



Mark Scheme (Results)

Summer 2025

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

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Question Paper Log Number P78799A

Publications Code P78799A

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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	Which one of the following is a physical limit on the quantity of items imported by a business?	Mark
	Answer	
1 (a)	AO1 = 1 The only correct answer is B – Quotas A is not the correct answer as tariffs are a tax on goods imported C is not the correct answer as import licence is not limited on the quantity D is not the correct answer as exchange control is not limited on the quantity to be imported	(1)

Question number	Which one of the following is a payment given by government to businesses?	Mark
	Answer	
1 (b)	AO1 = 1 The only correct answer is A – Subsidy B is not the correct answer as duty is a payment that has to be made C is not the correct answer as factoring is when a business sells their unpaid invoices to a third party D is not correct answer as privatisation is the transfer of public sector resources to private sector	(1)

Question number	Define the term insurance policy . Answer	Mark
1 (c)	AO1 = 1 Award 1 mark for definition of insurance policy . A document that makes clear the terms and conditions of the contract between the insured and insurer (1)	(1)

Question number	Define the term investment . Answer	Mark
1 (d)	AO1 = 1 Award 1 mark for definition of investment . Funds put into a business to make a profit (1)	(1)

Question number	Calculate the price when <i>Wellington Fruit Growers</i> sells a basket of fresh fruit with a 12% discount on its usual price of 650 ZAR. You are advised to show your workings. Answer	Additional guidance	Mark
1 (e) (i)	AO2 = 2 Award 1 mark for calculation and 1 mark for the answer. 650×0.12 (1) = 78 $650 - 78 = 572$ (1) OR 650×0.88 (1) = 572 (1)	NB a candidate who responds 572 with no calculation would still gain both marks. 1 mark for the correct method but a calculation error.	(2)

Question number	State one advantage for customers when <i>Wellington Fruit Growers</i> lowers the price of its fruit baskets. Answer	Mark
1 (e) (ii)	AO2 = 1 Award 1 mark for an advantage for customers when <i>Wellington Fruit Growers</i> lowers the price of its fruit baskets. • By <i>Wellington Fruit Growers</i> selling the baskets at a lower price means that customers will be tempted to buy more fig baskets of fruit than they normally would (1) • New customers will try one of the fresh fruit peaches baskets as a gift for friends or family (1) NB Do not accept a reason that is not in the context of <i>Wellington Fruit Growers</i>	(1)

Question number	State one disadvantage for <i>Wellington Fruit Growers</i> of using loss leaders. Answer	Mark
1 (e) (iii)	AO2 = 1 Award 1 mark for stating a disadvantage for <i>Wellington Fruit Growers</i> of using loss leaders. • Selling products as a loss leader could lead to a decrease in revenue for <i>Wellington Fruit Growers</i> from selling its fresh peaches (1) • Customers may only purchase the fruit basket of grapes on offer and no other items and <i>Wellington Fruit Growers</i> may not cover its costs (1) NB Do not accept a disadvantage that is not in the context of <i>Wellington Fruit Growers</i>.	(1)

Question number	Explain one benefit for a business of having fidelity guarantee insurance. Answer	Mark
1 (f)	AO1 = 3 Award 1 mark for a benefit for a business of having fidelity guarantee insurance and up to 2 marks for linked development. • This will protect businesses from employee fraud (1) meaning that a fraudulent employee's action, once discovered, (1) would lead to a claim against the policy (1) • Employees who are dishonest and steal cash over a period of time (1) when caught the sum stolen could be large (1) but the policy would reimburse the business (1) Answers that list three benefits for a business of having fidelity guarantee with no development will get 1 mark only. Accept any other appropriate response.	(3)

