer needs from any feedback or comments left on their feed. It also acts as an advertising medium and attracts potential customers who were unaware of it.	(1)

Question Number	Answer	Mark
3 (d)	A02 - 2 marks (i) \$17.97 - \$9.99 - \$5.99 = \$1.99 (1) (ii) \$17.97 x 0.21 = \$3.77 (1)	(2)

Question Number	Indicative content	Mark
3 (e)	A02 = 3 marks A03 = 3 marks • A 10% increase in price would see customers having to pay more for it services. (A02) • The increase in price might offer more shows (A02) • If <i>iflix</i> increased their mark up by 10% they may lose customers as it would be cheaper to use alternative providers such as Netflix and Amazon. (A03) • Customer may be happier to pay the higher subscription fee because they will have access to a wider range of services. (A03)	(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)

Question Number	Answer	Mark
3 (f)	AO2 = 3 AO3 = 3 AO4 = 3 Arguments for option 1 - National South African newspapers would target a large population (AO2). - Newspaper adverts are relatively cheap (AO2) - The advertisement in the newspapers may be seen by many potential customers who may wish to sign up for <i>iflix</i> services. (AO3) - This will allow <i>iflix</i> to place adverts on a regular basis increasing the chances of more customers signing up. (AO3) - However, newspapers are often in black and white and this does not convey the brand <i>iflix</i> wish to present. (AO4) - The use of national newspapers would cost <i>iflix</i> regular fees and could significantly increase costs to the firm. (AO4). Arguments for option 2 - Using an advert on a mobile app would allow them to target customers (AO2) - Potential customers may already use the technology that is needed to run <i>iflix</i>. (AO2) - As <i>iflix</i> is a video on demand retailer it would be more suitable to use adverts on mobile apps as they can advertise in HD. (AO3) - They are more likely to see the advert and potentially act upon it. (AO3) - But the click rate is very low and often ignored which cause a waste of money and the return would be lower. (AO4) - This may be less effective as users of mobile apps might find the adverts annoying and therefore ignore them. (AO4)	(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 commercial 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)

Question Number	Answer	Mark
4 (a)	A02 = 2 marks The biggest manufacturers in the market contributed to the advertisement costs (1) to promote the importance of bicycles and not the brand. (1) Accept any other appropriate response.	(2)

Question Number	Answer	Mark
4 (b)	A02 = 3 marks A03 = 3 marks • Due to using persuasive advertising <i>Trek</i> can attract customers from <i>Giant</i> (A02) • Persuasive advertising would show the difference between <i>Trek</i> and <i>Giant's</i> prices. (A02) • This will reduce <i>Giants</i> sales and profits potentially making them move into a lower priced market. (A03) • A key impact of <i>Trek</i> using persuasive advertising is that it will show the small differences between the two manufacturers and persuade customers to spend less on a bike. (A03)	(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)

Question Number	Indicative content	Mark
4 (c)	A01 = 3 marks A02 = 3 marks A03 = 3 marks A04 = 3 marks - Consumer credit includes credit cards and credit sales. (A01) - Consumer credit allows the cost of expensive products to be spread over a longer period of time (A01) - By offering consumer credit customers can buy bicycles. (A02) - Using consumer credit allows customers to buy the highest quality bicycle immediately with lower regular payments. (A02) - By offering consumer credit there is a likelihood that Giant will have increased sales. (A03) - Consumer credit will encourage customers to purchase bicycles at a higher price than they were planning to. (A03) - However, it may lead to some consumers not paying on time which would lead to bad debts being incurred by <i>Giant</i> and potential losses. (A04) - By offering consumer credit for expensive bicycles Giant will increase pressure on its cash flow. (A04)	(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. (A01) - 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) - Draws a conclusion, supported by generic assertions from limited evaluation of commercial information and issues. (A04)

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) • Draws a conclusion based on sound evaluation of commercial information and issues. (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 commercial context throughout. (AO2) • Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3) • Draws a valid and well-reasoned conclusion based on a thorough evaluation of commercial information and issues. (AO4)