



Mark Scheme (Results)

November 2021

Pearson Edexcel International GCSE
In Commerce 4CM1
Paper 01

Commercial operation and associated risks

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Question number	Which one of the following is a characteristic of a limited company? Answer	Mark
1 (a)	AO1 = 1 B Personal assets of the owners are protected	(1)

Question number	Which one of the following best describes a business in one country buying raw materials from another country? Answer	Mark
1 (b)	AO1 = 1 D Importing	(1)

Question number	Define the term actuaries . Answer	Mark
1 (c)	AO1 = 1 Award 1 mark for definition of actuaries . A professional in the insurance industry who deals with the measurement of risk/uncertainty (1)	(1)

Question number	Define the term capital . Answer	Mark
1 (d)	AO1 = 1 Award 1 mark for definition of capital . Money or wealth provided to start/run a business (1)	(1)

Question number	Calculate the difference in the balance of trade from 2018 to 2019. Answer	Mark
1 (e) (i)	AO2 = 2 Award 1 mark for calculation and 1 mark for the answer. 39 321 – 24 281 (1) = 15 040 (1) NB a candidate who responds with 15 040 and no calculation would be awarded both marks.	(2)

Question number	State one possible disadvantage for South African businesses from importing goods. Answer	Mark
1 (e) (ii)	AO2 = 1 Award 1 mark for stating a disadvantage for South African businesses of importing goods • South African businesses will have to pay import duty as well as the cost of the goods (1) • The goods may not meet the health standards set by South Africa (1)	(1)

Question number	State one advantage for South Africa of trading internationally Answer	Mark
1 (e) (iii)	AO2 = 1 Award 1 mark for stating an advantage for South Africa of trading internationally • A wider range of goods can be imported that are not available in South Africa, for example luxury cars such as Bentley (1) • The foreign currency earned by the diamonds mined in South Africa can be exported to countries such as Holland and the UK (1)	(1)

Question number	Explain one disadvantage for a customer using mail order. Answer	Mark
1 (f)	AO1 = 3 Award 1 mark for identifying a disadvantage for a customer of using mail order and up to 2 marks for a linked development. • If goods arrive damaged (1) the customer would have to return them to the mail order business (1) causing additional work for the customer (1) • The goods ordered may not be delivered (1) the buyer will then have to contact the seller (1) to request that the goods be sent or the money paid refunded (1) Answers that list three reasons with no development will get a maximum of 1 mark. Accept any other appropriate response.	(3)

Question number	Explain one advantage for a customer of consumer protection legislation Answer	Mark
1 (g)	AO1 = 3 Award 1 mark for identifying an advantage of having consumer protection legislation and up to 2 marks for a linked development. • Having consumer protection legislation means that consumers are protected when they buy any goods (1) if a consumer purchases a television and after one week the television did not work (1) The consumer has every right to take the television back and ask the seller to repair or replace it (1) • A customer buys a dress with a label stating that it is washable (1) after washing the dress it shrinks (1) the law states that the dress was not fit for purpose and a refund or replacement must be made (1) Answers that identify three advantages consumer protection legislation with no development will get a maximum of 1 mark. Accept any other appropriate response.	(3)

Question number	Analyse why <i>Pick n Pay</i> offers a variety of payment methods. Indicative content	Mark
1 (h)	AO2 = 3 AO3 = 3 <u>AO2</u> - Customers may only have one way of paying for the goods they wish to purchase from the supermarket - Offering various methods of payment can cost <i>Pick n Pay</i>, as fees can be charged on each transaction <u>AO3</u> - This choice of different payment methods will not prevent any customers from shopping at <i>Pick n Pay</i> if they only have one form of payment and therefore sales will not be reduced - Even though fees can be charged, <i>Pick n Pay</i> can increase the price of its products to cover them	(6)

Level	Marks	Level 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	In which one of the following sectors would a business selling food and drink be placed? Answer	Mark
2 (a)	AO1 = 1 C Tertiary	(1)

Question number	Which one of the following means that when two businesses issue policies covering the same risk any claim will be shared between them? Answer	Mark
2 (b)	AO2 = 1 D Contribution principle	(1)

