

Examiners' Report/  
Principal Examiner Feedback

January 2012

International GCSE Commerce (4CM0)  
Paper 01

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## **4CM0/01: Written Paper**

### **General Comments**

This was the second International GCSE Commerce examination under the new Commerce specification. The overall standard for this new examination was very encouraging. Moreover, centres and their candidates appear to have been able to deal with the format and style of the new examination paper, and the change of timing of the examination paper to two hours in length. With regards to the latter point, there was no evidence of any candidates not completing the examination paper due to time pressures.

Candidates continue to cope well with the use of the question paper as answer book. There were very few occasions where candidates used space in addition to the answer lines in order to complete their answers. The standard of written communication was generally very good.

Some candidates continue not to always answer at the appropriate level of skill. In this connection, the command words on the examination paper and the mark scheme are particularly relevant to centres. Each question indicates the level at which it is based:

AO1 Demonstrate - this assessment objective tests candidates on their ability to demonstrate their knowledge and understanding of the commercial term, idea or concept mentioned in the question. For example, Question 11 asks candidates to 'Give three functions of a central bank.' Command words such as 'Name', 'Describe', 'Give' and 'State' confirm that the question is at this level.

AO2 Apply – this assessment objective tests candidates' ability to relate their answer to the context. In this series, the context to question 14 was about a department store. For example, question 14 (a) required candidates to say 'why might this type of retail shop have furniture and the hairdressers on a top floor'? Command words such as 'Why', 'Calculate', 'Give an example in context' and 'What was' confirm the question is at this level.

AO3 Analyse – this assessment objective requires candidates to select, interpret or otherwise analyse some point presented in the question. For example, question 16 (d) asked candidates to 'analyse two reasons for the continued growth of air freight'. Command words such as 'Analyse', 'Compare' and 'Select' confirm the question is at this level.

AO4 Evaluate – this is the most demanding assessment objective which tests candidates' ability to formulate some judgements. For example, question 15 (c) (i) expected candidates to 'explain why many customers buy goods, such as clothing, through mail order rather than from shops'. Command words such as 'Evaluate', 'Explain why', 'Judge' and 'Consider' confirm the question is at this level.

The published online mark schemes continue to be an invaluable resource to centres for a number of purposes. Possible answers are provided as indicators of what is expected but the answers provided are not meant to be exhaustive. The

possible answers are structured using dashes and obliques. It remains the practice to use a dash in order to separate points that are worth additional marks, and an oblique to indicate an alternative way of making the same point.

## **Comments on individual questions**

### **Question 1**

The four parts of this question were generally well answered, with many candidates gaining 2 or 3 marks out of the four marks available.

### **Question 2**

Candidates generally were able to give relevant examples but found difficulty in defining the term 'primary production' to part (a) and the term 'secondary production' to part (b). In some instances, primary production was defined as secondary production, and secondary production as tertiary production. Also, sometimes candidates did not provide examples at all or got confused by giving examples the wrong way round. Overall, the teaching topic of types of production needs attention by all centres.

### **Question 3**

A simple calculation was required but many candidates failed to subtract expenses from gross profit, adding it instead.

### **Question 4**

The majority of candidates scored at least one mark for this question by mentioning the advantage of 'withdrawing money' to the customer of using cash dispensers. However, many candidates found difficulty in mentioning other advantages as stated in the mark scheme. Answers such as 'carrying less cash', 'less paperwork' and 'safe and convenient' were considered too vague to be given any marks.

### **Question 5**

It was disappointing to see that the topic of hire purchase was not well known by candidates across centres. The valid answers cited in the published mark scheme, such as 'payments are made in instalments', a 'deposit is paid' and 'goods are not owned by the buyer until the last instalment is paid' were required for candidates to score marks.

### **Question 6**

This question was generally well answered. Many candidates either answered this question by either identifying an export difficulty or by explaining the export difficulty with an example. Both methods were appropriate. However, marks were not given for answers that could also apply in home trade, for example, the difficulty of finding a market.

### **Question 7**

The majority of candidates scored at least two marks to this question on matching methods of payment as being home or international.

### **Question 8**

This question produced some confusing responses. Many candidates wrote about functions of quotations instead of letters of enquiry, as outlined in the mark scheme.

### **Question 9**

Many candidates were able to provide two correct benefits such as increasing employment, providing economic growth and improvements in infrastructure. Weaker answers were limited to increasing competition or general benefits of international trade.

### **Question 10**

Many candidates lacked knowledge of the work of both the 'insurance broker' and the 'insurance underwriter' to parts (a) and (b).

### **Question 11**

The best answers mentioned that central banks managed the issue of notes and coins, controlled the commercial banks and attempted to control inflation. Weaker candidates did not fully understand the nature of central banks as they gave generalised answers that could apply to commercial banks such as accepting deposits and providing loans. Overall, a topic that suggested that candidates found difficulty with, as there was a large minority of no scores for this question.

### **Question 12**

There were many good answers to this question. Many answers focussed on the disadvantages of double coincidence of wants and that of valuing goods. Fewer candidates focussed on the difficulties of storing goods and in transporting goods.

