



Mark Scheme (Results)

Summer 2022

Pearson Edexcel International GCSE
In Commerce (4CM1)
Paper 02R 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.
- 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 the 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 D An order A is not correct as an invoice requests payment after delivery B is not correct as a quotation provides details of prices before an order C is not correct as an advice note informs customers that goods have been despatched after an order	(1)

Question Number	Answer	Mark
1 (b)	A01 = 1 mark A A passenger aircraft B is not correct because a goods train cannot cross the ocean without a ship C is not correct because an oil tanker does not carry tourists D is not correct because a taxi is a slower way to transport passengers than a passenger aircraft	(1)

Question Number	Define the term dividend .	Mark
	Answer	
1 (c)	A01 = 1 mark Award 1 mark for a definition of dividend A dividend is money paid to shareholders out of profits (1)	(1)

Question Number	Define the term credit guarantee .	Mark
	Answer	
1 (d)	A01 = 1 mark Award 1 mark for a definition of credit guarantee A credit guarantee is a promise to exporters that they will be paid by importers for their goods (1)	(1)

Question Number	State one benefit to Anna of opening a current account at her bank.	Mark
	Answer	
1 (e) (i)	A02 - 1 mark Award 1 mark for one valid benefit to Anna of opening a current account at her bank Anna will be able to ensure the safety of the money she makes from the sale of her bananas/lunchboxes (1) Accept any other appropriate response.	(1)

Question Number	State one way an overdraft may have helped Anna meet her extra costs when she started selling packed lunches.	Mark
	Answer	
1 (e) (ii)	A02 = 1 mark Award 1 mark for one valid way an overdraft could help Anna meet the extra costs of producing the packed lunches. Anna could have used the overdraft to buy bread and other food for the packed lunches (1) Accept any other appropriate response.	(1)

Question Number	Calculate, to two decimal places, the interest the truck driver will have to pay at a rate of 2%. Answer	Additional guidance	Mark
1 (e) (iii)	A02 = 2 mark 52.50 x 0.02 (1) = 1.05 (1)	Award 1 mark for correctly substituting numbers into the formula Award full marks for correct numerical answer without working	(2)

Question Number	Explain one benefit to a business of offering credit sales to its customers. Answer	Mark
1 (f)	A01 = 3 marks Award 1 mark for identifying one benefit to a business of offering customers a credit sale and up to 2 marks for explaining the benefit for a maximum of 3 marks. Credit sales allow customers to pay for goods over a period of time (1) this will attract more customers (1) the business own the goods until the final payment has been made (1) Answers that list three benefits with no explanation will get a maximum of 1 mark Accept any other appropriate response.	(3)

Question Number	Explain one way a business might use a warehouse to achieve price stability for its goods. Answer	Mark
1 (g)	A01 = 3 marks Award 1 mark for identifying one way a business may use a warehouse to achieve price stability of its goods and up to 2 marks for explaining the way for a maximum of 3 marks. • Price of goods supplied can fluctuate (1) this makes it difficult for a business to manage changes in supply and demand (1) by storing goods in a warehouse a business can meet changes in supply and demand that stabilises price changes (1) Answers that list three ways with no explanation will get a maximum of 1 mark Accept any other appropriate response.	(3)

Question Number	Analyse how refrigerated container ships may help the cooperative achieve the best profit from its European sales. Indicative content	Mark
1 (h)	A02 = 3 marks A03 = 3 marks <u>A02</u> • Anna's bananas are perishable goods • The bananas take 6-12 days to reach Europe <u>A03</u> • Refrigerated ships ensures the fruit ripened in Europe to attract the highest selling price for perfectly ripe bananas • Although it is a long voyage the fact that the bananas are stored at 13°C means that the bananas arrive in good condition	(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	Which one of the following is a method of payment that provides security for importers and exporters that payment will be made? Answer	Mark
2 (a)	A01 = 1 mark C Documentary credit (1) A is not correct as a standing order may be cancelled by the payee B is not correct as a cheque may not be honoured by the bank so is not secure D is not correct as a postal order can get lost in the post	(1)

Question Number	Which one of the following is a competitive approach to advertising? Answer	Mark
2 (b)	A02 = 1 mark B <i>Apple</i> compares its Macbook with Microsoft's Surface Laptop 2 (1) A is not correct as <i>Samsung</i> advertising the launch of a new TV showing its features is informative advertising C is not correct as a <i>Unilever</i> advertising a shampoo showing a woman who is happy with her beautiful hair is persuasive advertising D is not correct as a group of French cheese producers advertising together is collective advertising	(1)

Question Number	Answer	Mark
2 (c)(i)	A02 = 1 mark eBay (1)	(1)

Question Number	Answer	Mark
2 (c)(ii)	A02 - 1 mark Amazon (1)	(1)

