



Examiners' Report Principal Examiner Feedback

Summer 2023

Pearson Edexcel International GCSE
In Commerce (4CM1) Paper 02

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GENERAL COMMENTS

Candidates appear to have found the paper accessible and were able to complete the paper 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, a significant number of candidates struggled with the 'State' questions.

Many candidates have gained a great deal of commercial understanding from studying the course and this is 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. This does restrict the candidates' access to the full range of marks.

Generally though, the range of scenarios throughout the paper of real life commercial operations appeared to be of interest to the candidates and this enabled them to demonstrate their knowledge and understanding of the questions quite easily. Higher marks were achieved with analysis of that application and then evaluation of their arguments.

The mark scheme includes the Assessment Objectives to help in the preparation of candidates for future examinations. Just to reiterate, 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 1e(i) and 1e(ii) the command word is 'State' which requires AO2 responses so is looking to find that the answer first demonstrates the knowledge and understanding of the question posed but importantly that this is then applied to the case study. When seeking this application, candidates need to remember that they must avoid just repeating words and phrases in the question although they should seek to use any that are offered in the stem if these are not repeated in the actual question. In Q4c, the command word is "Evaluate" and there are marks available for all four of the Assessment Objectives which means this question is very accessible to all students.

It is important that candidates consider the marks allocated for each question. The marks given provide guidance on the amount of detail they need to answer the question.

It is also worth mentioning that the examination paper is marked using the online 'ePEN' system, therefore candidates must indicate if they have continued their answer somewhere else on the paper or have added additional sheets. Although many candidates did follow this information there were still a number who did not. For those candidates that used additional paper, their response to the questions must be clearly identified on the paper. Sufficient lines are given for candidates to answer questions. It is also important that candidates clearly label the additional pages to show their details and which question they are continuing to answer.

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 not covered the full specification.

COMMENTS ON INDIVIDUAL QUESTIONS

SECTION A - Question 1

In part 1 a – nearly sixty- nine percent of the candidates gained the mark for identifying that an invoice is a request for payment.

In part 1 b – again well answered by almost seventy-eight percent of candidates clearly identifying that a function of a stock exchange is to sell shares.

In part 1 c – candidates had to define the term postal order. This proved to be a very challenging question where only twelve percent of the candidates gained the mark available. Many were confused with placing orders through the post rather than a way of sending money through the post by buying the amount at the Post Office.

In part 1 d – another define question where candidates had to define a store card. This was not well answered by candidates with over forty – two percent being able to offer a correct response. From responses seen, candidates often mentioned that they allowed customers to gain loyalty points but needed to add further detail to show knowledge of the fact that a store card is restricted to a particular store or branches of that particular store.

In part 1 (ei) – this was the first ‘State’ question, where candidates had to identify a suitable way to improve the packaging for vegetarian sauces. Over fifty-one percent were able to do this. The most popular response was to put pictures of the vegetables on the packaging. ‘Vegetables’ was not in the question and was extracted from the stem. Thus it provided the required application for a ‘State’ question. Please remind students that they should never use the phrase ‘product’ in their responses to any questions that include marks for AO2s. Always refer to examples of the product. In this case ‘sauces’ or ‘vegetables’. Similarly, rather than referring to a ‘business’ it is good practice to develop a habit of referring to something distinctive about the business in question such as in this case a business producing vegetarian sauces and expanding into Europe.

In part 1 (eii) - this is the second ‘State’ question where candidates must relate their response to the scenario because it is an AO2 question. Very few gained the mark available. Thirty-four percent of students offered application in response to this question asking for reasons why a Frais Caprices would choose to send leaflets to restaurants in the south of France as a method of promotion. Lots of context was available in the stem about this Moroccan supplier of vegetarian sauces but this was not used.

