



Mark Scheme (Provisional)

Summer 2021

Pearson Edexcel International GCSE
In Commerce 4CM1
Paper 2
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.
- 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) select and use a form and style of writing appropriate to purpose and to complex subject matter*
 - iii) organise information clearly and coherently, using specialist vocabulary when appropriate*

Question Number	Which one of the following is a source of long-term finance?	Mark
1 (a)	<p>Answer</p> <p>A01 - 1 mark</p> <p>The only correct answer is D Retained profit (1)</p> <p>A is not correct because factoring is short-term B is not correct because trade credit is short-term C is not correct because a bank draft is a method of payment</p>	(1)

Question Number	Which one of the following is a financial institution?	Mark
1 (b)	<p>Answer</p> <p>A01 - 1 mark</p> <p>The only correct answer is B A Central Bank (1)</p> <p>A is not correct as a Chamber of Commerce is an aid to exports C is not correct as a trade fair is a method of promotion D is not correct as a night safe is a banking service</p>	(1)

Question Number	Define the term delivery note .	Mark
1 (c)	<p>Answer</p> <p>A01 = 1 mark</p> <p>Award 1 mark for a definition of delivery note</p> <ul style="list-style-type: none"> • A document sent with products listing all items being delivered (1) 	(1)

Question Number	Define the term cheque .	Mark
1 (d)	<p>Answer</p> <p>A01 = 1 mark</p> <p>Award 1 mark for a definition of cheque</p> <ul style="list-style-type: none"> • A cheque instructs a bank to transfer funds from one account to another (1) 	(1)

Question Number	State one benefit to customers of using the <i>Amazon</i> website to buy products.	Mark
1 (e) (i)	<p>Answer</p> <p>A02 - 1 mark</p> <p>Award 1 mark for a valid benefit to customers of using the <i>Amazon</i> website to buy products</p> <ul style="list-style-type: none"> The <i>Amazon</i> website shows thousands of products such as electronics and fashion making it easier for customers to find exactly what they want (1) 	(1)

Question Number	State one way the <i>Amazon</i> website may help to promote the products it sells.	Mark
1 (e) (ii)	<p>Answer</p> <p>A02 = 1 mark</p> <p>Award 1 mark for a valid way in which the <i>Amazon</i> website helps promote the products it sells</p> <ul style="list-style-type: none"> Previous customers who have used <i>Amazons</i> website can be emailed alerts to new special offers on new dresses (1) 	(1)

Question Number	Calculate, to two decimal places, the profit for the year margin for 2019.	Additional guidance	Mark
1 (e) (iii)	<p>Answer</p> <p>A02 = 2 mark</p> <p>profit for the year margin</p> $= \frac{11\,588}{280\,522} \times 100 \quad \mathbf{(1)}$ <p>= 4.13 (1)</p>	<p>Award 1 mark for correctly substituting numbers into the formula</p> <p>Award full marks for correct numerical answer without working</p>	(2)

Question Number	Explain one advantage for small retailers of using a cash and carry warehouse.	Mark
1 (f)	<p>Answer</p> <p>A01 = 3 marks</p> <p>Award 1 mark for identifying 1 advantage for small retailers of using a cash and carry warehouse and up to 2 marks for explaining the advantage for a maximum of 3 marks</p> <ul style="list-style-type: none"> • A cash and carry warehouse allows small retailers to buy products in small quantities (1) as they often have limited storage space in their shops (1) and they can then replace bestselling products on a regular basis as needed (1) <p>Accept any other appropriate response</p> <p>Answers that list 3 reasons with no explanation will get a maximum of 1 mark</p>	(3)

Question Number	Explain one reason why an agenda might be prepared for a meeting.	Mark
1 (g)	<p>Answer</p> <p>A01 = 3 marks</p> <p>Award 1 mark for identifying 1 reason why an agenda might be prepared for a meeting and up to 2 marks for explaining the reason for a maximum of 3 marks</p> <ul style="list-style-type: none"> • An agenda provides a list of items (1) that ensures all these points will be discussed (1) by attendees who can offer informed opinions in the meeting (1) <p>Accept any other appropriate response</p> <p>Answers that list 3 reasons with no explanation will get a maximum of 1 mark</p>	(3)

