

International GCSE

Commerce (9–1) (Modular)

Specification

Pearson Edexcel International GCSE in Commerce (Modular) (4XCM1)

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First examination June 2024

First certification August 2025

Issue 1



About Pearson

We are the world's leading learning company operating in countries all around the world. We provide content, assessment and digital services to learners, educational institutions, employers, governments and other partners globally. We are committed to helping equip learners with the skills they need to enhance their employability prospects and to succeed in the changing world of work. We believe that wherever learning flourishes so do people.

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1 About this specification

Pearson Edexcel International GCSE in Commerce (Modular) is part of a suite of International GCSE (Modular) qualifications offered by Pearson.

This qualification is not accredited or regulated by any UK regulatory body.

This specification includes the following key features.

Structure

Pearson Edexcel International GCSE in Commerce (Modular) is a modular qualification. All units are available in the June and November exam series and can be sat in any order or resat. A cash-in code must be used to obtain an overall grade for the qualification.

Content

The content is relevant, up-to-date, engaging and appropriate for an international audience.

The content has been divided into four themes:

- Theme 1: Commercial Operations
- Theme 2: Commercial Risks
- Theme 3: Finance for Commerce
- Theme 4: Aids for Commerce

Assessment

It comprises two written examinations, with questions designed to differentiate between learners of all ability ranges. All assessments in the modular route are designed to be at the same standard, and there is no step up in difficulty between Unit 1 and Unit 2.

Approach

This qualification enables learners to develop independent learning and critical thinking skills, which can be used in real-life scenarios.

Specification updates

This specification is Issue 1 and is valid for first teaching from September 2023, with first assessment from June 2024, first cash-in in June 2025 and first certification from August 2025. If there are any significant changes to the specification, we will inform centres in writing. Changes will also be posted on our website.

For more information, please visit qualifications.pearson.com.

Using this specification

This specification gives teachers guidance and encourages effective delivery of the qualification. The following information will help you get the most out of the content and guidance.

Compulsory content: as a minimum, all of the bullet points in the subject content must be taught. The word 'including' in content specifies the detail of what must be covered.

Examples: throughout the content, we have included examples of what could be covered or what might support teaching and learning. It is important to note that examples are for illustrative purposes only and centres can use other examples. We have included examples that are easily understood and recognised by international centres.

Assessments: use a range of material and are not limited to the examples given. Teachers should deliver the qualification using a good range of examples to support the assessment of the content.

Depth and breadth of content: the course is designed to give learners a sound understanding of commerce and the ability to use knowledge, skills and understanding appropriately in the context of individual countries and the global economy. As learners progress through the course, they are introduced to new ideas and concepts while continuing to use and reinforce previously learned concepts and skills.

Teachers should use the full range of content and all the assessment objectives provided in *Section 3: Commerce content*.

Qualification aims

The aims of this qualification are to enable learners to:

- develop an interest in and enthusiasm for the study of commerce
- develop an understanding of commerce concepts, terminology, objectives and the integrated nature of commerce activity
- understand how the main types of commerce are organised, financed and operated
- develop knowledge, understanding and skills to commerce issues in a wide range of applications, operating in local, national and global context
- develop critical thinking and enquiry skills to distinguish between facts and opinion, and evaluating and interpreting qualitative and quantitative data, to help build arguments and make informed judgements
- develop an understanding of the dynamics of commerce activity and the related considerations of ethics and sustainability for global businesses.

Why choose Pearson Edexcel qualifications?

Pearson – the world’s largest education company

Edexcel academic qualifications are from Pearson, the UK’s largest awarding organisation. With over 3.4 million learners studying our academic and vocational qualifications worldwide, we offer internationally recognised qualifications to schools, colleges and employers globally.

Pearson is recognised as the world’s largest education company, allowing us to drive innovation and provide comprehensive support for Pearson Edexcel learners in acquiring the knowledge and skills they need for progression in study, work and life.

A heritage you can trust

The background to Pearson becoming the UK’s largest awarding organisation began in 1836, when a royal charter gave the University of London its first powers to conduct exams and confer degrees on its learners. With over 150 years of international education experience, Edexcel qualifications have a firm academic foundation, built on the traditions and rigour associated with Britain’s educational system.

Results you can trust

Pearson’s leading online marking technology has been shown to produce exceptionally reliable results, demonstrating that Pearson Edexcel qualifications maintain the highest standards at every stage.

Why choose Pearson Edexcel International GCSE in Commerce (Modular)?

We have listened to feedback from all parts of the international school and language teaching community, including a large number of teachers. We have made changes that will engage international learners and give them skills that will support progression to further study of commerce and a wide range of other subjects.

The content and assessment approach for this qualification has been designed to maintain the rigorous standards of all Pearson Edexcel qualifications and meet learner needs in the following ways.

Modular structure

The modular assessment structure offers learners the flexibility to sit examinations when they are ready and provides opportunities to resit individual unit assessments before receiving an overall qualification grade.

Two-unit assessment

A two-unit model allows learners to focus on real-life commercial scenarios. We will test knowledge, understanding, analytical and evaluation skills around four themes: commercial operations, commercial risks, finance for commerce and aids for commerce.

The content in Unit 1: Commercial Operations and Associated Risks, and in Unit 2: Facilitating Commercial Operations, is engaging and accessible. It allows progression as it builds understanding and awareness of commercial concepts and applies them to real-life scenarios. The content is appropriate for international learners as it develops their ability to participate effectively in global society as citizens, producers and consumers.

Clear and straightforward question papers

Our question papers are clear and accessible for learners of all ability ranges. A range of question styles will be used. Our mark schemes are straightforward so that the assessment requirements are clear.

Broad and deep development of learners' skills

The design of this International GCSE (Modular) aims to extend learners' knowledge by broadening and deepening skills: for example, learners will:

- read sources to interpret and evaluate commercial information
- write extended responses
- respond appropriately to a range of question types, including multiple-choice, short response and extended response questions
- develop an understanding of commercial concepts and apply these concepts to real-life situations.

