



Mark Scheme (Final)

Summer 2019

Pearson Edexcel International GCSE
In Commerce 4CM1 Paper 01

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General Marking Guidance

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

Question number	Answer	Mark
1 (a)	AO1 D – Retailing	(1)

Question number	Answer	Mark
1 (b)	AO1 B – Division of labour	(1)

Question number	Answer	Mark
1 (c)	AO1 Award 1 mark for a correct definition of branding. <ul style="list-style-type: none"> • Goods/services are given a unique name (1). • 	(1)

Question number	Answer	Mark
1 (d)	AO1 Award 1 mark for a correct definition of hypermarkets. <ul style="list-style-type: none"> • Very large/big self-service stores/bigger than a supermarket, with a wide range of products on sale (1). 	(1)

Question number	Answer	Mark
1 (e) (i)	AO2 = 2 Award 1 mark for calculation and 1 mark for the answer. $2\,100 \times 121.44$ (1) $= 255\,024$ (1) NB a candidate who responds with 255 024 and no calculation would still get both marks.	(2)

Question number	Answer	Mark
1 (e) (ii)	<p>AO2 = 1</p> <p>Award 1 mark for stating an effect of the change in the exchange rate on <i>Sweet Inspirations</i>.</p> <ul style="list-style-type: none"> • The cost of ingredients may go up/increase. • This could result in the cost of cakes increasing. <p>Accept any other appropriate response.</p>	(1)

Question number	Answer	Mark
1 (e) (iii)	<p>AO2 = 1</p> <p>Award 1 mark for stating one advantage of <i>Sweet Inspirations</i> of buying from suppliers in other countries.</p> <ul style="list-style-type: none"> • Able to get products not available in Kenya. • Access to a wider range of ingredients. <p>Accept any other appropriate response.</p>	(1)

Question number	Answer	Mark
1 (f)	<p>AO1 = 3</p> <p>Award 1 mark for identifying a reason for buying from suppliers in the same country and up to 2 marks for linked development.</p> <ul style="list-style-type: none"> • Easier to contact a supplier in your own country (1) there are no language barriers (1) and any queries or issues can be sorted out quickly (1). • The goods can be delivered quicker (1) which saves time and delay (1) with less chance of damage in transit (1). <p>Answers that list three reasons with no development will get a maximum of 1 mark.</p> <p>Accept any other appropriate response.</p>	(3)

Question number	Answer	Mark
1 (g)	<p>AO1 = 3</p> <p>Award 1 mark for identifying a disadvantage of a business of damaged inventory and up to 2 marks for linked development.</p> <ul style="list-style-type: none"> • It may prove difficult to sell damaged inventory (1) the business could then reduce the price (1) but this could still affect the reputation of the business (1). • Customers may then not want them (1) and this could result in a loss of a sale (1) which could affect the profit of the business (1). <p>Answers that list three disadvantages with no explanation will get a maximum of 1 mark.</p> <p>Accept any other appropriate response.</p>	(3)

Question number	Indicative content	Mark
1 (h)	<p>AO2 = 3 AO3 = 3</p> <ul style="list-style-type: none"> • Customers do not like to waste time (AO2). • Allows more customers to try the new technology (AO2). • Customers who use the new technology reduce the queue for other customers (AO2). • Therefore using the self-scan they can purchase their goods quicker and leave the shop (AO3). • Different checkout options may appeal to different customers. (AO3). • All customers are less likely to spend time in checkout queues, thereby, giving a positive shopping experience (AO3). 	(6)

Level	Marks	Level 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	Answer	Mark
2 (a)	AO2 = 1 C - 3 750	(1)

Question number	Answer	Mark
2 (b)	AO1 = 1 D - Retailers	(1)

Question number	Answer	Mark
2 (c) (i)	AO2 = 1 Award 1 mark for correct answer. • Age of 20	(1)

Question number	Answer	Mark
2 (c) (ii)	AO2 = 1 Award 1 mark for correct answer. • 1.4 years	(1)

