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Examiners' Report
Principal Examiner Feedback

Summer 2024

Pearson Edexcel International GCSE
In Commerce (4CM1)
Paper 01R: Commercial operations and
associated risks

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PE REPORT ON GCSE INTERNATIONAL COMMERCE 4CM1 01R –
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GENERAL COMMENTS

As reported in previous series candidates are finding the paper more accessible than previous series as they were able to complete it in the given time. For the majority of the questions candidates were well prepared and were able to apply their knowledge, analyse and evaluate to answer the questions. However, again as also mentioned in previous reports there are still a number of candidates who struggle, with the 'State' questions. These questions must be answered in context with the scenario, as opposed to 'just' answering the question.

Many candidates had gained a great deal of commercial understanding from studying the course and this was apparent in the answers given. However, there are a number of candidates who are answering the questions detailing their knowledge of the topic without giving any application, analysis, or evaluative comments when the question is analyse or justify or evaluate. This does restrict the candidates' access to the full range of marks. The various scenarios throughout the paper are of real-life commercial operations, which perhaps interests some candidates and this meant that they were able to relate their comments more easily to the questions.

The mark scheme includes the Assessment Objectives to help in the preparation of candidates for future examinations. Just to reiterate, that all four of the Assessment Objectives (AO's) are covered throughout the paper and the percentage breakdown of each AO can be seen on page 31 in the Specification. Also, on page 44 of the Specification, are examples of the command words used. For example, in question 2 (g) and 3 (f) the command word is 'Justify' and candidates are asked to write an extended answer, using information provided in order to recommend one of the two options to a commercial operation.

It is important that candidates take into account the marks allocated for each question, giving them guidance on the amount of detail they need to answer the question.

Further more, it is also worth mentioning, that if candidates need additional sheets of paper they must indicate if they have continued their answer somewhere else on the paper or have added additional sheets. Unfortunately, there are still a few who did not and they may have missed some valuable marks because they did not indicate where they have continued their response. For those candidates that used additional paper, their response to the questions must be clearly identified on the paper. It is also important that candidates clearly label the additional pages to show which question they are continuing with. Examiners are unable to guess if a candidate has continued the answer somewhere else. Candidates must clearly indicate by using something along the lines of, 'continued', 'contd page' or 'see separate sheet' or even the question.

There are also some candidates who do not follow the instructions of the examination paper, for the multiple choice questions candidates are given the instruction to mark an 'X' in the box. There are some candidates who are using 'ticks' which may not be picked up as these questions are marked by computer.

It is also worth noting that questions can be taken from any part of the specification; therefore, centres should ensure that all sections are covered so that they do not disadvantage any candidates. From the work seen it appeared that some candidates had difficulty answering certain topics.

COMMENTS ON INDIVIDUAL QUESTIONS

SECTION A

Question 1

In part 1 a – over 97% of the candidates gained the mark for identifying the sector in the primary sector. Candidates should be reminded that if they do make a mistake when answering a multiple choice question, they should put a line through the wrong answer and an 'X' through the correct response. A candidate that marks two answers would not gain any marks.

In part 1 b – again well answered by the majority of candidates with just over 80% of the cohort gaining the mark available on indicating which was an example of invisible trade.

In part 1 c – a define question where candidates had to define the term proposal form. This was not well answered by candidates with just over 60% of the cohort not gaining the mark available. Using the term in the response does not show a true definition. Candidates should be encouraged not to do this.

In part 1 d – another define question, where candidates had to define the term fidelity guarantee. Just over a third of the cohort gained the mark for this question, showing that the candidates understood what the term meant. From the responses seen a number of candidates, referred to fidelity guarantee, but it was not an actual definition. Candidates should be encouraged to avoid using the term straight from the question when answering as this does not always show what the definition is.

In part 1 e (i) – a calculation question, where candidates had to work out the cost of 1 kilo of Ajwain Cookies. Over 80% of the candidates gained the two marks for this question. It is worth reiterating to candidates to show their workings within the box, as they may have the correct formula and figures but the actual calculation was incorrect. Also, candidates should be encouraged to ensure that the figures written are clear and easily readable, thus avoiding any confusion for the examiner.