Question number	Identify which age group that uses the loyalty programmes the least Answer	Mark
2 (c) (i)	AO2 = 1 Award 1 mark for correct answer. • 18-24 • Eighteen – twenty years • Eighteen years – twenty years	(1)

Question number	Identify which age group with a 69% use of loyalty programmes. Answer	Mark
2 (c) (ii)	AO2 = 1 Award 1 mark for correct answer. • 45-54 • Forty five – fifty five years • Forty five years – fifty five years	(1)

Question number	Define the term Electronic Point of Sale (EPOS) . Answer	Mark
2 (d)	AO1 = 1 Award 1 mark for defining Electronic Point of Sale (EPOS) . A computerised system of recording sales of products in a shop by scanning the bar codes on the packaging of the products being sold	(1)

Question number	Explain one reason why some retailers offer self-service in their stores Answer	Mark
2 (e)	AO1 = 3 Award 1 mark for one reason why some retailers offer self-service and up to 2 marks for a linked development. - Self-service allows customers to shop at their own pace (1) buying the size/quantity of goods they require (1) and this could lead to customers buying more (1) - Retailers do not have to employ as many assistants (1) as customers shop for themselves (1) this reduces the retailers staffing costs (1) Answers that list three reasons why some retailers offer self-service with no explanation will get a maximum of 1 mark. Accept any other appropriate response.	(3)

Question number	Explain one benefit to an insurance company of the principle of indemnity Answer	Mark
2 (f)	AO1 = 3 Award 1 mark for a benefit to an insurance company of indemnity and up to 2 marks for a linked development. • The policy holder would only be compensated for any loss they have incurred (1) and returned to the situation they were in before the loss (1) so they do not make a profit out of a loss (1) • The policy holder cannot over insure an item to gain money (1) and the insurance company would only compensate them for the value of the item lost not what they may have insured it for (1) thus avoiding over insurance of an item (1) Answers that list three reasons with no explanation will get a maximum of 1 mark. Accept any other appropriate response.	(3)

Question number	Option 1: refund the money immediately Option 2: issue a credit note to the value of the item. Indicative content	Mark
2 (g)	A02 = 3 A03 = 3 A04 = 3 Arguments why <i>Kyra</i> should choose option 1 <u>A02</u> • By issuing a refund immediately for the faulty earrings, <i>Kyra</i> can then return the earrings to the manufacturer to either be repaired or replaced <u>A03</u> • Due to the prompt payment, they are more likely to return to the shop and purchase other items • Sending the earrings back to the manufacturer will take time and cost money <u>A04</u> • However, they may tell their friends and family about purchasing faulty goods, which may put them off shopping there • However, the manufacturer may well cover these costs and <i>Kyra</i> would not lose out financially Arguments why <i>Kyra</i> should choose option 2 <u>A02</u> • By offering a credit note it means that the customer can purchase another pair of earrings when they find a suitable pair • Some customers do not like receiving a credit note for faulty earrings <u>A03</u> • By issuing a credit note <i>Kyra</i> ensures the customer returns and may then make further purchases • These customers may insist on having a cash payment <u>A04</u> • However, there is no guarantee that they will find a suitable pair of earrings and will remain a dissatisfied customer • However, this may mean that <i>Kyra</i> is able to satisfy all their customers and keep a good reputation	(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	Which one of the following is a characteristic of a franchise? Answer	Mark
3 (a)	AO1 = 1 A The franchisor provides all supplies used in the business	(1)

Question number	Which one the following would provide a product with a visual identity? Answer	Mark
3 (b)	AO2 = 1 C Product branding	(1)

Question number	State one advantage of ecommerce to <i>Ajkerdeal</i> customers Answer	Mark
3 (c)	AO2 = 1 Award 1 mark for one reason stated. - Customers can buy their shoes from anywhere in Bangladesh (1) - Customers have access to the website 24/7 (1) Accept any other appropriate response.	(1)

