



Mark Scheme (Results)

November 2024

Pearson Edexcel International GCSE
In Commerce (4CM1)

Paper 02: Facilitating Commercial Operations

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response

Question Number	Which one of the following is a benefit of the cashless society? Answer	Mark
1 (a)	A01 = 1 mark The only correct answer is C Shoppers will find paying for purchases more convenient A is not correct as businesses could still suffer bad debts and this is not a benefit B is not correct as banks will still need to offer overdraft facilities and this is not a benefit D is not correct as retailers will still need to offer credit to customers and this is not a benefit	(1)

Question Number	Which one of the following documents will be sent by a supplier before an order is placed? Answer	Mark
1 (b)	A01 = 1 mark The only correct answer is B A quotation A is not correct as an advice note is sent after an order has been made by the buyer C is not correct as a delivery note is sent when an order is despatched D is not correct as an invoice is sent by the supplier when the goods ordered have been received by the buyer	(1)

Question Number	Define the term average inventory . Answer	Mark
1 (c)	A01 = 1 mark Award 1 mark for a definition of average inventory The average amount of stock held by a business over a specific period (1)	(1)

Question Number	Define the term mortgage . Answer	Mark
1 (d)	A01 = 1 mark Award 1 mark for a definition of mortgage A long term loan secured against property (1)	(1)

Question Number	State one reason why <i>Vinasamex</i> uses this website to sell its products in Europe. Answer	Mark
1 (e) (i)	A02 = 1 mark Award 1 mark for one valid reason why <i>Vinasamex</i> uses this website to sell its products in Europe. <i>Vinasamex</i> will be able to reach new businesses in Europe and export more spices <i>Vinasamex</i> will become a better known brand in Europe as <i>Miss Linh</i> will promote its cinnamon across Europe NB Do not accept a reason that is not in the context of <i>Vinasamex</i> Accept any other appropriate response.	(1)

Question Number	State one advantage for Vinasamex of a listing on the Vietnam Stock Exchange. Answer	Mark
1 (e) (ii)	A02 = 1 mark Award 1 mark for one advantage for <i>Vinasamex</i> of a listing on the Vietnam Stock Exchange. <i>Vinasamex</i> will be able to raise capital to help its planned expansion to export to a further 20 countries in the world (1) - It will benefit from the enhanced reputation of its organic spice brand due to the interest of potential investors (1) NB Do not accept an advantage that is not in the context of <i>Vinasamex</i> Accept any other appropriate response	(1)

Question Number	Calculate, to two decimal places, the Profit for the year (net profit) margin for <i>Vinasamex</i> in 2021. You are advised to show your working. Answer	Additional guidance	Mark
1 (e) (iii)	A02 = 2 mark $\frac{20\,800}{275\,000} \times 100 \text{ (1)}$ $= 7.56\% \text{ (1)}$	Award 1 mark for correctly substituting numbers into the formula Award 2 marks for correct numerical answer without any working	(2)

Question Number	Explain one reason why a business would want to pay high dividends to its shareholders. Answer	Mark
1 (f)	A01 = 3 marks Award 1 mark for identifying one reason why a business would want to pay high dividends to its shareholders and up to 2 marks for explaining the reason for a maximum of 3 marks. • Shareholders view a high dividend as a sign that the business is positive about its future (1) making the likelihood of high dividends in the future more likely (1) so shareholders are less likely to sell their shares (1) • The value of the shares in the business are likely to rise if a business consistently pays high dividends (1) which means the shareholders can sell their shares for a profit (1) resulting in more investors wanting to buy shares in the business (1) NB No marks are awarded for a definition Answers that list three reasons with no explanation will get 1 mark only Accept any other appropriate response	(3)

Question Number	Explain one benefit to a customer of having an overdraft. Answer	Mark
1 (g)	A01 = 3 marks Award 1 mark for identifying one benefit to a customer of having an overdraft and up to 2 marks for explaining the benefit for a maximum of 3 marks. • A customer can borrow money to an agreed limit from the bank (1) so they can pay unexpected bills (1) and manage their current account effectively (1) • A customer can pay back an overdraft to the bank when they wish to do so (1) without having to pay regular fixed amounts (1) which allows the customer to spend money they do not have in their account when they wish to buy expensive goods (1) NB No marks are awarded for a definition Answers that list three benefits with no explanation will get 1 mark only Accept any other appropriate response	(3)

