



Mark Scheme (Results)

November 2020

Pearson Edexcel International GCSE
In Commerce (4CM1)
Paper 2R Facilitating Commercial Operations

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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)	A01 = 1 mark C Payment of bills	(1)

Question Number	Answer	Mark
1 (b)	A01 = 1 mark C To deposit money when the bank is closed	(1)

Question Number	Answer	Mark
1 (c)	A01 = 1 mark Award 1 mark for a definition that shows knowledge of a bank giro. An instruction to transfer money from one bank directly to another bank (1).	(1)

Question Number	Answer	Mark
1 (d)	A01 = 1 mark Award 1 mark for a definition that shows knowledge of a yield. The annual dividend paid out per share (1).	(1)

Question Number	Answer	Mark
1 (e) (i)	A02 = 1 mark Award 1 mark for a valid trading document. A quotation that lists the prices of Lego toys (1).	(1)

Question Number	Answer	Mark
1 (e) (ii)	A02 = 1 mark Award 1 mark for a valid reason to use catalogues. • <i>The Lego Group</i> use catalogues to advertise its wide range of products for people without the internet (1). • <i>The Lego Group</i> use catalogues to increase their sales by targeting customers with its wide range of products (1).	(1)

Question Number	Answer	Additional guidance	Mark
1 (e) (iii)	A02 = 2 marks $0.95 + 0.65 + 0.70 + 0.5 + 0.55 =$ \$3.35 billion / \$5 billion $= 0.67$ (1) $0.67 \times 100 = 67\%$ (1) 1 mark for the correct method but a calculation error.	Award 2 marks if correct answer is given but no working shown.	(2)

Question Number	Answer	Mark
1 (f)	A01 = 3 marks Award 1 mark for identifying a reason why a business would issue a credit note and up to 2 marks for explaining that reason for a maximum of 3 marks. • A credit note is issued when a customer returns goods (1) because it was not what was ordered (1) or they were damaged when delivered (1). • A credit note is issued when an invoice is incorrect (1). It is issued to a customer to cancel out a debt (1). The issuing of a credit note means both parties have a clear record of the credit amount (1). Answers that list three reasons 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 factoring and up to 2 marks for explaining that reason for a maximum of 3 marks. • A business would use factoring to improve its cashflow (1) reducing the need to use an overdraft (1). This would allow the business to pay its short-term debts (1). • A business would use factoring when a customer is slow paying them (1). The business would receive a percentage of the total debt from the bank (1) but the bank carries the risk of non-payment of the debt (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)	A02 = 3 marks A03 = 3 marks • Third party distribution can improve efficiency in terms of time and money (A02). • Using its own delivery vans can provide <i>The Lego Group</i> with increased flexibility (A02). • The money and time saved could then be used for developments in other parts of the business (A03). • This allows it to be more efficient as it does not have to follow the fixed timetables and routes offered by third parties (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
2 (a)	A01 = 1 mark D Profit per item ÷ Cost per item x 100	(1)

Question Number	Answer	Mark
2 (b)	A01 - 1 mark B Protecting supply	(1)

Question Number	Answer	Mark
2 (c) (i)	AO2 - 1 mark Award 1 mark for correct answer. Fruit infuser	(1)

Question Number	Answer	Mark
2 (c) (ii)	AO2 - 1 mark Award 1 mark for correct answer. New Era 9forty Adjustable Baseball Hat	(1)

Question Number	Answer	Mark
2 (d)	A01 - 1 mark Award 1 mark for a definition that shows knowledge of an invoice. A document that list products supplied and money owed (1).	(1)

Question Number	Explain one reason why a customer would use a credit card to purchase goods. Answer	Mark
2 (e)	A01 = 3 marks Award 1 mark for identifying one reason a customer would use a credit card to purchase goods and up to 2 marks for explaining why for a maximum of 3 marks. • The customer may not have enough money (1) this method allows them to be able to buy the goods (1) and pay for it at a later date (1). • The goods could be expensive (1) this method allows the customer to pay it off over a period of time (1) allowing them to buy more expensive goods. (1). Answers that list three reasons with no explanation will get a maximum of 1 mark. Accept any other appropriate response.	(3)