In part 1 (eiii) – candidates were required to calculate the ROCE to 2 decimal places. More than fifty-two percent gained the highest 2 marks. Twenty-nine percent gained 1 mark usually due to not answering to 2 decimal places. It is worth reminding candidates that it is always worth showing their workings so that they can achieve at least one of the two marks available. In this case, there was one mark for $25000/75000 \times 100$ even if the calculation was then incorrect.

In part 1 f – an explain question where candidates are required to explain the benefits to a small business of offering informal credit. Forty-eight percent achieved full marks. Twenty-four percent gained 2 marks but did not develop the benefit enough to gain the 3rd mark. It is possible to gain a mark by referring to one financial benefit to the customer if this is a real development of the benefit offered. For example 'attracts new customers (1st mark) who otherwise would not be able to afford to shop with the business' (2nd mark) which increases sales revenue (3rd mark) but an argument that the increase in customers, leads to more sales, leads to more profit would only be worthy of 2 marks as it is not really an explanation of the cause of this benefit nor a direct and certain consequence. It may or may not lead to more profit. It is important that candidates understand that this is asking for a benefit to the business which then needs to be developed to explain how it is a benefit and beneficial consequence of offering informal credit.

In part 1 g – candidates were asked to explain one benefit to a business of having its own transport. This was well answered. Fifty-four percent of candidates achieved full marks. Overall, only four percent of students were given zero marks. Almost forty-five percent of students were able to achieve mid marks but failed to develop their responses fully. The ability to gain self-promotion through putting the logo on the sides of the truck or the ability to be more flexible in the delivery schedule were the two most frequent benefits offered.

In part 1 h – this is the first question in the paper which is marked by levels. It requires the candidates to meet the A02 and A03 requirements. No marks are available for A01 knowledge and understanding. The response must be applied analysis. To gain the marks available candidates needed to apply the information and then analyse it. The question required a response analysing why the introduction of a new size packet of sauces may help increase sales revenue. Thirteen percent of candidates achieved L3 marks. The majority of fifty-eight percent achieved mid-level marks. This was usually due to lack of application.

Question 2

In part 2 a – a multiple choice question where candidates had to identify the purpose of a bonded warehouse. Over seventy-two percent of candidates were able to identify a credit sale.

In part 2 b – a multiple choice question where candidates had to identify an example of informative advertising. Over seventy-eight percent of the cohort gained the mark available.

In part 2 ci – ninety-nine percent of students were able to interpret the graph and identify 2017 as the year UK businesses had the lowest % awareness of UKEF.

In part 2 cii – eighty-three percent of students were able to identify which year had a 5% increase in awareness of UKEF.

In part 2 d – a define question where candidates were asked to define equities. Forty-four percent of students gained this mark.

In part 2 e – this question was an AO1 'explain' question hence candidates did not need to put it in context. Fifty-seven percent of students were able to explain the benefits of internet banking to a customer. The majority of candidates were able to gain 2 or 3 marks on this question. One benefit to a customer of using internet banking was that they could access their bank account from anywhere there was an internet connection, so they did not need to travel to a physical bank so saving themselves time and money. Some candidates just offered a benefit to the bank such as the bank can track every transaction and learn a lot about its customers. This does not answer the question of benefit to the customer so zero marks.

In part 2 f – over seventy-five percent of the cohort gained one to three marks on this question. As it was another AO1 'explain' question candidates did not have to put it in context. From the responses seen many candidates understood that a possible benefit to a bank of offering ATM services to its customers may be a reduction on labour costs. The majority were then able to offer one development point explaining how this reduction might be due to customers not needing to be served when withdrawing cash. Almost forty percent of candidates were able to develop this further to gain the third mark by arguing that this may reduce the number of employees needed in the bank.

