



# Mark Scheme (Results)

Summer 2024

Pearson Edexcel International GCSE  
In Commerce (4CM1) Paper 01  
Paper 1: Commercial operations and  
associated risks

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Summer 2024

Question Paper Log Number P75845A

Publications Code 4CM1\_01\_2406\_MS

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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.
- 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 meaning is clear*
  - ii) *(ii) select and use a form and style of writing appropriate to purpose and to complex subject matter*
  - iii) *iii) organise information clearly and coherently, using specialist vocabulary when appropriate.*

| <b>Q. No.</b> | Which <b>one</b> of the following is in the tertiary sector?<br><b>Answer</b>                                                                                                                                                                                                                          | <b>Mark</b> |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>1 (a)</b>  | <b>AO1 - 1 mark</b><br><br><b>The only correct answer is D - Retailing</b><br><br><b>A</b> – is not the correct answer as engineering is secondary production<br><b>B</b> - is not the correct answer as farming is primary sector<br><b>C</b> - is not the correct answer as mining is primary sector | <b>(1)</b>  |

| <b>Q. No.</b> | Which <b>one</b> of the following would be used to insure a ship and its cargo?<br><b>Answer</b>                                                                                                                                                                                                                                                                                                                              | <b>Mark</b> |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>1 (b)</b>  | <b>AO1 - 1 mark</b><br><br><b>The only correct answer is C - Marine</b><br><br><b>A</b> – is not the correct answer as an accident is something that you insure against happening<br><b>B</b> – is not the correct answer as a fire is something that you insure against happening<br><b>D</b> - is not the correct answer as travel is something you insure against when travelling on holiday or whilst travelling for work | <b>(1)</b>  |

| <b>Q. No.</b> | Define the term <b>indemnity</b><br><b>Answer</b>                                                                                                                                                                     | <b>Mark</b> |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>1 (c)</b>  | <b>AO1 - 1 mark</b><br><br>Award 1 mark for a correct definition of <b>indemnity</b> <ul style="list-style-type: none"> <li>The insured is returned to their financial position before the loss <b>(1)</b></li> </ul> | <b>(1)</b>  |

| <b>Q. No.</b> | Define the term <b>proposal form</b><br><b>Answer</b>                                                                                                                                           | <b>Mark</b> |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>1 (d)</b>  | <b>AO1 - 1 mark</b><br><br>Award 1 mark for a correct definition of <b>proposal form</b> <ul style="list-style-type: none"> <li>An application requesting insurance cover <b>(1)</b></li> </ul> | <b>(1)</b>  |

| Q. No.           | Calculate, the price of the set meal after 21:00. You are advised to show your working.<br><br><b>Answer</b>                                                                                                                                                                                                              | Additional Guidance                                                                                                       | Mark       |
|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|------------|
| <b>1 (e) (i)</b> | <b>A02 - 2 marks</b><br><br>Award 1 mark for calculation and 1 mark for the answer.<br><br>$360 \times 0.125 = 45$ <b>(1)</b><br><br>$360 - 45 = 315$ <b>(1)</b><br><br><b>OR</b><br><br>$360 \times 0.875 = 315$ <b>(2)</b><br><br><b>NB</b> a candidate who responds with 315 and no calculation is awarded both marks. | Award 1 mark for correctly substituting numbers into formula.<br><br>Award full marks for correct answer with no working. | <b>(2)</b> |

| <b>Q. No.</b>         | State <b>one</b> possible disadvantage for <i>Mit Ko Yuan</i> of reducing the price of the set meal after 21:00.                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Mark</b> |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
|                       | <b>Answer</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |
| <b>1 (e)<br/>(ii)</b> | <p><b>AO2 - 1 mark</b></p> <p>Award 1 mark for a valid disadvantage in reducing the price of the set meal after 21:00 in the context of the business</p> <ul style="list-style-type: none"> <li>• <i>Mit Ko Yuan</i> might not have sufficient food left for the set meal <b>(1)</b></li> <li>• The cost of the ingredients in the set meal may be greater than the discounted price <b>(1)</b></li> </ul> <p><b>NB</b> Do not accept a disadvantage that is not in the context of <i>Mit Ko Yuan</i>.</p> <p>Accept any appropriate response</p> | <b>(1)</b>  |