Progression

International GCSE (Modular) qualifications enable successful progression to Level 3 qualifications and beyond, in accounting and other subjects. We have consulted with International A Level and GCE A Level teachers as well as higher education professionals to validate this qualification, including content, skills and assessment structure.

More information about the qualifications can be found on our website ([qualifications.pearson.com](https://www.pearson.com/qualifications)) on the Pearson Edexcel International GCSE pages.

Supporting you in planning and implementing this qualification

Planning

- Our *Getting Started Guide* gives you an overview of Pearson Edexcel International GCSE in Commerce (Modular) to help you understand the content and assessment, and what this means for you and your learners.
- We will provide you with an editable scheme of work and course planner for each qualification offering a modular route, enabling you to adapt these resources to suit your needs.

Teaching and learning

- Our skills maps will highlight opportunities for learners to develop skills that are directly and indirectly assessed.
- Print and digital learning and teaching resources promote any time, any place learning to improve learners' motivation and encourage new ways of working. These will be mapped to our modular schemes of work to ensure this qualification is fully supported.

Preparing for exams

We will also provide you with a range of resources to help you prepare your learners for the assessments, including:

- past papers for the qualification's linear counterpart to use as lesson resources or for mock examinations
- examiner reports with learner responses and examiner commentaries following each examination series.

ResultsPlus

ResultsPlus provides the most detailed analysis available of your learners' exam performance. It can help you identify the topics and skills where further learning would benefit your learners.

examWizard

This is an included online resource designed to support learners and teachers with examination preparation and assessment.

Training events

In addition to online training, we host a series of training events for teachers to deepen their understanding of our qualifications.

Get help and support

Our subject advisor ensures that you receive help and guidance from us. You can email our subject advisor at TeachingBusiness@pearson.com or TeachingEconomics@pearson.com. You can also sign up to receive [subject advisor updates](#) or contact us using our [support portal](#).

2 Qualification at a glance

Qualification overview

Pearson Edexcel International GCSE in Commerce (Modular) consists of two mandatory units.

It is a modular qualification in which unit assessments can be sat and resat in any order.

Assessments must be cashed in to obtain a final grade for the qualification.

Content and assessment overview

Unit 1: Commercial Operations and Associated Risks	Unit code: 4WCM1/01*
Externally assessed Written examination: 1 hour and 30 minutes Availability: June and November 80 marks	50% of the total International GCSE (Modular)
Content overview This unit explores the nature of commerce, what it involves, and the risks associated with commercial operations. It is based on two themes: Theme 1: Commercial Operations and Theme 2: Commercial Risks. Theme 1: Commercial Operations <ul style="list-style-type: none">• Production• Buying and selling• Commercial enterprises• Retail• Wholesale• Ecommerce• International trade Theme 2: Commercial Risks <ul style="list-style-type: none">• Insurance• Consumer protection legislation• Trade• Bad debts	
Assessment overview This unit assessment consists of four compulsory questions, each worth 20 marks. The questions are a combination of multiple-choice, short open-response and extended open-response questions. The examination has three sections: A, B and C. Questions 3 and 4 in sections B and C respectively are based on real business case scenarios, adapted for examination purposes. Calculators may be used in the examination. Information on the use of calculators during the examinations for this qualification can be found in <i>Appendix 7: Calculators</i> .	

* See *Appendix 1: Codes* for a description of this code and all the other codes relevant to this qualification.

Unit 2: Facilitating Commercial Operations	Unit code: 4WCM2/01*
<p>Externally assessed</p> <p>Written examination: 1 hour and 30 minutes</p> <p>Availability: June and November</p> <p>80 marks</p>	<p>50% of the total International GCSE (Modular)</p>
<p>Content overview</p> <p>This unit involves a study of finance for commerce and the different aids for commerce. It is based on two themes: Theme 3: Finance for Commerce and Theme 4: Aids for Commerce.</p> <p>Theme 3: Finance for Commerce</p> <ul style="list-style-type: none"> • Financial institutions to support commerce • Sources of finance • Methods of payment • Commercial calculations • Measuring commercial performance • Improving commercial performance <p>Theme 4: Aids for Commerce</p> <ul style="list-style-type: none"> • Communications • Transport • Warehousing • Promotion • Trading documents • Types of consumer credit • Aids to exports 	
<p>Assessment overview</p> <p>This unit assessment consists of four compulsory questions, each worth 20 marks. The questions are a combination of multiple-choice, short open-response and extended open-response questions.</p> <p>The examination has three sections: A, B and C. Questions 3 and 4 in sections B and C respectively are based on real business case scenarios, adapted for examination purposes.</p> <p>Calculators may be used in the examination. Information on the use of calculators during the examinations for this qualification can be found in <i>Appendix 7: Calculators</i>.</p>	

* See *Appendix 1: Codes* for a description of this code and all the other codes relevant to this qualification.

3 Commerce content

Unit 1: Commercial Operations and Associated Risks	11
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Unit 1: Commercial Operations and Associated Risks

Externally assessed

1.1 Content description

In Unit 1 content, learners will study and understand the ways in which commercial operations work. To start with, they will look at production and how the factors of production support commercial operations. They will look at the sectors, considering examples of primary, secondary and tertiary sectors working within commerce. Learners will also look at specialisation and the division of labour, and how this leads to a need for commerce.

Learners will go on to look at the process of buying and selling, and will consider the sources and costs associated with them. They will then look at the different types of commercial enterprises, focusing on the implications of having different commercial enterprises, their advantages and disadvantages.

Retailers and wholesalers have a significant role in commerce so learners will consider their role. Ecommerce has grown significantly and learners will explore its implications for commerce generally. Finally, in this section, learners will consider the international nature of commerce in terms of buying and selling across countries.

Learners also need to study and understand the risks involved in commerce. It is because of risk that the insurance industry exists so learners will look at the purpose of insurance, its essential elements, the insurance of business risks, and the effects on cover and claims. Another risk is legislation and learners will focus on consumer protection. Learners will consider the risks associated with trade, including exchange rates and trade protection, which can add to costs. Finally, learners will look at the process of managing risks in business.