Question number	Explain one reason why hypermarkets are so popular. Answer	Mark
1 (g)	AO1 = 3 Award 1 mark for one reason why hypermarkets are so popular and up to 2 marks for linked development. • Hypermarkets sell a wide variety of goods (1) in one building (1) saving time travelling from one shop to another (1) • Hypermarkets have longer opening times (1) which might better suit some customers (1) allowing them to buy the goods they want at a time which is convenient for them (1) Answers that identify three reasons why hypermarkets are so popular with no development will get 1 mark only. Accept any other appropriate response.	(3)

Question number	Analyse why <i>Hanoi Weekend Night Market</i> stall holders should insure against fire occurring at the market place. Indicative content	Mark
1 (h)	AO2 = 3 AO3 = 3 <u>AO2</u> • <i>Hanoi Weekend Night Market</i> would insure against fire because if the market place burnt down there would be no where for the stall owners of handicraft stalls to sell their products • Protection against fire means that if there was a fire in the market the food stall holders would have the finance from the insurance pay out to rebuild the market place <u>AO3</u> • This would lead to loss of revenue for the market traders • Which then means that the traders will be able to continue to sell their products at some time in the future as they could not afford to rebuild the market place themselves	(6)

Level	Marks	Level descriptor
	0	No rewardable material.
Level 1	1–2	• 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	• 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	• Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2) • Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)

Question number	Which one of the following shows the change in sales from 2021 to 2023? Answer	Mark
2 (a)	AO2 = 1 The only correct answer is D – Sales increased by 9.19% A – not the correct answer as a sales decrease of 8.42% is $606 - 555 = 51 \div 606 = - 8.42\%$ B – is not the correct answer as a sales decrease of 9.19% is $606 - 555 = 51 \div 555 = - 9.19\%$ C – is not the correct answer as a sales increase of 8.42% is $606 - 555 = 51 \div 606 = 8.42\%$	(1)

Question number	Which one of the following best describes an insurance broker? Answer	Mark
2 (b)	AO1 = 1 The only correct answer is A - Arranges insurance between buyers and sellers B is not the correct answer as a broker cannot insure against making a loss C is not the correct answer as a broker cannot guarantee buyers can pay for insurance D is not the correct answer as a broker does not calculate insurance premiums	(1)

Question number	Identify the number of people in the town with the lowest population. Answer	Mark
2 (c) (i)	AO2 = 1 Award 1 mark for correct answer. 7,034	(1)

Question number	Identify the town with the highest population. Answer	Mark
2 (c) (ii)	AO2 = 1 Award 1 mark for correct answer. • Akot	(1)

Question number	Define the term consequential loss . Answer	Mark
2 (d)	AO1 = 1 Award 1 mark for defining the term consequential loss . • Cover for the loss of income if a business is unable to trade for a period of time	(1)

Question number	Explain one reason why businesses feel more confident if they have taken out insurance. Answer	Mark
2 (e)	AO1 = 3 Award 1 mark for one reason why businesses feel more confident if they have taken out insurance and up to 2 marks for linked development. • Businesses will have no concerns when running their business (1) as the owners are more confident when making decisions (1) knowing that if there is a loss resulting from an unexpected event they are covered (1) • If any employee was injured at work (1) then the insurance would cover it (1) as the business could claim on their policy (1) Answers that list three reasons why businesses are more confident when taking out insurance with no explanation will get 1 mark only. Accept any other appropriate response.	(3)

Question number	Explain one reason why clauses are included in an insurance policy. Answer	Mark
2 (f)	AO1 = 3 Award 1 mark for explaining one reason why clauses are included in an insurance policy and up to 2 marks for linked development. • Clauses prevent customers from withholding information (1) about their health conditions (1) this could lead to the insurer not paying out on the policy (1) • Clauses make it clear to customers what is and what is not covered (1) so that insurance companies do not waste time going through incorrect claims (1) that were not covered in the policy (1) Answers that list three reasons why clauses are included in an insurance policy with no explanation will get 1 mark only. Accept any other appropriate response.	(3)