### **Question 13**

The topic of non-insurable risks was generally found difficult by the majority of candidates. Good candidates explained that not having customers was a non-insurable risk because the risk could not be assessed, thereby premiums could not be calculated. Some candidates answered in terms of indemnity explaining the transport firm may make a loss to claim compensation. Moreover, some weaker answers made irrelevant statements such as the transport firm needed customers to insure.

## Question 14

This question required candidates to study the resource material of a department store layout and apply their knowledge and understanding. Part (a) (ii) on the reasons locating furniture and the hairdressing departments on the top floor generally provided many vague answers compared to part (b). In part (a) candidates needed to identify relevant reasons such as more space needed for larger furniture items, furniture has a slower turnover compared to lower floors and hairdressers have equipment that needs to be kept away from day-to-day shoppers. Many answers were better to part (b) as many better candidates recognised that city centres attracted a large number of customers, had good transport links with large populations living nearby.

## Question 15

Answers to parts (a) (i/ii) revealed mixed results. Although there were many correct answers there were a minority of candidates who only scored one mark by simply subtracting the 2009 internet sales figure from the 2011 internet sales figure without carrying out the percentage calculation required. Other candidates did not use the correct sales figures from the pie charts. Please note that it is good practice for candidates to show clear indication of their final answer by underscoring it. Part (b) was generally well answered. Good candidates focussed on the question and explained the benefits to the business. Such answers often explained that costs would be lower because less staff were needed, and that there was no requirement for a retail outlet to sell from. Weaker candidates often focused on the benefits to the consumer.

The majority of candidates scored quite well on part (b). Better answers recognised that more shops led to higher sales and higher profits. Often these answers explained the advantages of economies of scale from bulk buying leading to lower costs. Weaker answers often gave a list of unexplained points.

Marks gained to part (c) (i) often rested on whether candidates had read the question properly. Some candidates simply repeated their responses to 15 (a) (ii) in confusing mail order with internet shopping. There are clearly some shared advantages but mail order shopping has a number of distinctive features. One good answer is shown below:

'Mail order businesses provide customers with credit facility which means customers can pay for goods over a period of time. When goods are bought through mail order, customers have the ability to return unwanted goods and buy other goods instead. Buying goods through mail order is convenient as they do not need to leave their homes and waste time travelling to shops. The mail order catalogue has a variety of choice with some brands and styles that you cannot find in the shops.'

The significance of delivery and packaging charges were generally recognised by many candidates to part (c) (ii) but surprisingly fewer candidates discussed the higher catalogue/advertising costs and the credit risks involved.

## Question 16

Part (a) (i) was generally well answered. Many candidates did identify two correct examples, although a significant minority chose a persuasive example as one of their answers. It was surprising to find many candidates finding the second part of this question relatively difficult in part (a) (ii). Some candidates confused the need to apply their answers to the advertisement with giving general answers such as using television advertising. Answers not applied to the advertisement, such as the latter, were not worthy of credit.

Although in part (b) many candidates could often identify two valid general factors of transport, weaker candidates frequently listed a series of such factors rather than developing the two that they had identified. The good answers explained points such as bulky goods were best suited to sea transport, whereas lighter and valuable goods were best suited to air transport.

Many candidates scored good marks to part (c). Good candidates explained how containers protected goods from damage and theft because they were locked and sealed, or that they speeded up transport because there was less need for packing and with the use of cranes. Weaker answers gave lists of undeveloped points, or less detail.

Part (d) tested assessment objective A04 and proved challenging for all candidates. There were many vague and generalised answers, that focussed on the advantages of air transport. Better answers realised that the question was about considering the reasons for the growth of air transport. Consequently, those candidates who pointed out that aircraft was bigger and more capable of carrying more goods, or that the number of airports had increased to reach more remote parts of the world scored marks.

## Question 17

This question focussed on communications.

Part (a) (i) looked for two examples of spoken communication which might be used by the cricket club. Many candidates identified two correct examples although some candidates gave written communications such as email instead. The question part (a) (ii) differentiated well with a wide spread of marks from 0 to 3. The question did not require the basic features of a letter but why it was used, such as written proof, to be kept for future reference and to confirm details. Some answers made the initial point but failed to provide the necessary development/explanation.

Many candidates to part (b) lost marks by simply giving the advantages of email, such as being 'cheaper' and 'quicker' without applying it to the context of the question or saying why email was cheaper or quicker. The best answers covered points such as email being worldwide, could be saved for future reference and the advantage of storing messages.

In answering part (c) many candidates could give at least one relevant benefit for the use of video conferencing by a business. They explained how it saved travelling time and costs, for example, no need to book hotels, saving fuel and long journeys. Weaker answers produced a list of reasons without explanation.

Part (d) concentrated on the advantages to supporters of a cricket club having its own website. There were a wide range of answers but some candidates misunderstood the question and gave general features of websites. The better answers generally scored three marks out of four marks to this part. These answers focussed on the context fo the question and used appropriate examples to answer the question including watching matches online, booking tickets online and finding out about the club's fixtures and players.

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