Question Number	Define the term agenda .	Mark
	Answer	
2 (d)	A01 - 1 mark Award 1 mark for a definition of agenda . A list of topics to be discussed in a future meeting (1)	(1)

Question Number	Explain one reason why a small business might try to raise finance through a government grant.	Mark
	Answer	
2 (e)	A01 = 3marks Award 1 mark for identifying one reason why a small business might try to raise finance through a government grant and up to 2 marks for explaining the reason for a maximum of 3 marks. A small business might be eligible for a government grant (1) which usually does not have to be repaid (1) this saves the business the cost of paying back a bank loan and interest (1) Accept any other appropriate response. Answers that list three reasons with no explanation will get a maximum of 1 mark.	(3)

Question Number	Explain one benefit for a business of a cashless society. Answer	Mark
2 (f)	AO1 = 3 marks Award 1 mark for identifying one benefit for a business of a cashless society and up to 2 marks for explaining the reason for a maximum of 3 marks. • A cashless society may reduce transaction costs (1) as in a cashless society there will be less administration and paperwork to process payments (1) meaning a more efficient method of payment for retailers and consumer (1) Accept any other appropriate response. Answers that list three reasons with no explanation will get a maximum of 1 mark.	(3)

Question Number	Justify which option <i>Hipgnosis Songs</i> should choose to promote its brand. Answer	Mark
2 (g)	A02 = 3 marks A03 = 3 marks A04 = 3 marks Arguments for option 1: <u>A02</u> • <i>Hipgnosis Songs</i> already receives revenue from payments made for its songs when played on the radio and other media channels • <i>Hipgnosis Songs</i> owns 13 000 songs by famous performers such as Sir Paul McCartney <u>A03</u> The radio stations are likely to trust <i>Hipgnosis Songs</i> from previous contacts and will play the recommended songs to their listeners who may be attracted to pay for the song by downloading the songs to their computers and sharing them with their friends so promoting its brand • Radio station managers will recognise the famous performers and are likely to repeatedly play all the 13 000 songs over a long time to their listeners so promoting its brand amongst the radio station owners in the long term <u>A04</u> • However, <i>Hipgnosis Songs</i> receives less than 50% of its income from songs played on the radio and this may indicate it will not reach enough radio listeners to successfully promote its brand among listeners • However, <i>Hipgnosis Songs</i> may not have the most recent or most popular songs of these performers and may not successfully promote its brand with young listeners	

2(g)	Arguments for option 2: <u>A02</u> • 50% of <i>Hipgnosis Song's</i> revenue already comes from customers downloading its songs • Downloading music from the internet is popular with young people <u>A03</u> • <i>Hipgnosis Songs</i> may promote its brand by tempting new listeners to use the app of their favourite singer for free on a very convenient mobile phone • <i>Hipgnosis Songs</i> may target advertisements of its newest songs to its mobile app users tempting them to download more music of favourite singers and so promote its brand <u>A04</u> • However, <i>Hipgnosis Songs</i> may irritate its potential customers as downloading to a mobile still requires a good internet connection which may not always be accessible so young people may not use the app as much as is needed to successfully promote its brand • However, advertisements may annoy customers who just want to relax by listening to and watching musicians so may become aware of the brand in a negative way	(9)
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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 C A receipt (1) A is not correct as a quotation is given to the customer before an order is made B is not correct as an invoice is sent to the customer requesting payment D is not correct as a telephone call is not a document	(1)

Question Number	Answer	Mark
3 (b)	A02 = 1 mark A To visit its Indian cotton farmers (1) B is not correct as employees in its UK Head Office would not be paid in foreign currency C is not correct as cheques will be written in the local currency D is not correct as Julian Dunkerton would open a savings account in UK currency	(1)

Question Number	State one reason why <i>Superdry</i> would use a written letter as a method to communicate with its clothing manufacturers.	Mark
	Answer	
3 (c)	A02 = 1 mark A permanent written record of instructions about new t-shirts (1) Accept any other appropriate response	(1)

Question Number	Answer	Additional guidance	Mark
3 (d)(i)	A02 = 1 mark $61 / 30.5 = 2$ (1)	Award one mark for correct numerical answer without working	(1)

Question Number	Answer	Additional guidance	Mark
3 (d)(ii)	A02 = 1 mark $61.00 + 24.90$ $= 85.90$ (1)	Award one mark for correct numerical answer without working	(1)

Question Number	Analyse how increasing emphasis on environmental matters might impact on the way <i>Superdry</i> advertises its products. Indicative content	Mark
3 (e)	A02 = 3 marks A03 = 3 marks <u>A02</u> • <i>Superdry</i> sells a new organic cotton range of fashion clothing including t-shirts • <i>Superdry</i> has a website which promotes and sells all its clothing and reaches a global audience <u>A03</u> • It can promote this range by adding the word organic to the <i>Superdry</i> logo on all its clothing such as t-shirts, packing them in special carrier bags with the organic logo thus emphasising to its customers how environmentally friendly its t-shirts are • Videos on its website showing the growing of organic cotton in India. This will demonstrate to environmentally aware customers that <i>Superdry</i> is making changes and these customers may share this information with family and friends	(6)