Question number	Option 1: how to deal with customer complaints Option 2: how to provide good customer service. Justify which one of these two options <i>Pavers</i> should choose. Indicative content	Mark
2 (g)	A02 = 3 A03 = 3 A04 = 3 Arguments for choosing option 1 <u>A02</u> • A customer complained that the shoes they bought in a <i>Pavers</i> shop were faulty • A customer has worn the boots for a few weeks and the sole has come apart <u>A03</u> • The employee at <i>Pavers</i> should offer the customer a replacement pair of shoes to ensure customer satisfaction • The customer was very annoyed with the quality of the boots and the employee should attempt first to calm them down <u>A04</u> • However, the customer might not be happy with this and would prefer a refund • However, there is no guarantee that the customer will be satisfied with the service received and may post critical comments online Arguments for choosing option 2 <u>A02</u> • Employees may have to deal with customers who are not happy with their purchase of sandals • Employees should always be polite with customers and show concern if a customer has not bought the correct shoes	

	<u>AO3</u> • So they should remain polite throughout and the customer feels that their problem is resolved quickly • This means that if the employees handle the query correctly, the customer is pleased with the service received and may return to make further purchases <u>AO4</u> • However, not all customers will be happy with any service received and the employee should not feel upset by some of the comments made • However, there is no guarantee that how much the employee attempts to please the customers, they will be happy well the employee helps the customer or that they are going to be happy	(9)
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Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1–3	• 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	• 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	• Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2) • Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3) • Makes a judgement, providing a clear justification based on a thorough evaluation of commercial information and issues relevant to the choice made. (AO4)

Question number	Which one of the following risks is uninsurable? Answer	Mark
3 (a)	AO1 = 1 The only correct answer is C – Failure of a business A is not the correct answer as a customer visiting a shop would be covered by insurance B is not the correct answer as damage to stock caused by flooding can be insured against D is not the correct answer as injury to an employee at work would be covered by insurance	(1)

Question number	Which one of the following is the price of a play station in the US? Answer	Mark
3 (b)	AO2 = 1 The only correct answer is C - 491.34 A is not the correct answer as 309.48 is $389.95/1.62$ B is not the correct answer as 388.69 is $389.95 \text{ minus } 1.26$ D is not the correct answer as 492.60 is $389.95 \times 1.26 + 1.26$	(1)

Question number	State one administration cost for <i>Sony</i> . Answer	Mark
3 (c)	AO2 = 1 Award 1 mark for one administration cost for <i>Sony</i>. • <i>Sony</i> would have to pay for the design and printing of invoices for the televisions sold (1) • <i>Sony</i> would pay for the computers used in its offices where the play stations are manufactured (1) NB Do not accept a reason that is not in the context of <i>Sony</i>. Accept any other appropriate response.	(1)

Question number	Outline one way consumer protection might affect <i>Sony</i> . Answer	Mark
3 (d)	AO2 = 2 Award 1 mark for identifying one way consumer protection might affect <i>Sony</i> and one mark for further development. • <i>Sony</i> must ensure that it meets the legal requirements on safety on all its play stations (1) thus avoiding breaking the law (1) • All <i>Sony</i> customers are protected from selling faulty television (1) as <i>Sony</i> must replace any faulty TV's sold (1) Answers that list two ways with no explanation will get 1 mark only. NB Do not accept a way that is not in the context of <i>Sony</i>. Accept any other appropriate response.	(2)

Question number	Analyse two reasons why Sony prefers not to sell its products to small independent retailers. Indicative content	Mark
3 (e)	A02 = 3 A03 = 3 <u>A02</u> • <i>Sony</i> will not make as much profit on their play stations when selling them to independent retailers (1) • Independent retailers are likely to only purchase televisions a few times a year (1) <u>A03</u> • Buying in smaller quantities makes more work for <i>Sony</i> and is time consuming (1) • Independent retailers are smaller shops and therefore do not buy large quantities as they do not have the storage space (1)	(6)

Level	Marks	Descriptor
	0	No rewardable material.
Level 1	1–2	• Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (A02) • Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (A03)
Level 2	3–4	• Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (A02) • Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (A03)
Level 3	5–6	• Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (A02) • Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (A03)