Question Number	Analyse why <i>Vinasamex</i> may choose to use documentary credits when accepting payments for its new products. Indicative content	Mark
1 (h)	A02 = 3 marks A03 = 3 marks <u>A02</u> • <i>Vinasamex</i> needs to export the new oils to new cosmetic manufacturers worldwide • New buyers may be concerned that <i>Vinasamex</i> will not ship the oils on the agreed dates and in conditions as agreed in the new contracts <u>A03</u> • <i>Vinasamex</i> will have the reassurance of secure payments by asking for documentary credit from new buyers • New buyers will be reassured by documentary credits as they will only pay when they have proof that the new oils have been shipped to them	(6)

Level	Mark	Descriptor
	0	No rewardable material
Level 1	1–2	- Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2) - Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3)
Level 2	3–4	- Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2) - Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)
Level 3	5–6	- Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2) - Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)

Question Number	Which one of the following is used to calculate the Return on capital employed (ROCE)? Answer	Mark
2 (a)	A01 = 1 mark The only correct answer is D $\frac{\text{Profit for the year (net profit)}}{\text{Capital employed}} \times 100$ A is not correct as gross profit is not part of the calculation B is not correct as gross profit is not part of the calculation C is not correct as capital employed should be the denominator not the numerator	(1)

Question Number	Which one of the following ways could a fast food delivery service use as point of sale promotion? Answer	Mark
2 (b)	A02 = 1 mark The only correct answer is A Print its logo on its carrier bags B is not correct as an online catalogue is not point of sale promotion C is not correct as a television advertisement is not point of sale promotion D is not correct as an interview is not point of sale promotion	(1)

Question Number	Identify which country has the same interest rate in January 2022 and August 2023. Answer	Mark
2 (c)(i)	A02 = 1 mark Japan	(1)

Question Number	Identify which country had the biggest change in interest rates between January 2022 and August 2023. Answer	Mark
2 (c)(ii)	A02 = 1 mark United States	(1)

Question Number	Define the term agenda . Answer	Mark
2 (d)	A01 = 1 mark Award 1 mark for a definition of agenda . A list of topics that will be discussed at a meeting (1)	(1)

Question Number	Explain one benefit for a business of selling an expensive product on hire purchase. Answer	Mark
2 (e)	A01 = 3 marks Award 1 mark for identifying one benefit for a business of selling an expensive product on hire purchase and up to 2 marks for explaining the benefit for a maximum of 3 marks. • The business is likely to increase sales turnover (1) as customers can afford to buy more expensive products when paying by instalments (1) which may not be available from competitors (1) • The business does not fund hire purchase itself (1) it uses a finance house (1) which means the business receives the full amount immediately (1) NB No marks are awarded for a definition Answers that list three benefits with no explanation will get a maximum of 1 mark Accept any other appropriate response	(3)

Question Number	Explain one benefit to a business of sponsoring a famous person. Answer	Mark
2 (f)	A01 = 3 marks Award 1 mark for identifying one benefit to a business of sponsoring a famous person and up to 2 marks for explaining the benefit for a maximum of 3 marks. • Sponsorship can increase the reputation of a business (1) if the targeted customers admire the sponsored person (1) they may make themselves more attractive than their competitors (1) • Sponsorship increases the number of times a business is seen by potential customers (1) as the sponsored person may be famous enough to be seen regularly on television (1) raising awareness of the brand of that business (1) NB No marks are awarded for a definition Answers that list three benefits with no explanation will get a maximum of 1 mark. Accept any other appropriate response	(3)

Question Number	Option 1: Reduce the price of the Ben & Jerry's ice cream to £4.00 Option 2: Develop the new ice cream to store at lower temperatures Answer	Mark
(g)	A02 = 3 marks A03 = 3 marks A04 = 3 marks Arguments for option 1: A02 • <i>Ben & Jerry's</i> is the most popular brand of ice cream in the world • Customers are paying 50% more in 2023 than they paid in 2022 for the same tub of ice cream A03 • Customers may be happy to pay the reduced price so sales will increase • Customers may still wish to buy <i>Ben & Jerry's</i> ice cream as it has their favourite flavours so sales will not fall A04 • However, if the costs of ingredients continue to rise the selling price of the ice cream may have to rise again and sales could still fall • However, some customers may have switched to a competitor's cheaper tub of ice cream and may be reluctant to change again thus sales will fall Arguments for option 2: A02 • <i>Unilever</i> can produce a new ice cream that can be stored at -12C rather than -18C for its competitors • Customers cannot buy their favourite <i>Ben & Jerry's</i> ice cream as easily when small retailers switch their freezers off to save energy costs	