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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	Option 1: - increase the selling price of the organic clothing by 50% Option 2: - reduce the number of visits from the UK trainers to the farmers Indicative content	Mark
3 (f)	A02 = 3 A03 = 3 A04 = 3 Arguments for option 1: <u>A02</u> • <i>Superdry</i> is training 20,000 cotton farmers to farm organically • <i>Superdry</i> experienced a fall of 6.7% in its profit margin and a fall of £59 million profit for the year in 2019 in comparison to 2018 <u>A03</u> • By reducing the number of training visits to all its farmers and possibly offering more help online, the expenses of the trainers visiting farms will be lower thus profit margins will increase • The cost of making visits to the 20,000 farmers was an expense that contributed to the reduced profits for the year, but <i>Superdry</i> still made £38 million in 2019 <u>A04</u> • However, some of the 20,000 farmers may be slower to learn how to farm organically without the visits thus <i>Superdry</i> may have problems with its supply of organic cotton thus sales may drop, and profit margins reduce • However, there may be other factors causing reduced profits so lowering the training costs may not be sufficient to significantly raise profit margins. Arguments for option 2: <u>A02</u> • <i>Superdry</i> customers would have to pay £26.99 for the organic cotton t-shirt if the selling price is increased by 50% • Organic t-shirts would sell at the same price as non-organic t-shirts	

	<u>A03</u> • The customers are likely to be willing to pay the higher price if they are concerned about the environment as it is the same price as the non-organic t-shirts thus increasing the revenue from organic cotton t-shirts without increasing cost thus increasing the profit margin • <i>Superdry</i> began selling organic clothing at attractive prices to attract new customers and to avoid losing existing customers to other retailers leading to an expectation of increased sales and increased profit margins <u>A04</u> • However, customers may be able to buy similar products from other businesses and <i>Superdry</i> may need to keep to a lower price and still maintain the quality of the t-shirt thus reducing the profit margin • However, if not enough customers care about the environment the investment in organic cotton may not attract enough customers at any price and therefore may not produce higher profit margins	(9)
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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	Outline one reason why <i>Samsung</i> international retailers operate regional distribution centres.	Mark
4 (a)	A02 = 2 marks • <i>Samsung's</i> international retailers distribute TVs to many stores in many countries (1) their regional distribution centres are positioned to reduce distribution costs by reducing travel time to retailers (1) Accept any other appropriate response.	(2)

Question Number	Analyse how only manufacturing UHD televisions may help <i>Samsung</i> improve its inventory turnover. Answer	Mark
4 (b)	AO2 = 3 marks AO3 = 3 marks <u>AO2</u> • Demand for <i>Samsung</i> UHD televisions increased by 20% in 2019 • By 2020 53% of <i>Samsung's</i> total televisions production were UHD televisions with innovative designs <u>AO3</u> • Which means if <i>Samsung</i> stops production of other types of televisions it will reduce the cost of the space needed for holding televisions that are less popular and using that space for other products so inventory turnover will improve • Increasing the % of the high demand UHD televisions it manufactures reduces <i>Samsung's</i> costs of the production of the older style televisions so improving inventory turnover overall Accept any other appropriate response.	(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	Evaluate how Samsung's trade credit terms help it achieve more orders from retailers. Answer	Mark
(c)	A01= 3 marks A02 = 3 marks A03 = 3 marks A04 = 3 marks <u>A01</u> • Trade credit allows businesses to buy products and pay for them later • Trade credit is provided to trusted retailers <u>A02</u> • <i>Samsung</i> competes with other television manufacturers by offering 30 days trade credit to its retailers • <i>Samsung</i> rewards trusted retailers by offering them discount for payment before 30 days <u>A03</u> • This means that retailers are more likely to order <i>Samsung</i> UHD televisions as they are popular with customers so they can sell the televisions before they have to pay <i>Samsung</i>, which improves their cashflow • Retailers receiving a discount may sell the televisions at competitive prices so increasing the number of televisions sold which will mean they need to place more orders with <i>Samsung</i> <u>A04</u> • However, <i>Samsung's</i> trade credit may be expensive if <i>Samsung</i> needs to borrow money and interest rates rise. It may have to raise prices to its retailers to be able to afford to offer the 30-day credit which may make it less attractive to the retailers who may reduce their orders • However, lots of competitors sell UHD televisions and they may also offer discounts which will make <i>Samsung</i> less attractive to the retailers and reduce the orders they make	(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 chains of reasoning (AO3) • Draws a valid and well-reasoned conclusion based on a thorough evaluation of commercial information and issues (AO4)