| <b>Q. No.</b>          | State <b>one</b> advantage for <i>Mit Ko Yuan</i> of reducing the price of the set meal after 21:00.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Mark</b> |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
|                        | <b>Answer</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |             |
| <b>1 (e)<br/>(iii)</b> | <p><b>AO2 - 1 mark</b></p> <p>Award 1 mark for a valid advantage in reducing the price of the set meal after 21:00 in the context of the business</p> <ul style="list-style-type: none"> <li>• This could reduce the waste of food ingredients that has not been used in set meals sold before 21:00 <b>(1)</b></li> <li>• The price reduction of 12.5% could encourage more customers to buy Thai food at <i>Mit Ko Yuan</i> <b>(1)</b></li> </ul> <p><b>NB</b> Do not accept an advantage that is not in the context of <i>Mit Ko Yuan</i>.</p> <p>Accept any appropriate response</p> | <b>(1)</b>  |

| <b>Q. No.</b> | Explain <b>one</b> reason why stalls in street markets are popular.<br><b>Answer</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <b>Mark</b> |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>1 (f)</b>  | <p><b>A01 - 3 marks</b></p> <p>Award 1 mark for identification of why stalls in street markets are popular, plus 2 further marks for explaining the reason, for a maximum of 3 marks.</p> <ul style="list-style-type: none"> <li>• Street markets serve distinct localities <b>(1)</b> stall holders get to know the needs and wants of their local customers <b>(1)</b> and can supply them with the products they need <b>(1)</b></li> <li>• Stalls in street markets often sell products cheaper than restaurants <b>(1)</b> as they have lower overheads <b>(1)</b> and can, therefore, sell at lower prices than shops <b>(1)</b></li> </ul> <p><b>NB</b> No marks are awarded for a definition.</p> <p>Answers that list three reasons with no explanation will get 1 mark only.</p> <p>Accept any appropriate response.</p> | <b>(3)</b>  |

| <b>Q. No.</b> | Explain <b>one</b> reason why an insurance company requires a completed claim form for every claim made.<br><b>Answer</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Mark</b> |
|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>1 (g)</b>  | <p><b>A01 - 3 marks</b></p> <p>Award 1 mark for identification of a reason why an insurance company requires a completed claim form for every claim made, plus 2 further marks for explaining the reason, for a maximum of 3 marks.</p> <ul style="list-style-type: none"> <li>• The insurance company would want details of the claim <b>(1)</b> to ensure that the item loss/stolen/damaged is covered by the policy <b>(1)</b> before paying out the claim <b>(1)</b></li> <li>• It provides written evidence <b>(1)</b> so that the insurance company can check that the claim is authentic <b>(1)</b> before processing the claim <b>(1)</b></li> </ul> <p><b>NB</b> No marks are awarded for a definition.</p> <p>Answers that list three reasons with no explanation will get 1 mark only.</p> <p>Accept any appropriate response.</p> | <b>(3)</b>  |

| Q. No. | Analyse the benefit for <i>Sausiri Homes (PVT) Ltd</i> of having employers' liability insurance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Mark       |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|        | <b>Indicative content</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |            |
| 1 (h)  | <p><b>A02 = 3 marks    A03 = 3 marks</b></p> <p><b>A02</b></p> <ul style="list-style-type: none"> <li>• It protects the employers from claims made by employees who have an accident or incur an injury whilst working on the building site of apartments</li> <li>• Any employee injured whilst on the building site of warehouses could claim compensation from the business</li> </ul> <p><b>A03</b></p> <ul style="list-style-type: none"> <li>• This insurance means that <i>Sausiri Homes (PVT) Ltd</i> would not lose out financially as the insurance company would pay out on any claims</li> <li>• The claim could be very expensive especially if the person is seriously injured and unable to work again the insurance would reimburse <i>Sausiri Homes (PVT) Ltd</i> for any successful claims by employees</li> </ul> | <b>(6)</b> |