Question Number	Analyse how these warehouses benefit <i>Amazon</i> .	Mark
1 (h)	<p>AO2 = 3 marks AO3 = 3 marks</p> <p><u>AO2</u></p> <ul style="list-style-type: none"> • These large warehouses help <i>Amazon</i> to store products such as computers that sell in large quantities • Having large quantity of products in stock means that when ordered they are available for next day delivery <p><u>AO3</u></p> <ul style="list-style-type: none"> • <i>Amazon</i> can hold a large inventory of its best sellers so that it can always meet the demands of its customers • Customer will be more willing to order from <i>Amazon</i> as they know the products will be delivered quickly 	(6)

Level	Mark	Descriptor
	0	<ul style="list-style-type: none"> • No rewardable material
Level 1	1-2	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 would a supplier send to a business that had received damaged products? Answer	Mark
2 (a)	A01 - 1 mark The only correct answer is A A credit note (1) B is not correct because a postal order is a payment method C is not correct because a standing order is a payment method D is not correct because a debenture is a source of finance	(1)

Question Number	Which one of the following is the most suitable form of communication to discuss a new product with managers in different countries? Answer	Mark
2 (b)	A02 - 1 mark The only correct answer is C A videoconference (1) A is not correct because an email does not aid group discussion B is not correct because a telephone call is one to one D is not correct because a face to face meeting has high travel costs for all the managers	(1)

Question Number	Figure 2 shows the number of internet users in India from 2015 to 2019. Identify which year had the smallest number of internet users. Answer	Mark
2 (c)(i)	A02 - 1 mark 2015 (1)	(1)

Question Number	Identify how many internet users there were in 2017. Answer	Mark
2 (c)(ii)	A02 - 1 mark 437 million (1) OR 437 (1)	(1)

Question Number	Define the term average inventory .	Mark
2 (d)	<p>Answer</p> <p>A01 - 1 mark</p> <ul style="list-style-type: none"> • Average inventory is the usual amount of stock held by the business. (1) 	(1)

Question Number	Explain one reason why a business might use competitive advertising .	Mark
2 (e)	<p>Answer</p> <p>A01 = 3 marks</p> <p>Award 1 mark for identifying 1 reason a business might use competitive advertising and up to 2 marks for explaining the reason for a maximum of 3 marks</p> <ul style="list-style-type: none"> • A business can highlight the difference between its products and similar products of a competitor (1) to influence the customer to buy its products rather than its competitors (1) thereby increasing its own market share (1) <p>Accept any other appropriate response</p> <p>Answers that list 3 reasons with no explanation will get a maximum of 1 mark</p>	(3)

Question Number	Explain one benefit to a business of being paid by direct debit.	Mark
2 (f)	<p>Answer</p> <p>AO1 = 3 marks</p> <p>Award 1 mark for identifying 1 reason a business might benefit from being paid by direct debit and up to 2 marks for explaining the benefit for a maximum of 3 marks</p> <ul style="list-style-type: none"> • The business can change the amount of payment to be received (1) every month or whenever the payment is due (1) which means the business does not have to waste time chasing inaccurate payments or bad debts (1) <p>Accept any other appropriate response</p> <p>Answers that list 3 reasons with no explanation will get a maximum of 1 mark</p>	(3)