1.2 Assessment information

- First assessment: June 2024.
 - The assessment is 1 hour and 30 minutes.
 - The assessment is out of 80 marks, which will be converted to UMS.
 - The assessment consists of four questions.
 - The questions are a combination of multiple-choice, short open-response and extended open-response questions.
 - Questions 3 and 4 are set in context.
 - Calculators may be used in the examination.
 - Unit 1 assessment is weighted at 50 per cent of the qualification.
-

1.3 Subject content

Theme 1: Commercial Operations

1.1 Production

What learners need to study:

1.1.1 Production:

- the manufacture of goods
- the provision and delivery of services.

1.1.2 Factors of production:

- land
- labour
- capital
- enterprise.

1.1.3 Industrial sectors and commerce:

- chain of production:
 - primary sector
 - secondary sector
 - tertiary sector
- the relationship between businesses in the primary, secondary and tertiary sector
- the relative importance of each sector within countries.

1.1.4 Division of labour:

- specialisation
- the division of labour
- specialisation of individuals, firms, regions and countries
- impact of the division of labour on firms and workers
- specialisation and the need for commerce
- the interdependence of countries.

1.2 Buying and selling

What learners need to study:

- 1.2.1 Sources of buying in commerce, including:
- home – buying from suppliers in the same country
 - international – buying from suppliers in other countries
 - direct – buying directly from the supplier
 - indirect – buying through an intermediary (wholesaler, distributor)
 - mail order
 - advantages and disadvantages of each source of buying
 - reasons firms might outsource production.
- 1.2.2 Costs associated with buying:
- transport costs
 - transaction costs (exchanging currencies, tax/tariffs)
 - administration costs
 - environmental costs
 - research costs
 - staffing costs.
- 1.2.3 Costs associated with selling:
- sales staff
 - payment processes
 - stolen inventory
 - damaged inventory
 - distribution costs (ecommerce, mcommerce).

1.3 Commercial enterprises

What learners need to study:

1.3.1 Types of commercial enterprise:

- private and public enterprises
- private sector:
 - sole traders
 - cooperatives
 - partnerships
 - limited company (public and private)
- implications of type of organisation on:
 - business formation
 - documents required to set up
 - raising capital
 - ownership and control
 - distribution of profit
 - liability of owners for losses
 - suitability/appropriateness of each ownership in given situations
- franchise:
 - the role of the franchisor and franchisee
- public sector
- privatisation
- characteristics (ownership, control, objectives).

1.4 Retail

What learners need to study:

1.4.1 Functions of retailers, including services provided:

- buying
- storing
- selling
- providing credit facilities
- introducing new products
- advertising and window displays
- after-sales service.

1.4.2 Types of retailer:

- street markets
- independent retailers
- speciality shops
- department stores
- multiples (chain stores)
- supermarkets
- hypermarkets
- electronic commerce (ecommerce/etailers).

1.4.3 Location factors for retail outlets:

- availability of labour
- closeness to markets
- transport links
- availability of power
- availability of raw materials
- competition
- availability of suppliers
- communication
- government tax breaks and subsidies
- the work of planning authorities.

1.4 Retail (continued)

What learners need to study:

1.4.4 Techniques in retail:

- branding
- own labels
- logos
- packaging
- self-service
- after-sales service
- barcoding
- Electronic Point of Sale (EPOS)
- loss leaders
- seasonal and other 'sales'
- special offers
- loyalty cards and loyalty programmes.

1.4.5 Developments in retailing:

- omnichannel retailing
- self-scan checkouts
- click and collect
- mobile retailing (mcommerce).

1.4.6 Small retailers:

- reasons for the survival of small-scale retailers
 - personal service
 - flexible opening hours
 - additional services offered.

1.4.7 Changes in the retail trade and the impact on businesses and individuals.

1.5 Wholesale

What learners need to study:

- 1.5.1 Wholesalers' role in the chain of distribution.
- 1.5.2 Functions of wholesalers, including services provided:
- breaking bulk
 - risk bearing
 - advice to retailers
 - offering trade credit
 - freeing storage space for smaller stores
 - preparing goods for resale
 - delivering to retailers.
- 1.5.3 Types of wholesaler:
- general
 - cash-and-carry
 - voluntary chains.
- 1.5.4 Changes in wholesaling and their impact on manufacturers, retailers and consumers.

1.6 Ecommerce

What learners need to study:

1.6.1 Characteristics of ecommerce:

- use of websites
- bricks and clicks
- availability of wide range of goods
- delivery to customer
- return options.

1.6.2 Effects of ecommerce:

- change in supply
- supplying direct from a warehouse
- communication through online orders
- more national and international customers
- environmental impacts.

1.6.3 Ecommerce location factors:

- importance of transport links
- no need for footfall
- need for space for increased inventory
- availability of specialist labour.

1.7 International trade

What learners need to study:

- 1.7.1 Benefits of international trade.
- 1.7.2 International trade:
- imports and exports
 - visible and invisible trade.
- 1.7.3 Balance of trade and balance of payments:
- calculate the balance of trade and the balance of payments from given figures
 - deficits and surpluses in the balance of trade.
- 1.7.4 Trading blocs:
- removal of tariffs within trading bloc
 - common external tariff
 - free movement of labour, capital and goods
 - the impact of trading blocs on countries and businesses.
- 1.7.5 Difficulties facing exporters:
- language
 - distance
 - methods of payment
 - differing consumer wants
 - documentation
 - currency exchange.
- 1.7.6 Multinationals:
- reasons for the existence of multinational corporations/companies (MNCs)
 - advantages and disadvantages of operating as a multinational corporation/company (MNC)
 - the impact of multinational corporations/companies (MNCs) on host countries.

Theme 2: Commercial Risks

2.1 Insurance

What learners need to study:

2.1.1 Purposes of insurance:

- risk reduction
- compensation
- financial protection
- business confidence
- investment.

2.1.2 Insurance principles:

- the essential principles of insurance:
 - indemnity
 - contribution
 - subrogation
 - insurable interest
 - utmost good faith
- the statistical basis of insurance in terms of:
 - pooling of risks
 - forecasting losses
 - fixing premiums
 - compensating for loss
- the role of actuaries
- the role of assessors
- non-insurable risks.