| Level          | Mark | Descriptor                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | 0    | No rewardable material.                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Level 1</b> | 1-2  | <ul style="list-style-type: none"> <li>Limited application of knowledge and understanding of commercial concepts and issues to the commercial context <b>(A02)</b></li> <li>Attempts to deconstruct commercial information and/or issues, finding limited connections between points <b>(A03)</b></li> </ul>                                                                                               |
| <b>Level 2</b> | 3-4  | <ul style="list-style-type: none"> <li>Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies <b>(A02)</b></li> <li>Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies <b>(A03)</b></li> </ul> |
| <b>Level 3</b> | 5-6  | <ul style="list-style-type: none"> <li>Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout <b>(A02)</b></li> <li>Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning <b>(A03)</b></li> </ul>                                                                 |

| <b>Q. No.</b> | Which <b>one</b> of the following is the distribution cost?<br><b>Answer</b>                                                                                                                                                                                                                      | <b>Mark</b> |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>2 (a)</b>  | <b>A02 - 1 mark</b><br><br><b>The only correct answer is B - 7 680 (38 400 x .20)</b><br><b>A</b> – is not the correct answer as 768 is $38\,400 \times .02$<br><b>C</b> - is not the correct answer as $38\,400 - 7680$<br><b>D</b> - is not the correct answer as $46080$ is $38\,400 + 7\,680$ | <b>(1)</b>  |

| <b>Q. No.</b> | Which one of the following is a tax on imports?<br><b>Answer</b>                                                                                                                                                                                                                                                                                                                | <b>Mark</b> |
|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>2 (b)</b>  | <b>A01 - 1 mark</b><br><br><b>The only correct answer is D - a tariff</b><br><b>A</b> – is not the correct answer as an embargo is a ban on international trade<br><br><b>B</b> – is not the correct answer as a quota is a limit on the quantity of goods that can enter a country<br><br><b>C</b> - is not the correct answer as a subsidy is support given by the government | <b>(1)</b>  |

| <b>Q. No.</b>    | Using <b>Figure 1</b> , identify the country with a decrease in the exchange rate from March to August.<br><br><b>Answer</b> | <b>Mark</b> |
|------------------|------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>2 (c) (i)</b> | <b>AO2 - 1 mark</b><br><br>♦ Albania                                                                                         | <b>(1)</b>  |

| <b>Q. No.</b>     | Using <b>Figure 1</b> , identify the country with the largest increase in the exchange rate from March to August.<br><br><b>Answer</b> | <b>Mark</b> |
|-------------------|----------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>2 (c) (ii)</b> | <b>AO2 - 1 mark</b><br><br>♦ Argentina                                                                                                 | <b>(1)</b>  |

| <b>Q. No.</b> | Define the term <b>cooperatives</b> .<br><br><b>Answer</b>                                                                                                        | <b>Mark</b> |
|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>2 (d)</b>  | <b>AO1 - 1 mark</b><br><br>Award 1 mark for a correct definition of <b>cooperatives</b> .<br><br>• Businesses that are owned and run by its members<br><b>(1)</b> | <b>(1)</b>  |

| <b>Q. No.</b> | Explain <b>one</b> way a customer could make a complaint about goods purchased from a shop.<br><br><b>Answer</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Mark</b> |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>2 (e)</b>  | <p><b>A01 - 3 marks</b></p> <p>Award 1 mark for identification of a way a customer could make a complaint about goods purchased from a shop, plus 2 further marks for explaining the way, for a maximum of 3 marks.</p> <ul style="list-style-type: none"> <li>• Go back to the shop where the goods were purchased <b>(1)</b> speak to the manager or the person in charge about the problem <b>(1)</b> and ask what action will be taken <b>(1)</b></li> <li>• Make a complaint by telephone <b>(1)</b> explain the problem with the purchase <b>(1)</b> and ask what will be done regarding the complaint <b>(1)</b></li> </ul> <p><b>NB</b> No marks are awarded for a definition.</p> <p>Answers that list three ways with no explanation will get 1 mark only.</p> <p>Accept any appropriate response.</p> | <b>(3)</b>  |