Question number	Outline one reason why <i>Ajkerdeal</i> offers its customers an after sales service Answer	Mark
3 (d)	AO2 = 2 Award 1 mark for identifying one reason why <i>Ajkerdeal</i> offer its customers an after-sales service and 1 mark for further development. Shoes are purchased online so there may be issues with fit, look or quality for the customer (1) <i>Ajkerdeal</i> has to be in a position to deal with such issues or it will lose customers/reputation (1) Accept any other appropriate response.	(2)

Question number	Analyse why <i>Ajkerdeal</i> holds seasonal sales at certain times of the year Indicative content	Mark
3 (e)	A02 = 3 A03 = 3 <u>A02</u> • <i>Ajkerdeal</i> may wish to reduce its stock of sandals as the monsoon season approaches • By having a seasonal sale <i>Ajkerdeal</i> may encourage new customers to the website to buy shoes <u>A03</u> • This reduces the stock and increases the space for the new season's shoes • These customers could become loyal customers who only buy their shoes from <i>Ajkerdeal</i> in the future	(6)

Level	Marks	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	Option 1: buy from new suppliers in Bangladesh Option 2: buy from suppliers in difference countries 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 shoes • Easier to negotiate the design, colour and materials of the wider range of new shoes <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 • By maintaining this contact, they can see the progress of the orders they have made <u>A04</u> • However, the quality of shoes may not be as good as those obtained from other countries • However, there may not be a wide range of shoes that <i>Ajkerdeal</i> wants to buy Arguments for choosing option 2 <u>A02</u> • A wider range of different shoes and trainers can be supplied such as <i>Nike</i> and <i>Adidas</i> • The opportunity to buy shoes from around the world could reduce the cost of buying them <u>A03</u> • Customers have a greater choice of shoes supplied by overseas manufacturers, meaning customers will be more satisfied and sales will increase • Thus, <i>Ajkerdeal</i> may be able to make more profit on selling shoes supplied from overseas <u>A04</u> • However, negotiating with different suppliers can be time-consuming and this could delay the supply of shoes • However, the cost of using Bangladesh suppliers is likely to be lower than using overseas suppliers	(9)

Level	Marks	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	Calculate the cost in UK (pounds) if <i>The Diskery</i> bought records from Japan costing 74 547.20 Japanese (YEN)	Mark
	Answer	
4 (a)	AO2 = 2 Award 1 mark for correct calculation and 1 mark for correct answer. $74\,547.20 \div 133.12$ (1) $= 560.00$ (1) NB A candidate who responds with 560.00 and no calculation would still be awarded both marks.	(2)

Question number	Analyse why <i>The Diskery</i> takes out insurance for its premises Indicative content	Mark
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4 (b)	AO2 = 3 AO3 = 3 <u>AO2</u> • If there was a fire at <i>The Diskery</i> and vinyl records were burnt the insurance would provide financial protection • If there was an accident and the front window was broken. <u>AO3</u> • Insurance will enable <i>The Diskery</i> to claim for the fire damage so that the business does not lose out • <i>The Diskery</i> would be able to claim for a replacement window at no cost to them	(6)
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Level	Marks	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	Evaluate the importance for <i>The Diskery</i> of maintaining a personal service for customers. Indicative content	Mark
4 (c)	AO1 = 3 AO2 = 3 AO3 = 3 AO4 = 3 <u>AO1</u> • Offering a personal service allows the customers to receive answers to their individual questions about vinyl records • A personal service allows customers to see other music products they may not have considered <u>AO2</u> • This allows the customer to quickly find the record they want to buy or listen to • <i>The Diskery</i> may be able to find and buy records on behalf of its customers <u>AO3</u> • Customers are therefore more confident that they are buying the record that they want • Customers will be able to discuss records face-to-face with staff at <i>The Diskery</i> who may be able to find a record a customer wants from another record shop elsewhere in the world <u>AO4</u> • However, <i>The Diskery</i> may not have all the records the customers wish to buy and a personal service will not satisfy their customers in these circumstances • However, staff spending too much time with one customer, will take away time from serving other customers	(12)

Level	Marks	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)