2.1.3 Insurance business risks:

- premises
- theft
- motor
- marine
- fire
- consequential loss
- employers' liability
- public liability

2.1 Insurance (continued)

What learners need to study:

- product liability
- fidelity guarantee
- credit insurance
- plate glass.

2.1.4 Effecting insurance cover and renewal:

- the main documents of insurance:
 - proposal form
 - cover note
 - policy
- the purpose of an endorsement
- reasons for the inclusion of clauses in a policy relating to:
 - the insured
 - the property
 - life and the cover required
- the main roles in insurance:
 - insurance brokers and agents
 - underwriters and syndicates.

2.1.5 Effecting a claim:

- making a claim, including the claim form.

2.2 Consumer protection legislation

What learners need to study:

- 2.2.1 Consumer protection:
- reasons for having consumer protection
 - legislation to protect consumers.
- 2.2.2 Actions buyers and sellers might take when:
- making a complaint
 - dealing with faulty goods
 - dealing with poor quality goods or services.

2.3 Trade

What learners need to study:

- 2.3.1 Trade protection:
- tariffs, quotas and trade restrictions
 - the impact of tariffs, quotas and trade restrictions.
- 2.3.2 Exchange rates:
- foreign exchange markets
 - calculation of exchange rates
 - exchange rate changes
 - impact of appreciation and depreciation of currency on international trade.

2.4 Bad debts

What learners need to study:

- 2.4.1 Bad debts:
- the impact of bad debts on businesses and individuals
 - ways to reduce bad debts.

Unit 2: Facilitating Commercial Operations

Externally assessed

2.1 Content description

Unit 2 content concentrates on the key concepts involved in how commercial operations are facilitated. It provides a framework for learners to explore concepts, some of which were introduced in themes 1 and 2. The aim is for learners to understand that for commerce to take place successfully, a range of facilities and processes is required.

In Unit 2 content, learners will be introduced to the finance used for commerce. The content includes some use of formulae and associated calculations.

National and international business contexts are used, which will develop an understanding of how commercial operations are facilitated.

Learners must develop an understanding of the interdependent nature of commercial activity through interactions between business operations, finance, marketing and consumer credit. Learners must understand how these interdependencies and relationships underpin business decisions. The teaching approach to the content must reflect this.

Learners will also explore how business performance is both measured and improved.

2.2 Assessment information

- First assessment: June 2024.
- The assessment is 1 hour and 30 minutes.
- The assessment is out of 80 marks, which will be converted to UMS.
- The assessment consists of four questions.
- The questions are a combination of multiple-choice, short open-response and extended open-response questions.
- Questions 3 and 4 are set in context.
- Calculators may be used in the examination.
- Unit 2 assessment is weighted at 50 per cent of the qualification.

2.3 Subject content

Theme 3: Finance for Commerce

3.1 Financial institutions to support commerce

What learners need to study:

- 3.1.1 The role and function of different financial institutions for commercial operations:
- commercial banks
 - post offices
 - Central Bank.
- 3.1.2 Banking services:
- current, deposit and savings accounts
 - overdraft facility
 - night safes
 - ATM services
 - provision of foreign currency
 - credit and debit cards.
- 3.1.3 Trends in banking:
- mobile and digital banking
 - internet banking
 - cashless society.

3.2 Sources of finance

What learners need to study:

3.2.1 Short-term finance:

- trade credit
- overdraft
- factoring
- leasing
- hire purchase.

3.2.2 Long-term finance:

- loans
- debentures
- crowdfunding
- mortgages
- owner's capital
- venture capital
- retained profit
- ordinary and preference shares
- government grant.

3.2.3 The process of issuing shares and debt:

- the functions and role of stock exchanges
- investors
- equities
- interest
- dividend
- yield
- speculation.

3.3 Methods of payment

What learners need to study:

3.3.1 Methods of payment:

- cheques
- standing orders
- bank giro (credit transfer)
- direct debits
- bank drafts
- debit cards
- credit cards
- electronic transfers
- postal orders
- cash on delivery
- documentary credits
- money transfer.

3.4 Commercial calculations

What learners need to study:

3.4.1 The concept and calculation of:

- gross profit
- profit for the year (net profit)
- mark-up
- average inventory
- inventory turnover.

3.5 Measuring commercial performance

What learners need to study:

3.5.1 The concept and calculation of:

- gross profit margin
- profit for the year (net profit) margin
- expenses as a percentage of turnover
- Return on Capital Employed (ROCE).

3.6 Improving commercial performance

What learners need to study:

3.6.1 Methods to improve:

- sales turnover
- purchasing costs
- mark-up
- profit margins
- expenses
- inventory turnover.

Theme 4: Aids for Commerce

4.1 Communications

What learners need to study:

- 4.1.1 The importance of effective communication in commerce: appropriate methods of communication in commercial contexts.
- 4.1.2 Types of communication:
- oral
 - written
 - electronic.
- 4.1.3 Methods of oral communication:
- telephone
 - meeting
 - face-to-face.
- 4.1.4 Methods of written communication:
- letter
 - agenda
 - minutes.
- 4.1.5 Methods of electronic communication:
- internet
 - teleconferencing
 - videoconferencing
 - email.

4.2 Transport

What learners need to study:

- 4.2.1 The importance of transport in the chain of distribution.
- 4.2.2 Different forms of transport available to commerce:
- road
 - rail
 - sea
 - air
 - inland waterway
 - pipelines.
- 4.2.3 Different modes of transport used for different forms:
- road – delivery van, buses, taxi, motorcycle
 - rail – passenger train, goods train
 - air – passenger aircraft, freight plane
 - sea – ferry, tanker, bulk carrier, cruise liner, container ship, cargo liner, ore-bulk-oil carrier
 - containerisation.
- 4.2.4 The benefits to a business of having its own transport.
- 4.2.5 The efficiency of different forms of transport in terms of:
- speed
 - reliability
 - safety
 - situation
 - convenience
 - optimising routes.