Question Number	Option 1: increase the sales of electric scooters Option 2: buy cheaper, lower quality batteries. Answer	Mark
2 (g)	<p>A02 = 3 marks A03 = 3 marks A04 = 3 marks</p> <p>Arguments for option 1:</p> <p><u>A02</u></p> <ul style="list-style-type: none"> • The \$1 800 selling price of the scooter attracts city workers • <i>Gogoros'</i> production of its <i>Viva</i> model is subsidised by the Taiwan government <p><u>A03</u></p> <ul style="list-style-type: none"> • The subsidy may help <i>Gogoro</i> sell a new model for the same profit without increasing the selling price and therefore maintain or increase sales • A new subsidised model would mean <i>Gogoro</i> could afford to produce lots of scooters at low cost so that more are available for sale to more buyers and profits increase <p><u>A04</u></p> <ul style="list-style-type: none"> • However, <i>Gogoro</i> may have already attracted most of the buyers interested in a scooter so a subsidy may not increase sales as much as it hopes and profits may fall. • However, <i>Gogoros'</i> new design may not be as attractive as the old and may not attract as many buyers so profits may fall <p>Arguments for option 2:</p> <p><u>A02</u></p> <ul style="list-style-type: none"> • The expensive batteries will last longer • Once the high quality batteries go flat they have to be replaced with a fully charged battery <p><u>A03</u></p> <ul style="list-style-type: none"> • If <i>Gogoro</i> buys cheaper batteries it will decrease purchasing costs and profits will increase • The batteries are not available elsewhere so owners accept the cheaper batteries, decreasing purchasing costs and increasing profit <p><u>A04</u></p> <ul style="list-style-type: none"> • However, the cheaper batteries may go flat quicker and need to be charged more frequently so customers will become dissatisfied • However, existing customers may not like the lower quality batteries and may choose to switch to competitors or non-electric scooters and the benefit of the reduced purchasing costs will be lost as profits fall 	(9)

Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-3	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout (AO2) Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3) Makes a judgement, providing a clear justification based on a thorough evaluation of commercial information and issues relevant to the choice made (AO4)

Question Number	Which one of the following is an example of a point of sale promotion?	Mark
3 (a)	<p>Answer</p> <p>A01 - 1 mark</p> <p>The only correct answer is C A carrier bag (1)</p> <p>A is not correct because local sponsorship is not point of sale B is not correct because a magazine advertisement is not point of sale D is not correct because a credit card is a method of payment</p>	(1)

Question Number	Which one of the following may be a reason <i>Big Blue</i> holds face-to-face meetings with its designers?	Mark
3 (b)	<p>Answer</p> <p>A02 - 1 mark</p> <p>The only correct answer is B To touch the local materials (1)</p> <p>A is not correct because written records may not be kept C is not correct because future meeting dates could be planned be email D is not correct because prices can be agreed over the telephone</p>	(1)

Question Number	State one way the South African government could help <i>Big Blue</i> export products abroad.	Mark
3 (c)	<p>Answer</p> <p>A02 = 1 mark</p> <p>South Africa's department of trade could organise a trade fair and <i>Big Blue</i> could be invited to display its range of T-shirts (1)</p> <p>Accept any other appropriate response</p>	(1)

Question Number	Complete the statement of account to show the missing amounts.	Mark
	Answer	
3 (d) i	A02 = 1 mark 575 (1)	(1)

Question Number	Complete the statement of account to show the missing amounts.	Mark
	Answer	
3 (d) ii	A02 = 1 mark 1 825 (1)	(1)

Question Number	Analyse the benefit to <i>Big Blue</i> of allowing customers to pay for their purchases by spreading the interest-free payment over three months.	Mark
	Indicative content	
3 (e)	<p>A02 = 3 marks A03 = 3 marks</p> <p><u>A02</u></p> <ul style="list-style-type: none"> Account Customers are likely to buy more T-shirts Account customer have more favourable payment terms than other customers <p><u>A03</u></p> <ul style="list-style-type: none"> <i>Big Blue</i> will receive more money from individual customers and so increase overall value of sales <i>Big Blue</i> may attract more account customers who may take advantage of the payment terms <p>Accept any other appropriate response</p>	(6)

