



Examiners' Report
Principal Examiner Feedback

November 2023

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

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PE REPORT ON GCSE INTERNATIONAL COMMERCE 4CM1 02 – November 2023

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 – well answered -nearly ninety- six percent of the candidates gained the mark for this MCQ identifying that an ATM can be used to withdraw cash.

In part 1 b – candidates found this MCQ slightly more challenging. Almost forty-three percent of candidates selected the correct option that leasing is a short term finance.

In part 1 c – candidates had to define the term bank draft. This proved to be a very challenging question where only almost thirteen percent of the candidates gained the mark available. Many were confused with bank overdrafts.

In part 1 d – another define question where candidates had to define oral communication. This was reasonably well answered by candidates with sixty - two percent being able to offer a correct response relating to using the voice or talking. Too many offered examples such as meetings but this did not include the oral element and failed to gain a mark.

In part 1 (ei) – this was the first ‘State’ question, where candidates had to identify a suitable benefit to a cheese business of having its own transport. This was a ‘state’ question which was answered correctly by almost 20% of candidates. Although most students clearly demonstrated knowledge and understanding of the benefits, only the one fifth of candidates remembered to include application to the cheese business in their answer. Such application to the case study is always required in the ‘state’ questions and this needs to be continually emphasised to students. The most popular correct response was that it gave the opportunity to the business to react quickly to a surge in demand for its cheeses. Cheese being the successful application as it 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 which use the command words ‘State’, ‘Outline’, ‘Analyse’ or ‘Justify’ Always refer to examples of the product. Whilst there are a few marks for knowledge on the 12 mark ‘evaluate’ question, it is good practice to include application as much as [possible here as well.

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. Just over thirty-five percent of students offered application in response to this question asking for a way Bradleys, the cheese business, could use a warehouse to help it meet seasonal demand. Many responses offered a correct way such as stockpiling when supplies were available to ensure supply is available throughout the season but failed to refer to the cheeses.

In part 1 (eiii) –candidates were required to calculate the profit for the year margin selecting the two correct figures to use from three offered. The response requires this figure to be to 2 decimal places. Almost twenty-nine percent gained the highest 2 marks and another five percent gained just 1 mark. This was usually because the figure offered was only to 1 dp. 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 part 1 f – an explain question where candidates are required to explain the advantage to a business of using billboards and posters as a method of promotion. Over thirty-one percent achieved full marks. Twenty-seven percent gained 2 marks but did not develop the benefit enough to gain the 3rd mark. Thirty percent gained 1 mark. It is necessary to develop the response so that an advantage is fully explained. It is possible to gain a mark by referring to one financial advantage to the business if this is a real development of the benefit offered. For example 'is seen by many passers-by and drivers on the roads' (1st mark) who then are attracted to the business products or services' (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 an advantage to the business of this form of promotion which then needs to be developed to explain how it is an advantage and beneficial consequence of using billboards and posters. Some responses could be true of all forms of promotion and did not gain the full marks.

In part 1 g – candidates were asked to explain one reason a business might use containers to transport its goods. This was reasonably well answered. Twenty-five 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 and another twenty-nine percent gained just the one mark. The ability to keep all the goods in the same container from warehouse to destination using sea, air and road was the most popular response.

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 how the Department of Trade and Industry could help Bradburys decide which trade fairs to attend. Many candidates did not develop their responses sufficiently to provide the detail required for the Level 3 marks or did not include any application in their responses. Ten percent of candidates achieved Level 3 marks. The majority of thirty - seven percent achieved mid-level marks. This was usually due to lack of application. There was lots of possible application available in the stem with reference to the free research undertaken or simply reference to the range of cheeses that can be researched in different countries to find the most profitable. Students would benefit from exercises to identify appropriate application that can be extracted from various stems which is not included in the question itself so it can be used to support their responses.

Question 2

In part 2 a – a multiple choice question where candidates had to identify the function of a bonded warehouse. Almost fifty percent of candidates were able to do this.

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

In part 2 ci - over ninety-five percent of candidates were able to interpret the graph and identify Amex as the credit card with the lowest projected value of payments.

In part 2 cii – almost ninety – six percent of students were able to identify Visa as the credit card with the highest projected growth.

In part 2 d – a ‘define’ question where candidates were asked to define trade credit. Twenty-five percent of candidates were able to do so. The remainder often confused this with store cards or just buy now pay later without reference to businesses and suppliers.