In part 1 e (ii) - this is the first of the 'State' questions where candidates must relate their response to the scenario. As in previous series, less than 25% of the cohort gained the mark available. Although from the responses seen candidates understood the effect of the exchange rate could have on Dadu's sales, but then did not put it in context and therefore did not gain the mark. Just putting Dadu in the response does not guarantee the mark – as

Dadu is in the question, an example needs to be included such as increase in sales of cookies because of the lower cost in euros, to gain the mark.

In part 1 e (iii) – another state question. Candidates had to give a reason why Dadu's would have seasonal sales. Again, a very small number of candidates gained this mark and from the responses seen they had not put their answer in context, therefore not gaining the mark available. A reminder again, that using Dadu in the response would not put the response in context as Dadu is in the question.

In part 1 f – a question where candidates could have developed their answers more to gain the full 3 marks available. As mentioned, the topic of insurance is not as well answered and over 65% of the candidates did not gain the marks on this question, showing an understanding of why insurance companies benefit from pooling of risks. For those candidates who did not gain full marks, they may also have misread the question and from responses seen given more than one reason. It is important that candidates read the question carefully before answering. The question asked for one reason as opposed to two, and on this occasion as it is an explain question, the response did not have to be in context and candidates could demonstrate their knowledge of the topic.

In part 1 g – candidates were asked to give one benefit to a business of buying from a wholesaler. Just over a third of the cohort did not gain a mark on this question and just over 6%, showing their knowledge of buying from a wholesaler, gaining full marks.

In part 1 h – this is the first question in the paper which is marked by levels. Candidates were asked to analyse how Cake2Thailand could reduce the risk of bad debts. To gain the marks available candidates needed to apply their knowledge and analyse it to the scenario. Just over 12% of the cohort understood how to reduce the risks and gained a Level 3 mark, with just under 55% gaining a Level 2 mark. Candidates should be encouraged to ensure that they apply the knowledge given and then analyse it to gain the higher level.

Question 2

In part 2 a – a multiple choice question, where candidates had to identify the amount the insurance company would pay out if there was a fire. Just under three quarters of the cohort gained the mark available.

In part 2 b – another multiple choice question where candidates had to choose which option would be the name of an owners of a public limited company. This also proved to be a well answered question with nearly three quarters of the cohort gaining the mark available. Perhaps because it was a topic, that candidates are extremely familiar with.

In part 2 c (i) – candidates had to look at figure 1 and then identify which credit card had the high interest rate. Again, candidates were able to choose the correct credit card gaining the mark available with 100% gaining the mark.

In part 2 c (ii) – again candidates had to refer to figure 1 and identify the credit card that offered the most points, again, well answered with nearly 90% gaining the mark available.

In part 2 d – a define question where candidates were asked to define international trade, with nearly 90% of the candidates gaining the mark for this question. Most understood the term international trade. As mentioned, candidates are encouraged not to use the words in the question when giving a definition as it does not always show a true definition of the term/word/phrase.

In part 2 e – this question was an ‘explain’ hence candidates did not need to put their response into context. Only the use of knowledge is required to answer this question. Just under 40% of candidates did not gain any marks on this question. The question asked for one reason why actuaries are important to insurance businesses. Candidates do tend to struggle with insurance questions/phrases/terms and if they do understand what the term is they have difficulty in giving detail or justifying it. Less than a quarter of the cohort gained the full marks available. Candidates should take care in reading the question carefully to ensure they answer what is asked.

In part 2 f – a well answered question with nearly half of the cohort gaining the marks available as it was another ‘explain’ question, so candidates do not have to put their response in context. From the responses seen candidates appeared to understand the disadvantages of a business having damaged inventory. It is important that candidates do read the question carefully to ensure they know exactly what they are answering. Only less than 2% of the cohort did not gain a mark on this question.

In part 2 g – again this is a question that is marked by levels. Candidates had to choose between the two options of either using ‘click and collect’ or ‘mobile retailing’ for a Lakritsroten, a sweet shop who wanted to expand their selling of sweets. Most candidates understood that they had to justify why they had chosen which option. However, a large number of candidates gave very detailed descriptions of the two options, which was knowledge and therefore they did not gain any marks. This was also a question where a number of candidates continued on an additional sheet. Perhaps if they had not included details descriptions of the two options, they would probably have answered the question in the space provided. Some candidates made some very valid comments, but then did not develop them to gain the analyse and evaluate marks available. Just under 15% of the candidates gained a Level 3 mark, and just over 50% gained a Level 1 mark showing sound application of knowledge, analysis, and evaluative comments.