Level	Mark	Descriptor
	0	<ul style="list-style-type: none"> No rewardable material
Level 1	1-2	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<p>Option 1: offer a specially designed free T-shirt with all purchases</p> <p>Option 2: open an online shop.</p> <p>Justify which one of these two options <i>Big Blue</i> should choose.</p> <p>Indicative content</p>	Mark
3f	<p>A02 = 3 marks A03 = 3 marks A04 = 3 marks</p> <p>Arguments for option 1:</p> <p><u>A02</u></p> <ul style="list-style-type: none"> • T-shirts showing pride in the African heritage are the most popular <i>Big Blue</i> items of clothing to offer as free gifts • The unique designs of all the clothing appeals to customers <p><u>A03</u></p> <ul style="list-style-type: none"> • When wearing the free T-shirts, customers are promoting <i>Big Blue</i> to other people they meet • So the design of the T-shirt may tempt them to look for new designs on other items <p><u>A04</u></p> <ul style="list-style-type: none"> • However, some customers may not like the special design and will not recommend <i>Big Blue</i> to their friends • However, it may be too costly to produce enough specially designed T-shirts to make this an effective promotion <p>Arguments for option 2:</p> <p><u>A02</u></p> <ul style="list-style-type: none"> • <i>Big Blue</i> online shop would show its original designs of dresses and trousers • The online shop shows their African fashion to potential customers in other countries. <p><u>A03</u></p> <ul style="list-style-type: none"> • Online customers see new design immediately which will encourage sales • The online shop can reach around the world 24/7 to all people with pride in an African heritage <p><u>A04</u></p> <ul style="list-style-type: none"> • However, many customers may not access the online shop on a regular basis so would not see the new designs • However, <i>Big Blue</i> would find it expensive to invest in an attractive website in order to attract enough customers to make it worthwhile 	(9)

Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-3	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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 advantage for farmers in remote areas of using trains to transport their agricultural products to the cities.	Mark
4 (a)	<p>Answer</p> <p>A02 = 2 marks</p> <p>The transport of the agricultural products in trains over long distances (1) will reach the ports and cities much faster and cheaper than by road (1)</p> <p>Accept any other appropriate response</p>	(2)

Question Number	Analyse the likely benefits to businesses of using <i>Kobo360</i> to transport their products.	Mark
4 (b)	<p>Answer</p> <p>A02 = 3 marks A03 = 3 marks</p> <p><u>A02</u></p> <ul style="list-style-type: none"> • <i>Kobo 360</i> has 13,000 different trucks travelling throughout Nigeria every day • Businesses know what they need to transport and can book an appropriate truck after consulting the website <p><u>A03</u></p> <ul style="list-style-type: none"> • <i>Kobo360</i> can transport different types of freight by road using the best route so saving costs to the customer. • Customers can have the convenience and speed of simply booking transport whenever needed without maintaining their own fleet of trucks so lowering costs. <p>Accept any other appropriate response</p>	(6)

Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-2	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 whether the use of venture capital is a good source of finance to help <i>Kobo360</i> grow. You should use the information provided and your own knowledge of commerce.	Mark
4(c)	<p>Answer</p> <p>A01= 3 marks A02 = 3 marks A03 = 3 marks A04 = 3 marks</p> <p><u>A01</u></p> <ul style="list-style-type: none"> • Venture capital is a form of financing from private investors for businesses that need large up front capital and that are believed to have long-term growth potential • Venture capital usually comes from well-off investors, investment banks and other financial institutions <p><u>A02</u></p> <ul style="list-style-type: none"> • <i>Kobo360</i> needed \$250 000 for an even larger fleet of trucks and investment in the technology for the apps used by its customers • The venture capitalists have chosen to invest in distribution in Africa because they have a belief in long term high profits from the developing countries on the continent and a vision for <i>Kobo360s</i> success <p><u>A03</u></p> <ul style="list-style-type: none"> • This is not likely to be available from other traditional methods such as a bank loan as the risk is too high therefore <i>Kobo360</i> could not raise this amount of finance for expansion • <i>Kobo360</i> can benefit from their vision and share ideas for success and returns on investment <p><u>A04</u></p> <ul style="list-style-type: none"> • However, <i>Kobo360</i> could have sold shares to raise the capital required and expand when it wished • However, <i>Kobo360</i> may not share the vision and the investors may find it difficult to control the business 	(12)

Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-4	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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)