Question Number	Answer	Mark
2 (f)	A01 = 3 marks Award 1 mark for identifying a reason why a business might use social media and up to 2 marks for explaining that reason for a maximum of 3 marks. • A business might use social media to increase the visibility of its product (1) which shows the benefits of the product (1) and persuade customers to buy it(1). • A business might use social media to create brand awareness (1). This may lead to building stronger customer awareness (1). This could improve customer knowledge of the products and difference from the competition (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
2 (g)	AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks Arguments why <i>Gymshark</i> should choose option 1 • The trade organisation knows the requirements of the fitness industry (AO2). • The trade organisation has knowledge of the needs of the Chinese market (AO2). • If <i>Gymshark</i> used the trade organisation's knowledge of its requirements it may be able to start advertising more quickly which improves sales (AO3). • If <i>Gymshark</i> used the trade organisation it would be able to advise <i>Gymshark</i> on the growing markets in China which could help it identify where to advertise (AO3). • However, the trade organisation would offer the same advice to all businesses in the fitness industry, which could increase competition for <i>Gymshark</i> (AO4). • However, they may suggest a different country where demand for fitness equipment is greater than in China which would change <i>Gymshark's</i> plan and where to advertise (AO4). Arguments why <i>Gymshark</i> should choose option 2 • An overseas agent would inform <i>Gymshark</i> of the specific requirements of Chinese businesses and customers (AO2). • Using an overseas agent would give <i>Gymshark</i> their extensive knowledge of where to advertise in China (AO2). • This would allow <i>Gymshark</i> to identify the correct products to advertise as they would sell better (AO3). • This might allow <i>Gymshark</i> to better place its advertising to identify and exploit opportunities (AO3). • However, using an overseas agent would increase costs as they often work on commission which reduces the profit per sale (AO4). • However, an overseas agent may not have the knowledge of the requirements for a fitness manufacturer and this may delay <i>Gymshark</i> advertising in China (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 B ATM	(1)

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

Question Number	Answer	Mark
3 (c)	A02 - 1 mark Award 1 mark for one benefit to <i>Monin</i> . - Allows <i>Monin</i> to have multiple meetings in one day with distributors across the world (1). - Reduces the cost of travel for <i>Monin</i> employees to overseas venues (1). Accept any other appropriate response.	(1)

Question Number	Answer	Mark
3 (d)	A02 - 2 marks (i) \$39 000 000 (1) . (ii) \$2 250 000 (1) .	(2)

Question Number	Indicative content	Mark
3 (e)	A02 = 3 marks A03 = 3 marks • <i>Monin's</i> sales turnover would decrease (A02). • <i>Monin's</i> reputation would be damaged (A02). • Due to lower sales, <i>Monin's</i> profit margin would be reduced (A03). • This would impact on customers' willingness to buy products from <i>Monin</i> causing sales to fall (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
3 (f)	Indicative Content A02 = 3 A03 = 3 A04 = 3 Arguments for option 1 • As a large business operating in four countries <i>Monin</i> has large retained profits. (A02). • Using retained profit means <i>Monin</i> will not have to borrow money (A02). • If <i>Monin</i> use all of its retained profit it can build the production facility faster as it will not need to negotiate loans (A03). • If <i>Monin</i> uses retained profit it is cheaper than borrowing from a bank thus avoiding any interest payments on the \$90 million investment (A03). • However, using all its retained profits could cause <i>Monin</i> to be in trouble if unexpected problems and costs occur (A04). • However, using all the retained profits might upset <i>Monin</i> shareholders as they may receive lower or no dividends (A04). Arguments for option 2 • Using a debenture allows <i>Monin</i> to use capital tied up in other assets such as their other production facilities (A02). • Using a debenture does not reduce the control of existing <i>Monin</i> shareholders (A02). • This would give <i>Monin</i> the finance needed to build its other production facility at a reduced risk to itself (A03). • This would give <i>Monin</i> greater confidence to invest in the new production facility as the owners would still remain in control (A03). • However, if <i>Monin</i> fails to repay the debenture, it would be required to sell its assets to cover the \$90 million (A04). • However, the debenture will have restrictions that stop the <i>Monin</i> directors from using the assets that are secured to raise further finance until it paid in full. (A04).	(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 Using a 100-day change of mind guarantee may encourage consumers to buy the more expensive products (1) this would increase <i>Samsung's</i> turnover (1). Accept any other appropriate response.	(2)

Question Number	Indicative Content	Mark
4 (b)	A02 = 3 marks A03 = 3 marks • Selling through a retailer lowers the price that <i>Samsung</i> receives for its products (A02). • Selling products through a retailer, <i>Samsung</i> is giving control of the price of the product to a third party (A02). • Therefore selling through its website allows <i>Samsung</i> to increase profits per product sold as they receive the full price (A03). • By using its own website <i>Samsung</i> can control the market price of its products, ensuring higher profits are maintained (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	Indicative content	Mark
4 (c)	A01 = 3 marks A02 = 3 marks A03 = 3 marks A04 = 3 marks • Persuasive advertising is a promotion technique aimed at persuading new consumers to buy a product (A01). • Persuasive advertising is used to encourage its customer base to buy more products (A01). • Using persuasive advertising to target busy families can encourage them to see the benefits that the <i>Samsung</i> connected living range can have on their lives (A02). • Using persuasive advertising will show how its current customer base lives are made easier using Wi-Fi connected products (A02). • This would encourage the families not just to buy one <i>Samsung</i> product but a wide range which would develop customer loyalty (A03). • This may encourage trial purchases of <i>Samsung</i> products, increasing sales turnover as its current customer base are adding to their existing purchases (A03). • However, by using the persuasive advertising to focus on families, <i>Samsung</i> are missing on a wide market of people who do not have families (A04). • However, competitors of <i>Samsung</i> might bring out a range of products that use Wi-Fi which they could then sell at a cheaper price, impacting on <i>Samsung's</i> sales of its connected living range (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 (AO1). • 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). • Draws a conclusion, supported by generic assertions from limited evaluation of commercial information and issues (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). • 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).