SECTION B

Question 3

In part 3 a – another multiple choice, question where over 95% of the candidates gained the mark for identifying which option is the principle of insurance that requires all information given to be true.

In part 3 b – on this multiple choice, question, over 90% of the cohort gained the mark for calculating the price of a pair of shoes with the discount.

In part 3 c – another state question where candidates had to give an advantage of Moreschi having its logo on all its products, just over 4% gained the mark available. As mentioned earlier, from the responses seen, a number of candidates gave a valid answer but did not relate it back to Moreschi and therefore did not gain the mark available. Again, even if the candidate mentioned Moreschi, but did not put the response in context, they would not gain the mark. If Moreschi appears in the question and the candidates uses the name in the response, then they are not answering the question in context.

In part 3 d – this is an outline question which is very similar to a state question where candidates must put their response in the context of the question candidates were asked why Moreschi uses insurance brokers and not insurance agents. Only just over 2% of the cohort gained the full marks available for this question. Again, from the responses seen a number of candidates gave more than one reason and a number of candidates also gave the correct response but it was not in context, and therefore did not gain the marks available.

In part 3 e – candidates were asked to analyse why Moreschi considered it important to take insurance cover for product liability. Just over 12% of the cohort gained a Level 3 mark showing that they clearly understood the importance to Moreschi. With over 20% of the cohort not gaining a mark. Candidates should be encouraged to develop their answers with interconnected points to move them into the higher level.

In part 3 f – again another option question where candidates had to justify which one of the two options would be more suitable, either increasing the number of speciality shops selling its products, or start selling its products in department stores. As in question 2 many candidates described both methods giving the advantages and disadvantages. Again, there are no knowledge marks available for this type of question. Most candidates were able to gain marks on this question with only just over 1% of the cohort not gaining a mark. Over half of the cohort gaining a Level 2 mark and nearly a third gaining a Level 3 mark. Candidates should be encouraged to analyse and evaluate the two options to enable them to gain the higher marks. There is no right or wrong answer on this type of question, the candidates can justify either one. Candidates should also be encouraged to draw conclusions and make judgements or evaluative comments to gain the higher level marks.

SECTION C

Question 4

In part 4 a - candidates should be encouraged to show their workings as advised in this question, as they could gain a mark for the formula, even if the actual answer is incorrect. Also as mentioned earlier candidates need to take care when writing their figures in the box, for some candidates it is difficult for the examiner to read, for example, if they have written a 4 or 7 or 9. However, over 95% of the candidates gained the two marks available. It is worth reiterating that if the question asks for a calculation to two decimal places, if a response only has one decimal place, with the correct answer they could possibly get one mark if the working out is correct. Also, any question that is in the context of monetary value there are normally two figures after the decimal place. Again, if only one is given then the response might not gain a mark.

In part 4 b – over 40% of the cohort gained a Level 2 for this question. As previously mentioned, this is an analyse question, which is looking for application of knowledge and analysis of the advantages to LOKL Coffee Co complying with consumer protection legislation. From some of the responses seen most candidates understood why LOKL Coffee Co complied. It is important to reread the questions perhaps three times, to ensure that candidates answer what is being asked.

In part 4 c – It is worth pointing out to candidates that this question does carry the most marks and they should allow sufficient time to answer it, with all four of the Assessment Objectives being covered. A number of candidates only completed a few lines and therefore did not gain many of the marks available. Some candidates are using bullet points or numbered format, this will not allow them to gain the higher level marks because they may not have analysed or evaluated the points made.

Candidates were asked to evaluate locating KOKL Coffee Co near to labour and customers. A variety of valid comments were made by candidates, such as easy to access for customers and not too far for labour. However, they then failed to develop these points and justify their reasoning or give evaluative comments to enable them to gain the higher level marks. Over 60% of the candidates achieved a Level 2 mark for this question and just below 4% of cohort not gaining a mark. Candidates should ensure that they give detailed comments about the question with some application of knowledge, analysis and evaluative comments.

Some candidates continued on additional paper, which is acceptable, but if there is no indication on the examination paper that they have done so, valuable marks could be lost. Candidates must let the examiner know that they have continued their answer, simply by adding the word 'continued', or 'contd' or something similar is acceptable and as mentioned earlier, together with which question they are continuing with.