| <b>Q. No.</b> | Explain the importance of the principle of insurable interest when taking out insurance.<br><br><b>Answer</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Mark</b> |
|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>2 (f)</b>  | <p><b>A01 - 3 marks</b></p> <p>Award 1 mark for identifying why insurable interest is important and up to 2 marks for linked development.</p> <ul style="list-style-type: none"> <li>The principle states that you cannot insure something that does not belong to you or that you do not have an interest in <b>(1)</b>. An example of this would be if you insured a car you did not own <b>(1)</b>. Therefore, you would not suffer financially if it was lost <b>(1)</b></li> </ul> <p>Answers that list three reasons why insurable interest is important with no explanation will get a maximum of 1 mark</p> <p>Accept any other appropriate response</p> | <b>(3)</b>  |

| Q. No. | <p><b>Option 1:</b> by buying direct from a supplier</p> <p><b>Option 2:</b> by buying through a wholesaler.</p> <p>(g) Justify which <b>one</b> of these two options <i>Belluni</i> should choose.</p> <p><b>Indicative content</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Mark |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 2 (g)  | <p><b>A02 = 3 marks, A03 = 3 marks, A04 = 3 marks</b></p> <p><b>Arguments for option 1</b></p> <p><b><u>A02</u></b></p> <ul style="list-style-type: none"> <li>• If <i>Belluni</i> can buy men's clothes directly from the supplier they may be able to be sold at a lower price</li> <li>• If <i>Belluni</i> buys direct from the supplier they can have the men's clothes delivered when they are needed</li> </ul> <p><b><u>A03</u></b></p> <ul style="list-style-type: none"> <li>• This could reduce costs for <i>Belluni</i>, as the more they sell the greater the profit they make</li> <li>• This ensures that <i>Belluni</i> can receive new designs quickly</li> </ul> <p><b><u>A04</u></b></p> <ul style="list-style-type: none"> <li>• However, there is the problem that the supplier may not be located anywhere near to the shop which could mean higher transport costs</li> <li>• However, the new designs might not be the type of clothing that customers of that shop want and therefore will not sell well</li> </ul> <p><b>Arguments for option 2</b></p> <p><b><u>A02</u></b></p> <ul style="list-style-type: none"> <li>• By purchasing men's clothing from a wholesaler <i>Belluni</i> can buy in smaller quantities when needed</li> <li>• The wholesaler may be able to deliver the men's clothing ordered at a convenient time for the shop</li> </ul> <p><b><u>A03</u></b></p> <ul style="list-style-type: none"> <li>• This means that <i>Belluni</i> does not need to keep a large inventory of clothing in the shop</li> <li>• Ensuring that the shop always has sufficient inventory to meet customer demand</li> </ul> <p><b><u>A04</u></b></p> <ul style="list-style-type: none"> <li>• However, <i>Belluni</i> could find that the cost of men's clothing could be more expensive than buying directly from a supplier</li> <li>• However, a wholesaler may not have a wide enough range for <i>Belluni</i> customers' needs</li> </ul> | (9)  |

| Level          | Mark  | Descriptor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | 0     | No Rewardable material.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Level 1</b> | 1-3   | <ul style="list-style-type: none"> <li>Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2)</li> <li>Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3)</li> <li>Makes a judgement, providing a simple justification based on limited evaluation of commercial information and issues relevant to the choice made. (AO4)</li> </ul>                                                                                      |
| <b>Level 2</b> | 4-6   | <ul style="list-style-type: none"> <li>Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2)</li> <li>Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)</li> <li>Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made. (AO4)</li> </ul> |
| <b>Level 3</b> | 7 - 9 | <ul style="list-style-type: none"> <li>Detailed application of knowledge and understanding of commercial concepts and issues to the business context throughout. (AO2)</li> <li>Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)</li> <li>Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made. (AO4)</li> </ul>                                                            |

| Q. No. | Which <b>one</b> of the following is a reason for a business having consumer protection?<br><b>Answer</b>                                                                                                                                                                                                                                                                                                     | Mark |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 3 (a)  | <b>AO1 - 1 mark</b><br><br><b>The only correct answer is C</b> - To cover claims by customers for faulty goods<br><br><b>A</b> – is not correct as a customer breaking a window is not consumer protection<br><b>B</b> - is not correct as an employer who is injured at work is covered by insurance<br><b>D</b> - is not correct as any losses if the business premises are damaged is covered by insurance | (1)  |