4.3 Warehousing

What learners need to study:

- 4.3.1 The role of warehousing:
- seasonal demand
 - protecting supply
 - price stability.
- 4.3.2 The types and functions of a warehouse:
- bonded
 - cold storage
 - regional distribution centre
 - cash and carry.

4.4 Promotion

What learners need to study:

- 4.4.1 The purpose of advertising and promotion in commerce.
- 4.4.2 Main methods of advertising and promotion, appropriate to different purposes and contexts:
- radio
 - television and cinema
 - billboards and posters
 - newspapers (national and local)
 - magazines and trade journals
 - point of sale (carrier bags, wrappers)
 - catalogues and brochures
 - circulars and leaflets
 - websites and mobile apps
 - free gifts and samples
 - trade fairs and exhibitions
 - sponsorship.
- 4.4.3 Approaches to advertising:
- persuasive
 - informative
 - competitive
 - collective.
- 4.4.4 The role of social media:
- identifying customer needs
 - advertising.
- 4.4.5 The impact of changing consumer preferences on advertising.
- 4.4.6 The impact of technology on the advertising and the promotion:
- ecommerce
 - digital communication.

4.5 Trading documents

What learners need to study:

- 4.5.1 The purpose and the appropriate use of different trade documents used by wholesalers in the purchase and sale of goods in home trade:
- enquiry
 - quotation
 - order
 - advice note
 - delivery note
 - invoice
 - debit note
 - credit note
 - statement of account
 - receipt.
- 4.5.2 Completion of different trade documents.
- 4.5.3 Interpretation of information from trade documents.

4.6 Types of consumer credit

What learners need to study:

- 4.6.1 Different types of credit available to consumers:
- credit sale
 - hire purchase
 - store card
 - credit card
 - informal credit.
- 4.6.2 Appropriateness of different forms of credit in different situations.
- 4.6.3 Calculations of cost associated with different forms of credit – interest.

4.7 Aids to exports

What learners need to study:

4.7.1 Sources of support when exporting:

- governments:
 - credit guarantees
 - trade fairs and consular services
- chambers of commerce
- banks
- trade organisations
- overseas agents.

4 Assessment information

Assessment requirements

Unit	Level	Assessment information	Number of raw marks allocated in the unit
Unit 1: Commercial Operations and Associated Risks	1/2	<p>A written examination lasting 1 hour and 30 minutes, set and marked by Pearson.</p> <p>Unit 1 assessment consists of four compulsory questions, each worth 20 marks. The questions are a combination of multiple-choice, short open-response and extended open-response questions.</p> <p>The examination has three sections: A, B and C. Questions 3 and 4 in sections B and C respectively are based on real business case scenarios, adapted for examination purposes.</p> <p>Unit 1 assessment is weighted at 50 per cent of the qualification.</p> <p>Calculators may be used in the examination. Information on the use of calculators during the examinations for this qualification can be found in <i>Appendix 7: Calculators</i>.</p>	80 marks
Unit 2: Facilitating Commercial Operations	1/2	<p>A written examination lasting 1 hour and 30 minutes, set and marked by Pearson.</p> <p>Unit 2 assessment consists of four compulsory questions, each worth 20 marks. The questions are a combination of multiple-choice, short open-response and extended open-response questions.</p> <p>The examination has three sections: A, B and C. Questions 3 and 4 in sections B and C respectively are based on real business case scenarios, adapted for examination purposes.</p> <p>Unit 2 assessment is weighted at 50 per cent of the qualification.</p> <p>Calculators may be used in the examination. Information on the use of calculators during the examinations for this qualification can be found in <i>Appendix 7: Calculators</i>.</p>	80 marks

Additional assessment information

Please refer to *Appendix 4: Command word taxonomy* to see the command words that will be used in the question papers.

Learners are required to learn a range of mathematical skills for this qualification, please see *Appendix 5: Quantitative skills*.

The formulae that learners need to know to prepare for the examinations are provided in *Appendix 6: Formulae*. The formulae will **not** be provided in the examination papers.

The assessments for this qualification will use the International Accounting Standards (IAS) **only** provided in *Appendix 8: Glossary of International Accounting Standards (IAS) terminology*.

Assessment objectives and weightings

		% in International GCSE (Modular)
AO1	Recall, select and communicate knowledge and understanding of commercial terms, concepts and issues.	27–28*
AO2	Apply knowledge and understanding using appropriate commercial terms, concepts and calculations effectively in specified contexts.	38–39
AO3	Select, organise and interpret commercial information from sources to investigate and analyse issues.	22–23
AO4	Evaluate commercial information to make reasoned judgements and draw conclusions.	11–12

*A total of 15% (12 marks per paper) will assess recall of knowledge.

Relationship of assessment objectives to units

Unit	Assessment objective			
	AO1	AO2	AO3	AO4
Unit 1	13.7%	19.4%	11.3%	5.6%
Unit 2	13.7%	19.4%	11.3%	5.6%
Total for International GCSE (Modular)	27–28%	38–39%	22–23%	11–12%

NB Totals have been rounded up.

All units' assessments will be available from June 2024.

5 Administration and general information

Entries

Details of how to enter learners for the examinations for this qualification can be found in our *International Information Manual*. A copy is made available to all examinations officers and is available on our website.

Learners should be advised that, if they take two qualifications in the same subject, colleges, universities and employers are very likely to take the view that they have achieved only one of the two GCSE/International GCSE (Modular) qualifications. Learners or their advisers who have any doubts about subject combinations should check with the institution to which they wish to progress before embarking on their programmes.

This International GCSE in Commerce (Modular) is available only to centres outside of the UK.

Access arrangements, reasonable adjustments, special consideration and malpractice

Equality and fairness are central to our work. Our equality policy requires all learners to have equal opportunity to access our qualifications and assessments, and our qualifications to be awarded in a way that is fair to every learner.

We are committed to making sure that:

- learners with a protected characteristic (as defined by the UK Equality Act 2010) are not, when they are undertaking one of our qualifications, disadvantaged in comparison to learners who do not share that characteristic
- all learners achieve the recognition they deserve for undertaking a qualification and that this achievement can be compared fairly to the achievement of their peers.