	A03 • Customers may buy the new ice cream when other ice creams from competitors are not available from small retailers thus sales rise • Small retailers will be able to reduce the energy costs of their freezers and keep them switched on for longer to sell <i>Ben & Jerry's</i> ice cream thus increasing sales A04 • However, <i>Unilever</i> must invest capital to develop the new ice cream and customers may not like the new flavours thus sales will fall and the investment is wasted • However, energy costs may continue to rise and small retailers may struggle to afford to keep the new freezers switched on thus total sales will fall	(9)
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	0	No rewardable material
Level 1	1-3	- Limited application of knowledge and understanding of commercial concepts and issues to the commercial context (AO2) - Attempts to deconstruct commercial information and/or issues, finding limited connections between points (AO3) - Makes a judgement, providing a simple justification based on limited evaluation of commercial information and issues relevant to the choice made (AO4)
Level 2	4-6	- Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies (AO2) - Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3) - Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made (AO4)
Level 3	7-9	- Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout (AO2) Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3) - Makes a judgement, providing a clear justification based on a thorough evaluation of commercial information and issues relevant to the choice made (AO4)

Question Number	Which one of the following is a place to store goods before customs and excise duties are paid? Answer	Mark
3 (a)	A01 = 1 mark The only correct answer is A A bonded warehouse B is not correct as a cold storage warehouse stores perishable goods that have paid customs and excise duty if applicable C is not the correct answer as RDCs have paid the appropriate custom and excise duties D is not the correct answer as a cash-and-carry warehouse will already have paid any applicable custom and excise duties	(1)

Question Number	State which one the following is a reason why <i>Dronamics</i> likes to receive payment for deliveries by electronic transfer? Answer	Mark
3 (b)	A02 = 1 mark The only correct answer is B <i>Dronamics</i> quickly receives payment into its bank account A is not correct as electronic transfers can be subject to fraud C is not the correct answer as electronic transfers do not use the postal service D is not the correct answer as the price of the service does not affect electronic transfers	(1)

Question Number	State one reason why the final part of the delivery from the airport to customers on the Greek islands is made by road. Answer	Mark
3 (c)	A02 = 1 mark Motorcycles can deliver the packages on the narrow roads (1) NB Do not accept a reason that is not in the context of <i>Dronamics</i> Accept any other appropriate response	(1)

Question Number	Answer	Mark
3 (d)(i)	A02 = 1 mark 2 (1)	(1)

Question Number	Answer	Mark
3 (d)(ii)	A02 = 1 mark €215 (1) OR €215 .00 (1) OR 215 (1) OR 215.00 (1)	(1)

Question Number	Analyse the benefits for a business of using <i>Dronamics</i> to deliver its packages to the Greek islands. Indicative content	Mark
3 (e)	A02 = 3 marks A03 = 3 marks <u>A02</u> • <i>Dronamics</i> drones are quicker than using a ferry • <i>Dronamics</i> prices are 50% less than other forms of transport <u>A03</u> • Packages will reach customers in Greece quicker by drone so customers are not kept waiting and are less likely to switch to another supplier • Businesses may pass on this saving to their customers which will make them more competitive and attractive to customers in Greece	(6)

Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-2	- Limited application of knowledge and understanding of commercial concepts and issues to the commercial context (AO2) - Attempts to deconstruct commercial information and/or issues, finding limited connections between points (AO3)
Level 2	3-4	- Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies (AO2) - Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3)
Level 3	5-6	- Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout (AO2) - Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3)

Question Number	Option 1: request a bank loan Option 2: approach venture capitalists. Indicative content	Mark
3(f)	A02 = 3 marks A03 = 3 marks A04 = 3 marks Arguments for option 1: A02 • A bank will be able to loan all the \$40 million required • <i>Dronamics</i> can buy the drones very quickly A03 • <i>Dronamics</i> will know its financial plans for the duration of the loan so it can safely plan expansion into North Africa • The quicker the bank agrees the loan the sooner the new drones can be earning revenue A04 • However, <i>Dronamics</i> will have to pay interest on the loan which may significantly reduce potential profits • However, the banks may impose restrictions on the activities of <i>Dronamics</i> that may delay the expansion into North Africa Arguments for option 2: A02 • Several venture capitalists may jointly invest the total required \$40 million • <i>Dronamics</i> can receive guidance from experienced venture capitalists on how best to use the \$40 million to buy drones and expand in North Africa	