| Q. No. | Which one of the following is the price of a two night stay at <i>The Mandarin Oriental Hotel</i> ?<br><b>Answer</b>                                                                                                                                                                     | Mark |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 3 (b)  | <b>AO2 - 1 mark</b><br><br><b>The only correct answer is A - £170.47</b><br><br><b>B</b> – is not the correct answer as £964.31 is 970 minus 5.69<br><b>C</b> - is not the correct answer as £975.69 is 970 plus 5.69<br><b>D</b> - is not the correct answer as £5 519.30 is 970 x 5.69 | (1)  |

| Q. No. | State <b>one</b> reason for <i>Mandarin Oriental</i> of having its logo on all products it sells.<br><b>Answer</b>                                                                                                                                                                                                                                                                                                                                                                                                                    | Mark |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| 3 (c)  | <b>AO2 - 1 mark</b><br><br>Award 1 mark for one reason for <i>Mandarin Oriental</i> of having its brand on all products it sells. <ul style="list-style-type: none"> <li>• Guests purchasing spa toiletries will remember the good time they had at the hotel <b>(1)</b></li> <li>• Purchasing slippers from the hotel may encourage friends to ask where they bought them <b>(1)</b></li> </ul> <b>NB</b> Do not accept a reason that is not in the context of <i>Mandarin Oriental</i><br><br>Accept any other appropriate response | (1)  |

| Q. No. | Outline <b>one</b> reason why <i>Mandarin Oriental</i> is unable to insure against not making a profit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Mark       |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|        | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            |
| 3 (d)  | <p><b>AO2 - 1 mark</b></p> <p>Award 1 mark for identifying one reason why <i>Mandarin Oriental</i> is unable to insure against not making a profit and one mark for further development.</p> <ul style="list-style-type: none"> <li>The insurance company could not calculate the size of the potential profit the hotel would make <b>(1)</b> as there is insufficient data available for actuaries to calculate the risk of not making a profit <b>(1)</b></li> </ul> <p><b>NB</b> Do not accept a reason that is not in the context of <i>Mandarin Oriental</i></p> <p>Accept any other appropriate response</p> | <b>(2)</b> |

| Q. No.       | Analyse why <i>Mandarin Oriental</i> would regularly update its website                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Mark       |
|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|              | <b>Indicative content</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |
| <b>3 (e)</b> | <p><b>A02 = 3 marks    A03 = 3 marks</b></p> <p><b>A02</b></p> <ul style="list-style-type: none"> <li><i>Mandarin Oriental</i> would keep its website up to date so that customers viewing the hotel can see the offers on hotel rooms and their price</li> <li><i>Mandarin Oriental</i> can add new and interesting features, such as vouchers and discounts for its spa</li> </ul> <p><b>A03</b></p> <ul style="list-style-type: none"> <li>If they do not keep the website up to date then customers are more likely to visit other hotel websites, which could lead to loss of sales and revenue</li> <li>Adding new features and offers on the website may encourage customers to visit the hotel and try the spa for a treatment</li> </ul> | <b>(6)</b> |

| Level          | Mark | Descriptor                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | 0    | No rewardable material.                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Level 1</b> | 1-2  | <ul style="list-style-type: none"> <li>Limited application of knowledge and understanding of commercial concepts and issues to the commercial context <b>(A02)</b></li> <li>Attempts to deconstruct commercial information and/or issues, finding limited connections between points <b>(A03)</b></li> </ul>                                                                                               |
| <b>Level 2</b> | 3-4  | <ul style="list-style-type: none"> <li>Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies <b>(A02)</b></li> <li>Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies <b>(A03)</b></li> </ul> |
| <b>Level 3</b> | 5-6  | <ul style="list-style-type: none"> <li>Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout <b>(A02)</b></li> <li>Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning <b>(A03)</b></li> </ul>                                                                 |

