



Mark Scheme (Results)

November 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.

Q. No.	Which one of the following is used to withdraw cash from an ATM?	Mark
	Answer	

1 (a)	A01 = 1 mark The only correct answer is B - Debit card (1) A – is not the correct answer as foreign currency is issued from the bank C – is not the correct answer as a cheque book is used to make payments D – is not the correct answer as a postal order is a method of payment	(1)
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Q. No.	Which one of the following is a short-term source of finance?	Mark
	Answer	
1 (b)	A01 = 1 mark The only correct answer is C – Leasing (1) A – is not the correct answer as a mortgage is a long-term source of finance B – is not the correct answer as a debenture is a long-term source of finance D – is not the correct answer as a government grant is a long-term source of finance	(1)

Q. No.	Define the term bank draft .	Mark
	Answer	
1 (c)	A01 = 1 mark Award 1 mark for a correct definition of bank draft A payment on behalf of a payee that is guaranteed by the issuing bank (1)	(1)

Q. No.	Define the term oral communication .	Mark
	Answer	

1 (d)	A01 = 1 mark Award 1 mark for a correct definition of oral communication A type of communication that involves people talking to each other (1)	(1)
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Q. No.	State one benefit to <i>Bradburys</i> of using its own vehicles for delivering its products. Answer	Mark
1 (e)(i)	A02 - 1 mark Award 1 mark for a valid benefit to <i>Bradburys</i> of using its own vehicles for delivering its products. <i>Bradburys</i> can choose the best routes and times to deliver its cheeses to retailers (1) <i>Bradburys</i> drivers can be trained to answer customer queries about the differences between the four hundred cheeses available (1) NB Do not accept a benefit that is not in the context of <i>Bradburys</i> . Accept any appropriate response.	(1)

Q. No.	State one way <i>Bradburys</i> might use its warehouse to meet seasonal demand for its products. Answer	Mark
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1 (e) (ii)	A02 = 1 mark Award 1 mark for a valid way <i>Bradburys</i> might use its warehouse to meet seasonal demand for its products • <i>Bradburys</i> can build up its stocks of the tastiest cheeses from different countries as seasons change (1) • <i>Bradburys</i> can store cheeses not in demand ready for when the season changes and demand increases (1) NB Do not accept a way that is not in the context of <i>Bradburys</i>. Accept any appropriate response.	(1)
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Q. No.	Calculate, to two decimal places, <i>Bradburys</i> profit margin for the year ending April 2022. You are advised to show your working.	Additional guidance	Mark
1 (e) (iii)	A02 = 2 mark $\frac{503\,466}{68\,000\,000} \times 100 \text{ (1)}$ $= 0.74\% \text{ (1)}$	Award 1 mark for correctly substituting numbers into the formula Award full marks for correct numerical answer without working	(2)

Q. No.	Explain one advantage to a national business of using posters and billboards as a method of promotion. Answer	Mark
1 (f)	A01 = 3 marks Award 1 mark for identification of an advantage to a national business of using posters and billboards as a method of promotion, plus 2 further marks for explaining the advantage, for a maximum of 3 marks. • Posters and billboards are not expensive (1) a national business could have many of them (1) in sites across the country (1) • Large posters and billboards can catch the attention of the viewer (1) thus potential customers will receive the message of the poster (1) and become interested in buying the products or services advertised (1) NB No marks are awarded for a definition. Answers that list three advantages with no explanation will get 1 mark only Accept any appropriate response.	(3)

Q. No.	Explain one reason why a business might use containers to transport its goods. Answer	Mark
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1 (g)	A01 = 3 marks Award 1 mark for identifying one reason why a business might use containers to transport its goods, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • A business can use standard containers to transport all its goods without risk of damage (1) by using different types of containers to suit different types of goods (1) keeping them refrigerated or ventilated for example (1) • It is cheaper to transfer goods if using different methods of transport for the whole journey (1) as a business can safely transfer containers (1) from road to rail or sea without unpacking the contents (1) NB No marks are awarded for a definition. Answers that list three reasons with no explanation will get 1 mark only Accept any appropriate response.	(3)
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Q. No.	Analyse how the UK's Department of Trade and Industry (DTI) could have helped <i>Bradburys</i> when planning which trade fairs to attend.	Mark
Indicative content		
1 (h)	AO2 = 3 marks AO3 = 3 marks AO2 <i>Bradburys</i> can attend trade fairs in potentially profitable countries for its cheeses - The DTI has provided market research free of charge AO3 - Thus, <i>Bradburys</i> will not waste investment in countries that are unlikely to have a high demand for cheese - Thus, <i>Bradburys</i> can discover cheeses most suited to the tastes of the countries where they are attending trade fairs and increase sales	(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)

Q. No.	Which one of the following is the correct formula to calculate the mark-up of a product?	Mark
	Answer	
2 (a)	A01 = 1 mark The only correct answer is A - $\frac{\text{profit per item}}{\text{cost per item}} \times 100$ (1) B – is not the correct answer as revenue is not in the calculation of mark-up C – is not the correct answer as profit per item is the numerator D – is not the correct answer as revenue is not in the calculation of mark-up	(1)