Question Number	Option 1: supplying directly to multiple chain retailers Option 2: supplying directly to wholesalers. Indicative content	Mark
3 (f)	A02 = 3 A03 = 3 A04 = 3 Arguments for choosing option 1. <u>A02</u> • If <i>Sony</i> sells directly to a multiple chain retailer a larger quantity of televisions, play stations can be made in one delivery • By selling directly to a multiple chain retailer they send all the electronic products in one delivery <u>A03</u> • This could increase the sales of <i>Sony</i> and the multiple chain retailers have a wide variety of goods for customers to choose from for sale in many locations • This means that the multiple chain retailer shelves are always stocked with all the items required <u>A04</u> • However, there is no guarantee that the products will be sold • However, there could be delays depending on where the multiple chain retailers are because of different transport methods that may be used Arguments for choosing option 2. <u>A02</u> • Supplying to a wholesaler means that <i>Sony</i> can sell televisions in bulk • Wholesalers can offer trade credit to retailers if they purchase a large quantity of play stations <u>A03</u> • This allows <i>Sony</i> to reduce its administration and transport costs of delivering to individual retailers • This could encourage the retailer to purchase more items from wholesaler <u>A04</u> • However, this does not guarantee that the advice the wholesaler gives to retailers will promote <i>Sony's</i> products • However, the wholesaler will have their mark-up on the products making them more expensive	(9)

Level	Marks	Descriptor
	0	No rewardable material.
Level 1	1–3	- 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	- 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	- 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	Calculate, to two decimal places, the price of a saree after the discount. You are advised to show your working.	Mark
	Answer	
4 (a)	AO2 = 2 Award 1 mark for correct calculation and 1 mark for correct answer. $44\,805.00 \times 0.25 = 11\,201.25 \text{ (1)}$ $44\,805.00 - 11\,201.25$ $= 33\,603.75 \text{ (1)}$ NB A candidate who responds with 33 603.75 and no calculation would still get both marks.	(2)

Question number	Analyse why <i>Pothys</i> would take out insurance on goods they are exporting. Indicative content	Mark
4 (b)	AO2 = 3 AO3 = 3 <u>AO2</u> - Insurance of the sarees will be covered if the goods are lost or stolen - Necklaces may be damaged whilst in transit <u>AO3</u> - This ensures that <i>Pothys</i> would be able to claim compensation for any of the goods lost or stolen <i>Pothys</i> would be covered for the damage and the insurance company would pay out for the necklaces affected	(6)

Level	Marks	Descriptor
	0	No rewardable material.
Level 1	1–2	- 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	- 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	- Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2) - Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)

Question number	Evaluate how <i>Pothys</i> deals with language difficulties when exporting its goods to other countries. You should use the information provided and your own knowledge of Commerce in your answer. Indicative content	Mark
4 (c)	A01 = 3 A02 = 3 A03 = 3 A04 = 3 <u>A01</u> • Each country has a different language and this could cause problems if no one speaks the language of the country they are exporting to • It may make it difficult for employees to understand what people are actually saying <u>A02</u> • They may have to employ interpreters to converse with people in Germany to sell their necklaces • This could cause problems when ordering sarees to ensure that the order has the correct number and colour <u>A03</u> • <i>Pothys</i> may not be able to communicate effectively with the business they wish to export to and this could cause problems when trying to complete an order or sort a query as they may need to increase the number of interpreters employed, costing more money • <i>Pothys</i> could lose out financially if orders are not correct and items are returned because they are not the correct ones the business wanted <u>A04</u> • However, if they are not able to converse in a common language the businesses might decide to purchase goods from another supplier that is easier to communicate with. • However, customers may decide to keep the sarees that were ordered instead of returning them and not buy from <i>Pothys</i> again	(12)

Level	Marks	Descriptor
	0	No rewardable material.
Level 1	1-4	• 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	• 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	• 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)