| Q. No. | <p><b>Option 1:</b> special offers<br/><b>Option 2:</b> introducing a loyalty programme</p> <p>Justify which <b>one</b> of these two options <i>Mandarin Oriental</i> should choose.</p> <p><b>Indicative content</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Mark       |
|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 3 (f)  | <p><b>A02 = 3 marks, A03 = 3 marks, A04 = 3 marks</b></p> <p><b>Arguments for option 1</b></p> <p><b>A02</b></p> <ul style="list-style-type: none"> <li>• By giving special offers previous customers are encouraged to book again at the hotel</li> <li>• Special offers may encourage guests to book more expensive rooms</li> </ul> <p><b>A03</b></p> <ul style="list-style-type: none"> <li>• The special offers may lead to increased bookings</li> <li>• This could lead to more people returning to the hotel thereby increasing sales</li> </ul> <p><b>A04</b></p> <ul style="list-style-type: none"> <li>• However, the revenue from special offers may not be sufficient to cover costs</li> <li>• However, there is no guarantee that the guests will rebook a room at the hotel</li> </ul> <p><b>Arguments for option 2</b></p> <p><b>A02</b></p> <ul style="list-style-type: none"> <li>• By introducing a loyalty programme guests will be rewarded for staying at the hotel</li> <li>• Using a loyalty programme rewards guests with points each time they stay</li> </ul> <p><b>A03</b></p> <ul style="list-style-type: none"> <li>• The hotel will keep past guests loyal will book with them rather than its competitors</li> <li>• This encourages repeat bookings which may increase sales</li> </ul> <p><b>A04</b></p> <ul style="list-style-type: none"> <li>• However, the loyalty programme only affects existing guests and may not attract new ones</li> <li>• However, as the programme develops the cost to the hotel increases which could reduce its profit</li> </ul> | <b>(9)</b> |

| Level          | Mark  | Descriptor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | 0     | No Rewardable material.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Level 1</b> | 1-3   | <ul style="list-style-type: none"> <li>Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2)</li> <li>Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3)</li> <li>Makes a judgement, providing a simple justification based on limited evaluation of commercial information and issues relevant to the choice made. (AO4)</li> </ul>                                                                                      |
| <b>Level 2</b> | 4-6   | <ul style="list-style-type: none"> <li>Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2)</li> <li>Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)</li> <li>Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made. (AO4)</li> </ul> |
| <b>Level 3</b> | 7 - 9 | <ul style="list-style-type: none"> <li>Detailed application of knowledge and understanding of commercial concepts and issues to the business context throughout. (AO2)</li> <li>Deconstructs business information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)</li> <li>Makes a judgement, providing a clear justification based on a thorough evaluation of business information and issues relevant to the choice made. (AO4)</li> </ul>                                                            |

| Q. No.       | Calculate, the price of the Nintendo Switch Controller after the discount of 7.5%. You are advised to show your working.<br><br><b>Answer</b>                                                                                                                                                                                                                                                                                                              | <b>Additional Guidance</b>                                                                                                       | <b>Mark</b> |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-------------|
| <b>4 (a)</b> | <p><b>A02 - 2 marks</b></p> <p>Award 1 mark for calculation and 1 mark for the answer.</p> <p>Award 1 mark for correct calculation and 1 mark for correct answer</p> <p><math>69.99 \times 0.075 = 5.25</math> <b>(1)</b></p> <p><math>69.99 - 5.25 = 64.74</math> <b>(1)</b></p> <p><b>OR</b></p> <p><math>69.99 \times 0.925 = 64.74</math> <b>(2)</b></p> <p><b>NB</b> A candidate who responds with 64.74 and no calculation is awarded both marks</p> | <p>Award 1 mark for correctly substituting numbers into formula.</p> <p>Award full marks for correct answer with no working.</p> | <b>(2)</b>  |