Question number	Answer	Mark
2 (d)	AO1 = 1 Award 1 mark for a correct definition of indemnity. • The insurer is returned to the financial position prior to the loss.	(1)

Question number	Answer	Mark
2 (e)	<p>AO1 = 3</p> <p>Award 1 mark for identifying one reason why actuaries are important and up to 2 marks for linked development.</p> <ul style="list-style-type: none"> • Calculate the premium (1) using statistical data (1) relating to the number of previous claims for similar cover (1). • Actuaries calculate the risk of the insurance being taken out (1). This enables the insurance company to assess the risk of a claim being made (1). The greater the risk, the higher the premium (1). <p>Answers that list three reasons with no explanation will get a maximum of 1 mark.</p> <p>Accept any other appropriate response.</p>	(3)

Question number	Answer	Mark
2 (f)	<p>AO1 = 3</p> <p>Award 1 mark for identifying a reason and up to 2 marks for linked development.</p> <ul style="list-style-type: none"> • It is important that all details of the cover required are given accurately (1) this means that an accurate premium can be worked out (1) and nothing is being concealed or hidden from the insurance company (1). • The form is a written record of details (1) which means that both parties know the risk that is being covered (1) and this provides a reference that can be referred to later (1). <p>Answers that list three reasons with no explanation will get a maximum of 1 mark.</p> <p>Accept any other appropriate response.</p>	(3)

Question number	Indicative content	Mark
2 (g)	<p>AO2 = 3 AO3 = 3 AO4 = 3</p> <p>Arguments why <i>Eight O'Clock</i> should choose option 1.</p> <ul style="list-style-type: none"> • Selling direct <i>Eight O'Clock</i> can supply retailers with a full range of its products (AO2). • By selling directly it means that the retailers receive their orders of packaged coffee as soon as possible (AO2). • <i>Eight O'Clock</i> will increase its sales as retailers will then have a wide range of its products to sell (AO3). • The retailers' shelves will always be stocked with <i>Eight O'Clock</i> products to meet customer demand (AO3). • Even by selling direct there is no guarantee that <i>Eight O'Clock</i> will be successful in Asian countries (AO4). • The time between <i>Eight O'Clock</i> receiving the order and delivering it will be determined by the means of transport used and may be lengthy (AO4). <p>Arguments why <i>Eight O'Clock</i> should choose option 2.</p> <ul style="list-style-type: none"> • Selling through a wholesaler means that <i>Eight O'Clock</i> can sell to a much wider range of retailers (AO2). • A wholesaler can offer trade credit to small retailers (AO2). • <i>Eight O'Clock</i> save money by reducing its administration and transport costs (AO3). • This means the retailer may be encouraged to purchase the packaged coffee from <i>Eight O'Clock</i> (AO3). • However, this doesn't guarantee that the advice the wholesaler gives to Asian retailers will promote <i>Eight O'Clock's</i> products (AO4). • The wholesaler will have their mark-up which might make <i>Eight O'Clock's</i> products too expensive for Asian countries (AO4). 	(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	Answer	Mark
3 (a)	AO1 = 1 B - Toys sold below their cost price to attract customers	(1)

Question number	Answer	Mark
3 (b)	AO1 = 1 C - Policy	(1)

Question number	Answer	Mark
3 (c)	AO2 = 1 Award 1 mark for one reason why <i>Tripple Ess Toys</i> might outsource some of its production. <ul style="list-style-type: none"> • The labour force may be cheaper than at <i>Tripple Ess Toys</i>. • The cost of producing the toys may be cheaper. Accept any other appropriate response.	(1)

Question number	Answer	Mark
3 (d)	AO2 = 2 Award 1 mark for identifying one way that <i>Tripple Ess Toys</i> can prevent goods from being stolen and one mark for further development. <ul style="list-style-type: none"> • Staff could be prevented from bringing bags or holdalls into the business (1). This would mean that they could not put items in their bags and walk out of the building (1). • All toys could have security tags placed on them (1) have to pass through a scanner to check they have no toys with them (1). Accept any other appropriate response.	(2)