In part 2 g – again this question is marked by levels so candidates are required to apply, analyse and evaluate the scenario in their responses and are rewarded holistically on how well they do this. No marks are available just for knowledge. Candidates had to choose selling new shares or taking a bank loan to raise finance to build new factories in a rapidly growing market. Pleasingly almost twelve percent of candidates achieved Level 3 and over forty-six percent achieved a Level 2. Most candidates justified why they had chosen their option and analysed their reasons for this choice. Marks were often lost due to a failure to offer evaluation of their choice i.e. reasons why their choice may not be

effective. This must take the form of clearly stating why the choice made may not be successful. Further detail can be achieved and higher marks gained with reference to or a comparison to the alternative choice but this must not replace the direct evaluation of the first choice. In order to gain the highest marks application should be evident throughout both sides of the argument.

SECTION B - Question 3

In part 3 a – the majority of the candidates gained the mark for identifying that a disadvantage of teleconferencing is that technical problems may interrupt a meeting.

In part 3 b – Again the majority of candidates were able to identify why Fujitsu would choose to write a letter to winners of the award.

In part 3 c – a state question where candidates had to offer one reason why Fujitsu sponsors the 'Women in Tech Excellence Awards'. As an AO2 question this must be applied to the scenario but candidates must avoid repeating any context actually used in the question. The stem offered many suggestions and almost forty-nine percent of students were successful in offering good reasons. Where marks were not gained this was almost always because the response was not in context.

In part 3 d – candidates were asked to complete the receipt by calculating the missing amounts. Over seventy percent of candidates gained one or two marks.

In part 3 e – candidates were asked to analyse why Fujitsu uses teleconferencing to train its business customers. This is an AO2 and AO3 six mark question so must have application to support the analysis of the scenario. Candidates achieved a wide range of marks with almost fourteen percent gaining a Level 3 mark and less than seven percent gaining zero marks. Most candidates could offer an argument about the saving of costs due to much reduced travel and accommodation costs. Sometimes this argument was not applied to the global computer company with business customers around the world. Higher level marks were often achieved when students offered interconnected points with reference to the importance of the global nature of this technological business and that training through this technological method also helped the business customers receive more detailed and repetitive advice and training which enhances the business global reputation and those business customers are more likely to make best use of their computer systems which may help Fujitsu gain repeat purchases and loyal customers.

In part of 3 f – again another option question where candidates had to justify whether Fujitsu should choose sea or air to transport its computers to its retail customers in Europe. Over sixty-two percent of candidates were able to gain some marks with most of those gaining level 2 marks and almost thirteen percent were able to achieve level 3 marks with detailed interconnected points and logical chains of reasoning in context and some evaluation. This was often achieved with detail such as the considerations of trans shipping from seaports or airports to warehouses to achieve L3.

SECTION C - Question 4

In part 4 of a - candidates are required to outline one benefit to FTLO Travel of receiving completed questionnaires from interested online customers. The command outline requires that the response is applied. Two marks are available. Over fifty percent achieved the two marks whilst the majority of those who did not, failed to do so because of a lack of application. Candidates needed to refer to holidays or organised trips.

In part 4 of b – Forty-six percent of candidates gained Level 2 marks for this question where they were asked to analyse why FTLO Travel insists customers use a credit card to pay for their holiday. An analysis question requires application with the analysis. Most candidates realised that a credit card is the simplest way to pay for online purchases of the holidays globally and most of their target customers between 25-39 years of age would in fact be very likely to have a credit card which might tempt them to buy holidays they would otherwise not be able to afford as they can spread the payments. Almost fourteen percent of students developed this sufficiently to gain Level 3 marks.

In part 4 of 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.

Candidates were asked to evaluate how social media helps FTLO Travel improve its sales. Most candidates gave the valid response that FTLO Travel could use targeted advertisements to make contact with their target 25-39 year old customers and that reviews from satisfied customers with shared videos would also attract other customers around the world. There was a weaker offering of evaluation but most were able to offer the issue of poor reviews if customers were not satisfied but fewer were able to consider the costs of running the website and of keeping it updated and launching promotional campaigns. Sixty percent of candidates achieved Level 2 marks.

Some candidates offered lengthy responses continued on additional paper, which is perfectly acceptable. Please ensure that all candidates do include the centres details and their name and candidates' number on these additional sheets.