



Mark Scheme (Results)

January 2023

Pearson Edexcel International GCSE
In Commerce (4CM1)
Paper 02 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	Which one of the following is a trading document used by wholesalers?	Mark
	Answer	
1 (a)	A01 = 1 mark B Advice note (1)	(1)

Question Number	Which one of the following is an example of a banking service?	Mark
	Answer	
1 (b)	A01 = 1 mark C Overdraft facility	(1)

Question Number	Define the term mark-up .	Mark
	Answer	
1 (c)	A01 = 1 mark Award 1 mark for a definition of mark-up . The amount added to the cost price of goods to give the selling price (1) OR $\text{Mark-up} = \frac{\text{Profit per item}}{\text{Cost per item}} \times 100$ Accept any other appropriate response	(1)

Question Number	Define the term hire purchase .	Mark
	Answer	
1 (d)	A01 = 1 mark Award 1 mark for a definition of hire purchase . Payment for goods by regular monthly payments (1) Accept any other appropriate response	(1)

Question Number	State one benefit to <i>Nestlé</i> of having its own fleet of trucks. Answer	Mark
1 (e) (i)	A02 - 1 mark Award 1 mark for a valid benefit to <i>Nestlé</i> of having its own fleet of trucks. • <i>Nestlé</i> can use its trucks to promote its ice cream and pizzas (1) Accept any other appropriate response	(1)

Question Number	State one reason why <i>Nestlé</i> uses cold storage warehouses. Answer	Mark
1 (e) (ii)	A02 = 1 mark • <i>Nestlé</i> needs to keep its ice cream cold to stop it melting Accept any other appropriate response	(1)

Question Number	Calculate, to two decimal places, the gross profit margin. Answer	Additional guidance	Mark
1 (e) (iii)	A02 = 2 mark $\text{GPM} = \frac{23\,123\text{m}}{46\,168\text{m}} \times 100 \text{ (1)}$ $= 50.08\% \text{ (1)}$	Award 1 mark for correctly substituting numbers into the formula Award full marks for correct numerical answer without working	(2)

Question Number	Explain one advantage to a business of customers using its store card. Answer	Mark
1 (f)	A01 = 3 marks Award 1 mark for identifying an advantage and up to 2 marks for explaining the way for a maximum of 3 marks. To encourage existing customers to buy a product they may not be able to pay for immediately (1) this could increase sales/revenue (1) leading to a potential increase in profit (1) Answers that list three ways with no explanation will get a maximum of 1 mark. Accept any other appropriate response.	(3)

Question Number	Explain one way a business might increase its inventory turnover. Answer	Mark
1 (g)	A01 = 3 marks Award 1 mark for identifying a way and up to 2 marks for explaining the way for a maximum of 3 marks. Increase demand for its inventory (1) by offering sales promotions which will lead to inventory being sold quickly as sales increase (1) resulting in inventory being replaced more often (1) Answers that list three ways with no explanation will get a maximum of 1 mark. Accept any other appropriate response.	(3)

Question Number	Using Figure 2, analyse how this information might be useful to <i>Nestlé's</i> shareholders.	Mark
	Indicative content	
1 (h)	AO2 = 3 marks AO3 = 3 marks • The dividend has increased over the last 3 years (AO2) • There has been an increase in the share price from 2016 to 2018 (AO2) • So shareholders may decide to keep their shares (AO3) • Shareholders may decide to sell their shares to benefit from the rise in value of their investment (AO3) 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	Which one of the following institutions is responsible for controlling inflation? Answer	Mark
2 (a)	A01 = 1 mark C Central banks	(1)

Question Number	Which one of the following is a long-term source of finance for a large manufacturing company? Answer	Mark
2 (b)	A02 = 1 mark A Debenture	(1)

Question Number	Identify which type of payment is projected to be used the most in 2023. Answer	Mark
2 (c)(i)	A02 = 1 mark E-wallet	(1)