Language of assessment

Assessment of this qualification will be available in English only. All learner work must be in English.

We recommend that learners have the ability to read and write in English at Level B2 of the Common European Framework of Reference for Languages.

Access arrangements

Access arrangements are agreed before an assessment. They allow learners with special educational needs, disabilities or temporary injuries to:

- access the assessment
- show what they know and can do without changing the demands of the assessment.

The intention behind an access arrangement is to meet the particular needs of an individual learner with a disability without affecting the integrity of the assessment. Access arrangements are the principal way in which awarding bodies comply with the duty under the Equality Act 2010 to make 'reasonable adjustments'.

Access arrangements should always be processed at the start of the course. Learners will then know what is available and have the access arrangement(s) in place for assessment.

Reasonable adjustments

The UK Equality Act 2010 requires an awarding organisation to make reasonable adjustments where a learner with a disability would be at a substantial disadvantage in undertaking an assessment. The awarding organisation is required to take reasonable steps to overcome that disadvantage.

A reasonable adjustment for a particular learner may be unique to that individual and therefore might not be in the list of available access arrangements.

Whether an adjustment will be considered reasonable will depend on a number of factors, including:

- the needs of the learner with the disability
- the effectiveness of the adjustment
- the cost of the adjustment
- the likely impact of the adjustment on the learner with the disability and other learners.

An adjustment will not be approved if it involves unreasonable costs to the awarding organisation, timeframes or affects the security or integrity of the assessment. This is because the adjustment is not 'reasonable'.

Special consideration

Special consideration is a post-examination adjustment to a learner's mark or grade to reflect temporary injury, illness or other indisposition at the time of the examination/assessment, which has had, or is reasonably likely to have had, a material effect on a learner's ability to take an assessment or demonstrate their level of attainment in an assessment.

Further information

Please see our website for further information about how to apply for access arrangements and special consideration.

For further information about access arrangements, reasonable adjustments and special consideration please refer to the JCQ website: www.jcq.org.uk.

Candidate malpractice

Candidate malpractice refers to any act by a candidate that compromises or seeks to compromise the process of assessment or which undermines the integrity of the qualifications or the validity of results/certificates.

Candidate malpractice in controlled assessments discovered before the candidate has signed the declaration of authentication form does not need to be reported to Pearson.

Candidate malpractice found in controlled assessments after the declaration of authenticity has been signed, and in examinations **must** be reported to Pearson using a *JCQ Form M1* (available at www.jcq.org.uk/exams-office/malpractice). The form should be emailed to candidatemalpractice@pearson.com. Please provide as much information and supporting documentation as possible. Note that the final decision regarding appropriate sanctions lies with Pearson.

Failure to report malpractice constitutes staff or centre malpractice.

Staff/centre malpractice

Staff and centre malpractice includes both deliberate malpractice and maladministration of our qualifications. As with candidate malpractice, staff and centre malpractice is any act that compromises or seeks to compromise the process of assessment or which undermines the integrity of the qualifications or the validity of results/certificates.

All cases of suspected staff malpractice and maladministration **must** be reported immediately, before any investigation is undertaken by the centre, to Pearson on a *JCQ Form M2(a)* (available at www.jcq.org.uk/exams-office/malpractice).

The form, supporting documentation and as much information as possible should be emailed to pqsmalpractice@pearson.com. Note that the final decision regarding appropriate sanctions lies with Pearson.

Failure to report malpractice itself constitutes malpractice.

More-detailed guidance on malpractice can be found in the latest version of the document *JCQ Suspected Malpractice: Policies and Procedures*, available at www.jcq.org.uk/exams-office/malpractice.

Awarding and reporting

Pearson Edexcel International GCSE in Commerce (Modular) will be graded on a nine-grade scale from 9 to 1. Individual unit results will be reported. All two units will contribute to the International GCSE (Modular) grade. The first certification opportunity for Pearson Edexcel International GCSE in Commerce (Modular) will be in August 2025. Learners whose level of achievement is below the minimum judged by Pearson to be of sufficient standard to be recorded on a certificate will receive an unclassified U result.

For modular qualifications, the 'final mark' or the Uniform Mark Scale (UMS) mark is different from the score on the exam paper – the so-called 'raw mark'.

The purpose of UMS is to ensure that where learners complete a unit in different series, the value of their score is maintained when certifying.

Learners will receive a uniform mark between 0 and the maximum uniform mark for each unit.

Unit results

This shows the total UMS for each unit and the associated grade boundaries. Students will receive a uniform mark between 0 and the maximum uniform mark for each unit.

Unit grade	Maximum uniform mark	9	8	7	6	5	4	3	2	1	U
	90	81	72	63	54	45	36	27	18	9	0

Qualification results

This shows the total UMS for the qualification as a whole and the associated grade boundaries. The minimum uniform marks required for each grade:

International GCSE Commerce (modular) (cash-in code: 4XCM1)

Qualification grade	Maximum uniform mark	9	8	7	6	5	4	3	2	1	U
	180	162	144	126	108	90	72	54	36	18	0

Students with a uniform mark in the range 0-17 will be Unclassified.

Resitting of units

Learners can resit any unit irrespective of whether the qualification is to be cashed in. If a learner resits a unit more than once, only the better of the two most recent attempts of that unit will be available for aggregation to a qualification grade.

Results of units will be held in Pearson Edexcel's unit bank for as many years as this specification remains available. Once International GCSE in Commerce (Modular) has been certificated, all unit results are deemed to be used up at that level. These results cannot be used again towards a further award of the same qualification at the same level.

Learner recruitment and progression

Pearson follows the JCQ policy concerning recruitment to our qualifications in that:

- they must be available to anyone who is capable of reaching the required standard
- they must be free from barriers that restrict access and progression
- equal opportunities exist for all learners.

Prior learning and other requirements

There are no prior learning or other requirements for this qualification.