Q. No.	Which one of the following bank services helps a small retailer store cash securely when the bank is closed?	Mark
	Answer	
2 (b)	A02 = 1 mark The only correct answer is D – A night safe (1) A – is not the correct answer as an overdraft is not used to store cash B – is not the correct answer as an ATM is used to withdraw cash C – is not the correct answer as a credit card is not used to store cash	(1)

Q. No.	Identify the credit card with the lowest projected value of payments in 2026.	Mark
	Answer	
2 (c)(i)	A02 = 1 mark Amex (1) OR Amex \$1,551.16 (1) OR Amex \$1,551.16 bn (1)	(1)

Q. No.	Identify the credit card with the largest projected growth between 2021 and 2026. Answer	Mark
2 (c)(ii)	A02 - 1 mark Visa (1)	(1)

Q. No.	Define the term trade credit . Answer	Mark
2 (d)	A01 - 1 mark Award 1 mark for a correct definition of trade credit . A business buys resources and pays the supplier at a later date (1)	(1)

Q. No.	Explain one benefit to a business of using inland waterways to transport goods. Answer	Mark
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2 (e)	A01 = 3 marks Award 1 mark for identifying one benefit to a business of using inland waterways to transport goods, plus 2 further marks for explaining the benefit, for a maximum of 3 marks. - Inland waterways are a cheap way to transport heavy and bulky goods (1) thus a business can reduce its shipping costs (1) leading to an increase in profit margins (1) - A business can gain access to remote communities via an inland waterway (1) thus able to supply its goods to those communities (1) and achieve brand loyalty before competitors join that market (1) NB No marks are awarded for a definition. Answers that list three benefits with no explanation will get 1 mark only Accept any appropriate response	(3)
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Q. No.	Explain one reason why a business may choose to use a telephone to contact a customer having problems with a purchase.	Mark
2 (f)	A01 = 3 marks Award 1 mark for explaining one reason why a business may choose to use a telephone to contact a customer having problems with a purchase, plus 2 further marks for explaining the reason, for a maximum of 3 marks. - Problems are discussed without the delay of exchanging emails (1) thus saving time in finding solutions (1) improving customer satisfaction (1) - Two way discussions take place (1) thus building trusting relationships with customers (1) resulting in customer loyalty to the business (1) Answers that list three reasons with no explanation will get a maximum of 1 mark Accept any appropriate response	(3)

Q. No.	Option 1: decrease the size of the bars by 5% Option 2: increase the price by 10% (f) Justify which one of these two options Cadbury should choose. Indicative Content	Mark
2 (g)	AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks. Arguments for option 1: AO2 - The production of a smaller chocolate bar uses less energy, packaging and labour for each bar - Some customers have enough money to buy the chocolate bars when shopping AO3 - Customers will be able to buy the same number of chocolate bars at the same price as previously bought thus profit margins will not fall - These customers may buy more of the smaller chocolate bars thus total revenue rises and profit margins do not fall AO4 - However, <i>Cadbury</i> may need to communicate its reasons for the reduction in size to its customers in an advertising campaign which may incur costs and reduce profit margins - However, <i>Cadbury</i> could reduce the size of the chocolate bar by less than 5% if costs of production do not rise as high as expected thus possibly increasing profit margins Arguments for option 2: AO2 <i>Cadbury</i> is a very popular brand of chocolate - Customers would be paying 10% more for the same size Dairy Milk Chocolate Bar AO3 - Customers may see that prices are rising for all brands of chocolate bars including competitors to <i>Cadbury</i> and they may continue to buy the same amount - Customers may prefer the taste of <i>Cadbury's</i> Dairy Milk Chocolate Bar thus they are happy to pay more and Cadburys profit margins are maintained AO4 - However, some customers may switch to a cheaper chocolate bar made by <i>Mars</i> or <i>Nestle</i> thus reducing profit margins - However, if costs of production rise by more than expected, profit margins may still fall	(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)

Q. No.	Which one of the following would a supplier send to a business that had made an enquiry?	Mark
	Answer	
3 (a)	AO1 = 1 mark The only correct answer is A – A quotation (1) B – is not the correct answer as an order is sent by the buyer to the supplier C – is not the correct answer as a delivery note is sent when an order is delivered D – is not the correct answer as an invoice is sent after an order has been placed	(1)

Q. No.	Which one the following is a benefit to <i>Nykaa</i> of operating a Regional Distribution Centre (RDC)?	Mark
	Answer	
3 (b)	A02 = 1 mark The only correct answer is B – Ecommerce orders can be delivered quickly to customers (1) A - is not the correct answer as ecommerce orders are not delivered to suppliers C - is not the correct answer as customers do not visit the RDC D - is not the correct answer as retailers do not click and collect products at the RDC	(1)