Question Number	Identify which payment type is projected not to be used by 2023. Answer	Mark
2 (c)(ii)	A02 - 1 mark Cash on delivery OR COD	(1)

Question Number	Define the term factoring . Answer	Mark
2 (d)	A01 - 1 mark Businesses sell their invoices to a factor that pays less than the invoice total Accept any other appropriate response	(1)

Question Number	Explain one way a government grant can help a new business starting up. Answer	Mark
2 (e)	A01 = 3marks Award 1 mark for identifying a way and up to 2 marks for explaining the way for a maximum of 3 marks. • The grant allows a new business to receive capital (1) the banks may not be willing to loan money to a new business (1) This means the business may then be able to grow quicker than it would otherwise (1) Answers that list three ways with no explanation will get a maximum of 1 mark. Accept any other appropriate response.	(3)

Question Number	Explain one reason why a business with offices in different countries might use videoconferencing for meetings. Answer	Mark
2 (f)	A01 = 3 marks Award 1 mark for identifying a reason and up to 2 marks for explaining the reason for a maximum of 3 marks. • Technology allows businesses to have discussions with employees from different countries (1) without paying for them to travel (1) which will reduce costs (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: expand the range of credit card options accepted Option 2: accept electronic transfers from customers. Justify which one of these options <i>Aranáz</i> should choose. Answer	Mark
2 (g)	A02 = 3 marks A03 = 3 marks A04 = 3 marks Arguments for option 1: • <i>Aranáz</i> could accept a wider range of other suitable cards such as American Express (A02) • <i>Aranáz</i> will have to pay a commission on the sale of each bag (A02) • So that more target customers are reached who do not have the cards currently accepted by <i>Aranáz</i> (A03) • <i>Aranáz</i> may have to increase the price of its handbags to cover credit card charges (A03) • Taking extra cards is unlikely to increase sales as most credit card holders would already have one of the cards currently accepted (A04) • The selling price of handbags is already expensive and an increased price is unlikely to affect the sale of these handbags (A04) Arguments for option 2: • Customers spending this much on handbags are likely to have high incomes (A02) • The use of bank transfers via mobile phones is expanding rapidly (A02) • Customers are likely to have sufficient funds to be able to pay for the handbags without needing to obtain credit (A03) • This increase in convenience will allow it to attract new customers (A03) • Using individual bank transfers means that the customer may not be able to enjoy a single click payment and is inconvenienced by having to supply or retrieve details about <i>Aranáz</i> for initial transactions (A04) • Customers may be concerned that they do not receive any extra protection over problems with any damaged goods (A04) Accept any other appropriate response	(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 an aid to exporters?	Mark
	Answer	
3 (a)	A01 = 1 mark B Government credit guarantees	(1)

Question Number	Which one of the following can be used by a business to store goods on which duty has yet to be paid?	Mark
	Answer	
3 (b)	A02 = 1 mark C Bonded warehouse	(1)

Question Number	State one reason why <i>fairafric</i> keeps minutes of its meetings with suppliers.	Mark
	Answer	
3 (c)	A02 = 1 mark To have a record of decisions made with the cocoa bean suppliers (1) Accept any other appropriate response.	(1)

Question Number	Complete the order to show the missing amounts.	Mark
	Answer	
3d	A02 = 1 mark (i) \$1 960 A02 = 1 mark (ii) \$5 635	(2)