Progression

Learners can progress from this qualification to:

- Pearson Edexcel International Advanced Level in Business
- Pearson Edexcel International Advanced Level in Economics
- Pearson Edexcel International Advanced Level in Accounting
- Pearson Edexcel Advanced Level in Economics A
- Pearson Edexcel Advanced Level in Economics B
- Pearson Edexcel Advanced Level in Business
- Pearson BTEC Level 3 National Certificate in Business

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Appendix 1: Codes

Type of code	Use of code	Code
Cash-in codes	Cash-in codes are used in combination with entry codes to aggregate the learner's unit scores to obtain the overall grade for the qualification.	4XCM1
Entry codes	To enter the learner for their examination, unit codes are used as entry codes. To obtain the overall grade for the qualification, entry codes are used in combination with cash-in codes.	Please refer to the Pearson Edexcel <i>Information Manual</i> , available on the Pearson qualifications website .
Unit codes	Each unit is assigned a unit code. This unit code is used as an entry code to indicate that a learner wishes to take the assessment for a particular unit.	Unit 1: 4WCM1/01 Unit 2: 4WCM2/01

Appendix 2: Transferable skills

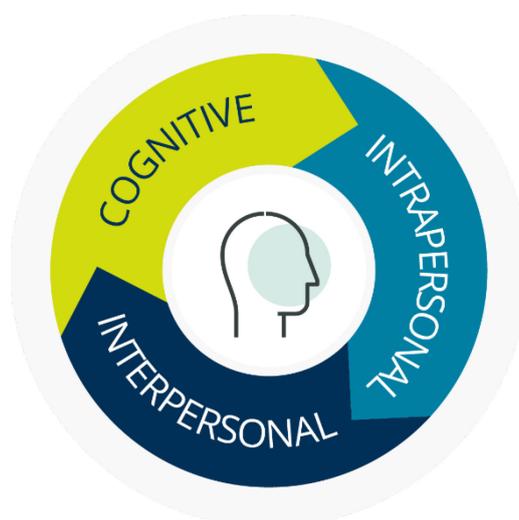
The need for transferable skills

In recent years, higher-education institutions and employers have consistently flagged the need for learners to develop a range of transferable skills to enable them to respond with confidence to the demands of undergraduate study and the world of work.

The Organisation for Economic Co-operation and Development (OECD) defines skills, or competencies, as ‘the bundle of knowledge, attributes and capacities that can be learned and that enable individuals to successfully and consistently perform an activity or task and can be built upon and extended through learning.’^[1]

To support the design of our qualifications, the Pearson Research Team selected and evaluated seven global 21st-century skills frameworks. Following on from this process, we identified the National Research Council’s (NRC) framework ^[2] as the most evidence-based and robust skills framework, and have used this as a basis for our adapted skills framework.

The framework includes cognitive, intrapersonal skills and interpersonal skills.



The skills have been interpreted for this specification to ensure they are appropriate for the subject. All of the skills listed are evident or accessible in the teaching, learning and/or assessment of the qualification. Some skills are directly assessed. Pearson materials will support you in identifying these skills and developing these skills in learners.

The table overleaf sets out the framework and gives an indication of the skills that can be found in Commerce and indicates the interpretation of the skill in this area. A full subject interpretation of each skill, with mapping to show opportunities for learner development is given on the subject pages of our website: qualifications.pearson.com.

¹ OECD – *Better Skills, Better Jobs, Better Lives* (OECD Publishing, 2012)

² Koenig, J A, National Research Council – *Assessing 21st Century Skills: Summary of a Workshop* (National Academies Press, 2011)

Cognitive skills	Cognitive processes and strategies	<ul style="list-style-type: none"> • Critical thinking • Problem solving • Analysis • Reasoning/argumentation • Interpretation • Decision making • Adaptive learning • Executive function
	Creativity	<ul style="list-style-type: none"> • Creativity • Innovation
Intrapersonal skills	Intellectual openness	<ul style="list-style-type: none"> • Adaptability • Personal and social responsibility • Continuous learning • Intellectual interest and curiosity
	Work ethic/ conscientiousness	<ul style="list-style-type: none"> • Initiative • Self-direction • Responsibility • Perseverance • Productivity • Self-regulation (metacognition, forethought, reflection) • Ethics • Integrity
	Positive core self-evaluation	<ul style="list-style-type: none"> • Self-monitoring/self-evaluation/self-reinforcement
Interpersonal skills	Teamwork and collaboration	<ul style="list-style-type: none"> • Communication • Collaboration • Teamwork • Cooperation • Empathy/perspective taking • Negotiation
	Leadership	<ul style="list-style-type: none"> • Responsibility • Assertive communication • Self-presentation

Making deductions and drawing conclusions from a variety of information sources/give reasons and arguments on both sides, related to a commercial issue.

Using knowledge of commerce independently (without guided learning) to further own understanding. Looking at real-world news stories in newspapers and online.

Working with others to explore issues involving commerce and commercial activity.

Appendix 3: Glossary

Term	Definition
Assessment objectives	The requirements that learners need to meet to succeed in the qualification. Each assessment objective has a unique focus, which is then targeted in examinations or non-examined assessment (NEA). Assessment objectives may be assessed individually or in combination.
Cash-in codes	Cash-in codes are used in combination with entry codes to aggregate the learner's unit scores to obtain the overall grade for the qualification.
Entry codes	To enter the learner for their examination, unit codes are used as entry codes. To obtain the overall grade for the qualification, entry codes are used in combination with cash-in codes.
External assessment	Assessment set and marked by an awarding organisation, taken by centres at the same time in the global region.
JCQ	Joint Council for Qualifications. This is a group of UK exam boards which develops policy related to the administration of examinations.
Modular	Modular qualifications contain units of assessment. These units can be taken during the course of study. The final qualification grade is worked out from the combined unit results.
Uniform mark scale (UMS)	A learner's actual marks (or raw marks) will be converted into a UMS mark so that it is possible to see the proportionate result of a learner. The raw marks for each unit may differ, but the uniform mark will be the same.
Unit	A modular qualification will be divided into a number of units. Each unit will have its own assessment.
Unit codes	Each unit is assigned a unit code. This unit code is used as an entry code to indicate that a learner wishes to take the assessment for a particular unit.