	A03 • <i>Dronamics</i> will not need to make regular monthly payments as it can reward the venture capitalists with shares in the business thus freeing more money to invest in new drones and the expansion into North Africa • <i>Dronamics</i> can work with the chosen venture capitalists who are likely to have a network of business connections to help the business expand quickly A04 • However, <i>Dronamics</i> will lose some control of the decision making to the venture capitalists • However, in the future, <i>Dronamics</i> will have to buy back the shares from the venture capitalists or sell the business to raise sufficient funds to repay the venture capitalists which could be very expensive if the expansion was successful enough to increase the share value	(9)
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Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-3	- Limited application of knowledge and understanding of commercial concepts and issues to the commercial context (AO2) - Attempts to deconstruct commercial information and/or issues, finding limited connections between points (AO3) - Makes a judgement, providing a simple justification based on limited evaluation of commercial information and issues relevant to the choice made (AO4)
Level 2	4-6	- Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies (AO2) - Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3) - Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made (AO4)
Level 3	7-9	- Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout (AO2) - Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3) - Makes a judgement, providing a clear justification based on a thorough evaluation of commercial information and issues relevant to the choice made. (AO4)

Question Number	Outline one way <i>Dauphinette</i> could advertise the environmentally friendly features of its products on the packaging. Answer	Mark
4 (a)	A02 = 2 marks <i>Dauphinette</i> could decorate the packaging with flowers and fruits (1) to demonstrate how the jewellery and handbags use these natural materials (1) NB Do not accept a way that is not in the context of <i>Dauphinette</i> Accept any other appropriate response.	(2)

Question Number	Analyse why Olivia Cheng prefers to meet her suppliers face to face. Indicative content	Mark
4 (b)	A02 = 3 marks A03 = 3 marks A02 - Suppliers are selling used materials to <i>Dauphinette</i> - Face-to-face communication generates ideas for new kinds of used materials A03 - Olivia Cheng can touch and feel the product to test the quality of their materials - This may result in exciting new designs in future fashion ranges Accept any other appropriate response.	(6)

Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-2	- Limited application of knowledge and understanding of commercial concepts and issues to the commercial context (AO2) - Attempts to deconstruct commercial information and/or issues, finding limited connections between points (AO3)
Level 2	3-4	- Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies (AO2) - Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3)
Level 3	5-6	- Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2) - Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3)

Question Number	Evaluate how taking part in trade fairs and exhibitions helps <i>Dauphinette</i> to promote its brand. You should use the information provided and your own knowledge of commerce in your answer. Indicative content	Mark
(c)	A01= 3 marks A02 = 3 marks A03 = 3 marks A04 = 3 marks A01 • New York Fashion Week is a fashion trade fair • The Gala Exhibition is a major exhibition in New York A02 • <i>Dauphinette</i> will be able to show her new fashion range using flowers and fruits every year to major fashion buyers and members of the media in New York and internationally • Many of <i>Dauphinette's</i> competitors will also be exhibiting innovative new fashion designs at the museum A03 • Fashion buyers will become very aware of the <i>Dauphinette</i> brand because they see it every year thus developing <i>Dauphinette's</i> reputation for producing original and leading fashion designs • Olivia Cheng can keep up-to-date with the latest trends by observing her competitors so that she is always producing leading fashion designs A04 • However, <i>Dauphinette</i> may need to attend other fashion shows in different countries to become an internationally well-known brand • However, <i>Dauphinette's</i> designs may not be the most original fashion designs exhibited and the media may promote competitors by publicising their designs in the newspapers, magazines and online	(12)

Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-4	• Demonstrates elements of knowledge and understanding of commercial concepts and issues, with limited commercial terminology used (AO1) • Limited application of knowledge and understanding of commercial concepts and issues to the commercial context (AO2) • Attempts to deconstruct commercial information and/or issues, finding limited connections between points (AO3) • Draws a conclusion, supported by generic assertions from limited evaluation of commercial information and issues (AO4)
Level 2	5-8	• Demonstrates mostly accurate knowledge and understanding of commercial concepts and issues, including appropriate use of commercial terminology in places (AO1) • Sound application of knowledge and understanding of commercial concepts and issues to the commercial context, although there may be some inconsistencies (AO2) • Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3) • Draws a conclusion based on sound evaluation of commercial information and issues (AO4)
Level 3	9-12	• Demonstrates accurate knowledge and understanding of commercial concepts and issues throughout, including appropriate use of commercial terminology (AO1) • Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2) • Deconstructs commercial information and/or issues, finding detailed interconnected points with chains of reasoning (AO3) • Draws a valid and well-reasoned conclusion based on a thorough evaluation of commercial information and issues (AO4)