Question Number	Analyse how social media can help <i>fairafric</i> advertise its ethical objectives.	Mark
	Indicative content	
3 (e)	A02 = 3 marks A03 = 3 marks <i>fairafric</i> is likely to use Facebook to advertise to its products using images and text (A02) <i>fairafric</i> can run promotional videos to show its Ghanaian farmers at work (A02) - This is likely to appeal to potential customers who may become followers of the brand online and share the information with their friends (A03) - This would show potential consumers how <i>fairafric</i> is being ethical and reinforce the ethical image (A03) 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. (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 – another crowdfunding campaign Option 2 – a long-term bank loan. Justify which one of these two options <i>fairafrik</i> should use. Indicative content	Mark
f	A02 = 3 A03 = 3 A04 = 3 Arguments for option 1: • As <i>fairafrik</i> needs a large sum of money and is a relatively new business, it may have limited finance options available to it (A02) • Advances in technology means <i>fairafrik</i> has access to the crowdfunding option which may link with its online retailing (A02) • Crowdfunding may enable it to raise the capital needed without having to pay any interest which it would have to do if a bank loan was taken out (A03) • <i>fairafrik's</i> ethical customers use websites to order their chocolates and so are familiar with this technology and may therefore, be willing to crowdfund (A03) • However, the first crowdfunding only raised 50 000 euros and it may be unlikely that the sum of 1.2m euros could be raised (A04) • However, the number of customers <i>fairafrik</i> has may not be sufficient to raise 1.2m euros (A04) Arguments for option 2: • <i>fairafrik</i> has seen an increase in demand from European customers for its chocolates (A02) • With a bank loan <i>fairafrik</i> will know what its monthly repayments are to pay for the factory (A02) • In the long term, the business would still have total control and it can make its own decisions about demand (A03) • If the bank loan is repaid in full and on-time this would most likely increase <i>fairafrik's</i> chances of further bank loans if required (A03) • However, in the short term, it would lose some control of its business as the bank is likely to inspect all aspects of how the business is performing and may slow growth prospects down (A04) • However, as a young business, <i>fairafrik</i> may not be able to offer the required guarantees for the loan (A04) Accept any other appropriate response	(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	Outline one benefit of <i>Hyundai</i> using containers to receive the parts to build its cars. Answer	Mark
4 (a)	A02 = 2 marks Containers are a very convenient way to transport different car parts (1) This allows many different parts to be packed together and only unpacked on arrival at the car factory (1) Accept any other appropriate response.	(2)

Question Number	Analyse how attendance at the motor shows helps <i>Hyundai</i> improve European awareness of its cars. Answer	Mark
4 (b)	AO2 = 3 marks AO3 = 3 marks - The German motor show will be attended by all the major car brands such as <i>Toyota</i> and <i>Volkswagen</i> (AO2) - All <i>Hyundai's</i> competitors will be introducing new electric vehicles following the powered cars in Europe (AO2) - The motor show will reach a very wide audience in which to do this (AO3) - This allows <i>Hyundai</i> to be seen as innovative and more adventurous than <i>Toyota</i> and <i>Volkswagen</i> (AO3) 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 sponsoring FIFA events may help <i>Hyundai</i> retain its strong global market share. Answer	Mark
4 (c)	A01= 3 marks A02 = 3 marks A03 = 3 marks A04 = 3 marks • Sponsorship is a form of advertising where a business pays a fee to be associated with a group, an individual or an event in order to gain favourable publicity (A01) • Some corporate sponsorships reach global TV audiences (A01) • The promotional opportunity is restricted as only a few car manufacturers are allowed to sponsor FIFA events (A02) • A strong association with the brand and a wide range of its vehicles in use would reach many countries through global media coverage of the football matches (A02) • Therefore, <i>Hyundai</i> would receive coverage and association which its competitors could not achieve (A03) • It is likely that football fans will tell friends about the coverage of the events via social media which has the possibility of going viral to maximise global exposure (A03) • However, it has to sell a lot of cars to recover the millions of pounds spent on the sponsorship and this may not be able to be recouped in the short term so this type of sponsorship can only be a viable investment long term to protect its market position worldwide (A04) • Any breach of ethics by individuals or organisations associated with the event such as corruption, may mean that the brand reputation may even be damaged causing a global drop in sales and a weaker global market position (A04) Accept any other appropriate response	(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)