| Q. No. | Analyse why <i>Nintendo</i> wants a cover note when taking out insurance.<br><br><b>Indicative content</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Mark       |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 4 (b)  | <p><b>A02 = 3 marks    A03 = 3 marks</b></p> <p><b>A02</b></p> <ul style="list-style-type: none"> <li>It is a temporary document issued by the insurer</li> <li>A cover note is a contract between <i>Nintendo</i> and the insurance business</li> </ul> <p><b>A03</b></p> <ul style="list-style-type: none"> <li>The cover note gives details of the type of insurance that is being covered and the premium</li> <li>If <i>Nintendo</i> has to make a claim before the certificate has arrived, they have proof that the insurance has been taken out</li> </ul> | <b>(6)</b> |

| Level          | Mark | Descriptor                                                                                                                                                                                                                                                                                                                                                                                                 |
|----------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | 0    | No rewardable material.                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Level 1</b> | 1-2  | <ul style="list-style-type: none"> <li>Limited application of knowledge and understanding of commercial concepts and issues to the commercial context <b>(A02)</b></li> <li>Attempts to deconstruct commercial information and/or issues, finding limited connections between points <b>(A03)</b></li> </ul>                                                                                               |
| <b>Level 2</b> | 3-4  | <ul style="list-style-type: none"> <li>Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies <b>(A02)</b></li> <li>Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies <b>(A03)</b></li> </ul> |
| <b>Level 3</b> | 5-6  | <ul style="list-style-type: none"> <li>Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout <b>(A02)</b></li> <li>Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning <b>(A03)</b></li> </ul>                                                                 |

| Q. No. | Evaluate why it is important for <i>Nintendo</i> that the goods it sells are not faulty You should use the information provided as well as your own knowledge of commerce.<br><br><b>Indicative content</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Mark        |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 4 (c)  | <p><b>A01 = 3 marks   A02 = 3 marks   A03 = 3 marks<br/>A04 = 3 marks</b></p> <p><b><u>A01</u></b></p> <ul style="list-style-type: none"> <li>• Legislation is in place to deal with faulty goods</li> <li>• Faulty goods can be dangerous</li> </ul> <p><b><u>A02</u></b></p> <ul style="list-style-type: none"> <li>• <i>Nintendo</i> must ensure that its games consoles comply with legislation</li> <li>• <i>Nintendo</i> sells electrical products, such as headsets, which could be dangerous</li> </ul> <p><b><u>A03</u></b></p> <ul style="list-style-type: none"> <li>• This would help maintain a good reputation for <i>Nintendo</i> games console and other products it sells</li> <li>• This could mean that the electrical products sold are safe for use for all ages</li> </ul> <p><b><u>A04</u></b></p> <ul style="list-style-type: none"> <li>• However, complying with the legislation may increase <i>Nintendo's</i> production costs</li> <li>• However, if the goods provided are not up to the standard expected, then dissatisfied customers may post negative reviews which could cause bad publicity for <i>Nintendo</i> and this could mean loss of sales</li> </ul> | <b>(12)</b> |

| Level          | Mark   | Descriptor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                | 0      | No Rewardable material.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Level 1</b> | 1-4    | <ul style="list-style-type: none"> <li>• Demonstrates elements of knowledge and understanding of commercial concepts and issues, with limited commercial terminology used. (AO1)</li> <li>• Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2)</li> <li>• Attempts to deconstruct business information and/or issues, finding limited connections between points. (AO3)</li> <li>• Makes a judgement, providing a simple justification based on limited evaluation of commercial information and issues relevant to the choice made. (AO4)</li> </ul>                                                                                                                |
| <b>Level 2</b> | 5 - 8  | <ul style="list-style-type: none"> <li>• Demonstrates mostly accurate knowledge and understanding of commercial concepts and issues including appropriate use of commercial terminology in places. (AO1)</li> <li>• Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2)</li> <li>• Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)</li> <li>• Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made. (AO4)</li> </ul> |
| <b>Level 3</b> | 9 - 12 | <ul style="list-style-type: none"> <li>• Demonstrates accurate knowledge and understanding of commercial concepts and issues throughout, including appropriate use of commercial terminology. (AO1)</li> <li>• Detailed application of knowledge and understanding of commercial concepts and issues to the business context throughout. (AO2)</li> <li>• Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)</li> <li>• Makes a judgement, providing a clear justification based on a thorough evaluation of commercial information and issues relevant to the choice made. (AO4)</li> </ul>                                                             |