Question number	Indicative content	Mark
3 (e)	<p>AO2 = 3 AO3 = 3</p> <p>AO2</p> <ul style="list-style-type: none"> • Insufficient profit may be gained from small orders (AO2). • The orders from an independent retailer may be infrequent, possibly three or four times a year (AO2). <p>AO3</p> <ul style="list-style-type: none"> • Buying in smaller quantities takes up more time and paperwork for <i>Tripple Ess Toys</i> (AO3). • Smaller retailers may not have the finances to buy larger quantities, hence only ordering a few (AO3). 	(6)

Level	Marks	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	Indicative content	Mark
3 (f)	<p>A02 = 3 A03 = 3 A04 = 3</p> <p>Arguments why <i>Tripple Ess Toys</i> should choose option 1.</p> <ul style="list-style-type: none"> • Ownership remains the same (A02). • They can raise finance from family and friends (A02). • This allows the owners of <i>TET</i> to make decisions of means of financing the expansion (A03). • Extra finance can be raised by selling shares to existing shareholders (A03). • They may not have sufficient knowledge of producing electronic games to ensure the success of the expansion (A04). • They might not raise sufficient funds from family and friends (A04). <p>Arguments why <i>Tripple Ess Toys</i> should choose option 2.</p> <ul style="list-style-type: none"> • A PLC will include a large number of unknown owners (A02). • The original owners of <i>TET</i> can lose control of the business (A02). • Larger amounts of capital can be raised (A03). • The direction of the business may be changed (A03). • There's no guarantee that the shares will be sold allowing for expansion into electronic products (A04). • The new owners may not be willing to support expansion into the electronic games market (A04). 	(9)

Level	Marks	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	Answer	Mark
4 (a)	<p>AO2 = 2</p> <p>Award 1 mark for correct calculation and 1 mark for correct answer.</p> <p>1 442/100 x 21 (1) = 302.82 (1)</p> <p>NB A candidate who responds with 302.82 and no calculation would still get both marks.</p>	(2)

Question number	Indicative content	Mark
4 (b)	<p>AO2 = 3 AO3 = 3</p> <p>Factors why <i>Waterside Bentota</i> use <i>trivago.com</i> to accept booking made by customers. Award a maximum of 3 marks if only one factor is covered.</p> <ul style="list-style-type: none"> • By using a third party such <i>Trivago.com</i> they do not have to spend as much on advertising (AO2). • Also <i>Trivago.com</i> has a large website which operates throughout the world (AO2). • This means that <i>Waterside Bentota</i> has more money to spend on improving other facilities in the hotel (AO3). • This means that <i>Waterside Bentota</i> is available for bookings 24/7 365 on a well-known booking website (AO3). 	(6)

Level	Marks	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	Indicative content	Mark
4 (c)	<p>A01 = 3 A02 = 3 A03 = 3 A04 = 3</p> <ul style="list-style-type: none"> • Customers will book with <i>Waterside Bentota</i> as they know the holiday will be as described on <i>Trivago.com</i> (A01). • There is legislation that controls the use of swimming pools and watersports equipment (A01). • They will find that there are cooking demonstrations and watersports as described (A02). • They do this so that if there is an accident they have done everything to meet the standards of health and safety (A02). • If people have a good holiday they will tell people, thus bringing in more customers (A03). • The hotel will gain a good reputation for ensuring that they follow all the regulations and take precautions (A03). • If the facilities were not as described, then customers could sue the hotel and <i>Trivago.com</i> for compensation (A04). • If something does go wrong and customers are dissatisfied and the fault is the hotel it will gain a poor reputation with customers (A04). 	(12)

Level	Marks	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 logical chains of reasoning (AO3). • Draws a valid and well-reasoned conclusion based on a thorough evaluation of commercial information and issues (AO4).

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