Q. No.	State one benefit to <i>Nykaa</i> of being listed on the Indian Stock Exchange.	Mark
	Answer	

3 (c)	A02 = 1 mark Award 1 mark for a valid benefit to <i>Nykaa</i> of being listed on the Indian Stock Exchange • <i>Nykaa</i> can raise capital for its international expansion by selling shares (1) • <i>Nykaa's</i> beauty business will become well known as its shares are easily available in India (1) NB Do not accept a benefit that is not in the context of <i>Nykaa</i>. Accept any appropriate response	(1)
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Q. No.	Answer	Mark
3 (d)(i)	A02 = 1 mark 150 (1) OR 150 units (1) OR 150 hats (1) OR 150 beret hats (1)	(1)

Q. No.	Answer	Mark
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3 (d)(ii)	A02 = 1 mark 21 250.20 (1) OR ₹21 250.20 (1) OR 21,250.2 (1) OR ₹21,250.2 (1)	(1)
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Q. No.	Analyse why <i>Nykaa</i> uses social media platforms to advertise its products. Indicative content	Mark
3 (e)	A02 = 3 marks A03 = 3 marks A02 • <i>Nykaa</i> can advertise its beauty product ranges to a targeted audience cheaply • <i>Nykaa</i> can reach a global audience very quickly to demonstrate its make-up ranges to potential new customers A03 • Thus increasing orders and profit margins due to reduced unit costs of advertising • Thus creating awareness of its brand in customers new to its beauty products	(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)

Q. No.	Option 1: electronic transfers Option 2: cash on delivery Justify which one of these two options <i>Nykaa</i> should choose. Indicative content	Mark
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3 (f)	A02 = 3 marks A03 = 3 marks A04 = 3 marks Arguments for option 1: A02 - Electronic transfers are available to customers who want to purchase beauty products and have a bank account - Payments for purchases of the fashion ranges reach <i>Nykaa</i> quickly by electronic transfer of money A03 - Thus, this payment method offers <i>Nykaa</i> access to new potential customers which may increase total sales revenue - Thus, ensuring that purchases are paid for before they are given to customers A04 - However, there may be too few customers who have access to a bank account to use electronic transfers to pay for high value purchases thus sales turnover may not increase significantly - However, customers may find the process too time-consuming to do in the store Arguments for option 2: A02 22% of adults in India do not have access to a bank account but some may wish to make high value <i>Nykaa</i> purchases - Cash on delivery ensures immediate payment for the beauty and fashion products is given to <i>Nykaa</i> drivers at the customers home address A03 - Offering cash on delivery may generate new customers for <i>Nykaa</i> and increase sales revenue - Thus, payment for goods is received quickly as purchases are delivered and paid for immediately A04 - However, some of the adults without bank accounts may not have access to large amounts of cash thus reducing the number of potential new customers - However, there may be a risk of theft by the drivers	(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)

Q. No.	Outline one reason why <i>Apple</i> may choose to use email to communicate with its suppliers.	Mark
	Answer	

4 (a)	A02 = 2 marks Award 1 mark for identifying a reason why <i>Apple</i> may choose to use email to communicate with its suppliers, plus 1 further mark for linking it to the context of the question <i>Apple</i> can email suppliers of all the parts for its new iPhone14 (1) very quickly if demand is higher than expected after the launch (1) NB Do not accept a reason that is not in the context of <i>Apple</i>. Accept any appropriate response.	(2)
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Q. No.	Analyse why <i>Apple</i> may have chosen to use an informative approach when advertising the iPhone 14.	Mark
	Answer	
4 (b)	A02 = 3 marks A03 = 3 marks A02 - The price of the iPhone 14 is £150 higher than the previous model (A02) - The iPhone 14 has two main differences to the iPhone 13, the eSIM facility and satellite reception (A02) A03 <i>Apple</i> needs to show potential customers how the iPhone 13 has been updated to justify this price increase (A03) - Customers need to understand how to use the new complex model to get the best performance and maintain <i>Apples'</i> reputation (A03) Accept any 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)

Q. No.	Evaluate <i>Apple's</i> choice of retained profit as its long term source of finance. Answer	Mark
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4 (c)	A01 = 3 marks A02 = 3 marks A03 = 3 marks A04 = 3 marks A01 - Retained profit is profit that has been kept by the business - Retained profit is a flexible source of finance over which the business has total control A02 <i>Apple</i> had \$62bn of retained profit for future use - Flexibility allowed <i>Apple</i> to research and develop new features for its iPhone 14 A03 - If <i>Apple</i> uses retained profit there are no interest payments, which means they might be able to sell their products at a lower price than those of their competitors - Thus, <i>Apple</i> was able to produce the iPhone 14 which was different to competitors and made it more appealing to customers A04 - However, <i>Apple</i> may have been able to use the retained profits in other ways such as keeping the money in the bank and earning interest - However, the research and development may not have been as successful as hoped and competitors such as <i>Samsung</i> may have developed more appealing mobiles resulting in the waste of some retained profit by <i>Apple</i>	(12)
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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)