Appendix 4: Command word taxonomy

Command word	Definition
Define	Define a term from the specification content.
Give	Give an answer testing recall of knowledge from the specification content.
State	Give an answer, no longer than a sentence, referring to a piece of contextual information from which learners must select the answer.
Identify	Select the correct answer from reading a graph or table of data.
Calculate	Use mathematical skills to obtain an answer, based on given data. Calculators may be used and workings should be given.
Complete the document	Work out the values missing from the presented documents.
Outline	Give two linked points about a business concept or issue, placed in context in the question.
Explain	Identify a factor with two expansion points. These may expand on each other, or both from the same fact. There is no context in these questions.
Analyse	Write an extended answer, requiring expansion and exploration of a commercial concept or issue. The answer will be placed in context by the question.
Justify	Write an extended answer, using information provided in order to recommend one of two options.
Evaluate	Write an extended answer, using knowledge of specification content to reach a supported conclusion about a commercial situation.

Appendix 5: Quantitative skills

The list below states the range of mathematical skills that learners are required to study for this qualification. To apply these skills in a relevant commercial context, learners must be able to draw on the knowledge and understanding they have gained from the subject content. The level of mathematics content in the question papers will be equivalent to lower secondary mathematics.

Calculation

Calculations in a commercial context, including:

- percentages and percentage changes
- averages
- revenue, costs and profit
- gross profit margin and profit for the year (net profit) margin ratios
- exchange rates
- interest
- balance of trade
- numeric values within the business documents.

Interpretation

Interpretation and use of quantitative data in commercial contexts to support, inform and justify commercial decisions, including:

- information from graphs, charts and texts
- profitability ratios (gross profit margin and profit for the year (net profit) margin)
- financial data, including profit and loss, exchange rates, interest rates
- market data, including market share, changes in costs and changes in prices.

These quantitative skills will be assessed in both Unit 1 and Unit 2, totalling 10 per cent of the marks available for the qualification (8 marks per unit assessment). Questions involving quantitative skills will always be in a commercial context. Not all of these skills will be sampled in the question papers, but all will be covered over the lifetime of the qualification.

Appendix 6: Formulae

Gross profit margin

Gross profit = revenue – cost of sales

$$\text{Gross profit margin} = \frac{\text{gross profit}}{\text{revenue}} \times 100$$

Profit for the year (net profit) margin

Profit for the year (net profit) = gross profit – other operating expenses

$$\text{Profit for the year (net profit) margin} = \frac{\text{profit for the year (net profit)}}{\text{revenue}} \times 100$$

Mark-up

$$\text{Mark-up} = \frac{\text{profit per item}}{\text{cost per item}} \times 100$$

Return on capital employed (ROCE)/profit for the year (net profit) as a percentage of capital used

$$\text{ROCE} = \frac{\text{profit for the year (net profit)}}{\text{capital employed}} \times 100$$

Inventory turnover

$$\text{Inventory turnover} = \frac{\text{cost of sales}}{\text{average inventory held}}$$

Average inventory

$$\text{Average inventory} = \frac{\text{value of inventory at start of year} + \text{value of inventory at end of year}}{2}$$

Expenses as a percentage of turnover

$$\text{Expenses as a percentage of turnover} = \frac{\text{expenses}}{\text{turnover}} \times 100$$

Appendix 7: Calculators

Learners may use a calculator in assessments for this qualification. Centres are responsible for making sure that calculators used by their learners meet the requirements highlighted in the list below.

Learners must be familiar with the requirements in advance of assessments for this qualification.

Calculators **must** be:

- of a size suitable for use on a desk
- either battery- or solar-powered
- free of lids, cases and covers that contain printed instructions or formulae.

The learner is responsible for the following:

- the calculator's power supply
- the calculator's working condition
- clearing anything stored in the calculator.

Calculators **must not**:

- be designed or adapted to offer any of these facilities:
 - language translators
 - symbolic algebraic manipulation
 - symbolic differentiation or integration
 - communication with other machines or the internet
- be borrowed from another learner during an examination for any reason
- have retrievable information, stored in them, including:
 - databanks
 - dictionaries
 - mathematical formulae
 - text.

An invigilator may give a learner a replacement calculator.

Further information can be found in the JCQ documents *Instructions for conducting examinations* and *Information for candidates for written examinations*, available at www.jcq.org.uk/exams-office.

Appendix 8: Glossary of International Accounting Standards (IAS) terminology

The following is a glossary of the comparison between the International Finance Reporting Standards (IFRS) terminology and the UK GAAP (Generally Accepted Accounting Practice in the UK) terminology. IFRS terminology is used in the content of Pearson's financial and quantitative suite of qualifications but not all terms are present in all levels of the qualifications. Centres should be aware that these terms are also referred to as International Accounting Standards (IAS) in certain contexts within the industry. However, the definitions and meaning remain the same. Please note that **not** all of the IAS terminology will be used in this qualification.

Previously used UK GAAP terminology	IAS/IFRS terminology
Final accounts	Financial statements
Trading and profit and loss account	Statement of comprehensive income
Sales	Revenue
Purchases	Raw materials/ordinary goods purchased
Cost of goods sold	Cost of sales
Stock	Inventory
Work in progress	Work in progress
Gross profit	Gross profit
Sundry expenses	Other operating expenses
Sundry income	Other operating income
Interest receivable	Investment revenues/finance income
Interest payable	Finance costs
Net profit	Profit for the year
Balance sheet	Statement of financial position
Fixed assets	Non-current assets
Land and buildings	Property
Plant and equipment	Plant and equipment
Investments	Investment property
Goodwill	Intangible assets
Net book value	Carry-over

Previously used UK GAAP terminology	IAS/IFRS terminology
Current assets	Current assets
Stock	Inventory
Stocktake	Inventory count
Debtors	Trade receivables
Prepayments	Other receivables
Bank and cash	Cash
Current liabilities/creditors: amounts due within 12 months	Current liabilities
Creditors	Trade payables
Accruals	Other payables
Loans repayable within 12 months	Bank overdraft and loans
Long-term liabilities/creditors: amounts falling due after 12 months	Non-current liabilities
Loans repayable after 12 months	Bank (and other) loans
Capital	Capital or equity
Share capital	Share capital

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