In part 2 e – this question was an AO1 ‘explain’ question hence candidates did not need to put it in context. However, this was generally weakly answered. Sixteen percent of candidates were able to explain the benefits to a business of using inland waterways to transport goods. Usually, responses were not developed beyond the most popular answer of the lack of congestion. This needed to explain that this would result in quicker delivery of goods in some areas in comparison to use of congested roads and could therefore result in quicker sales to customers of the business products. Students would benefit from being advised that if they make a comparison such as ‘quicker’ or cheaper’ then they need to say quicker than or cheaper than what?

In part 2 f – over twenty- nine percent of the cohort gained 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 reason a business might choose to use a telephone to communicate with a customer with a problem may be the speed with which it can resolve the problem (1 mark). The majority were then able to offer one development point explaining how this eliminated the delay experienced with emails (2nd mark) and a few were able to add that this would result in increased customer satisfaction (3rd mark).

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 be rewarded holistically on how well they do this. No marks are available just for knowledge. Candidates had to choose between reducing the size of a chocolate bar or increasing its selling price due to the rising costs of energy. Pleasingly almost nineteen percent of candidates achieved Level 3 and over sixty percent achieved a Level 2. Most candidates justified why they had chosen their option and analysed their reasons for this choice. Many made a clear link to the effect on production costs and the ability to produce more units for the same amount of energy cost. Some good answers but most in Level 2. If missing Level 3, it was often due to very weak evaluation or a focus on the effect on customers but not linked to production costs or just not detailed enough. 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 quotation would be sent to a customer from a supplier if an enquiry was made.

In part 3 b – again the majority of candidates were able to identify that an RDC may help a business such as Nykaa to ensure ecommerce orders are delivered quickly to customers

3 c – a ‘state’ question where candidates had to offer one benefit to Nykaa of being listed on the Indian Stock Exchange. As an AO2 ‘state’ question, responses must be applied to the scenario but candidates must avoid repeating any context used in the question itself. The stem offered many opportunities such as Nykaa being an ecommerce beauty business wanting to expand internationally. Where marks were not gained, this was almost always because the response was not applied.

In part 3 d – candidates were asked to complete the invoice by calculating the missing amounts. Almost fifty-six percent of candidates gained one or two marks. Students should be encouraged to always offer the answer to 2 decimal places if it is a currency.

In part 3 e – This 6 mark question was well answered. A significant number of students did analyse why *Nykaa* uses social media platforms to advertise its products. Candidates achieved a wide range of marks. Over 9% gained Level 3, 55% gained Level 2 and 30% gained Level 1.

This is an AO2 and AO3 six mark question, so it must have application to support the analysis of the scenario. Marks were often lost due to a lack of application to Nykaa in the response. The beauty industry and online tutorials were examples in the stem that could have been extracted and used with interconnected points of analysis for the higher level marks. Some candidates wasted time offering evaluation of this question but there are no marks available for evaluation in an analysis question of 6 marks.

In part of 3 f – again another option question where candidates had to justify whether Nykaa should choose to offer electronic transfer or take cash on delivery to achieve the aim of increasing sales in India. Over thirteen percent of candidates were able to gain Level 3 marks by clearly linking the argument made to the aim and to the issue that 22% of Indians do not have a bank account. They also offered interconnected points and logical chains of reasoning in context and some evaluation possibly by arguing how the choice they made may not work and then often achieving more detail by explaining why their choice was better than the other option. 50% of candidates achieved Level 2 marks usually because they had not offered evaluation or had not linked it to the aim to increase sales in India.

SECTION C - Question 4

In part 4 a - candidates were required to outline one reason why Apple may use email to communicate with its suppliers. The command 'outline' always 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 could refer to supplies of computer component parts or to the iPhone 13 or 14.

In part 4 b – Forty- eight percent of candidates gained Level 2 marks for this question where they were asked to analyse why Apple might use an informative approach to advertise the new iPhone 14. An analysis question requires application with the analysis. Most candidates realised that Apple needed to inform customers about the new technological changes but did not fully offer detail with the reference to the specific changes in the iPhone 14 that justified the increase of £150 in the selling price. Those eight percent of students who did develop in this way gained Level 3 marks.

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.

Candidates were asked to evaluate whether Apple should use retained profit as its long term source of finance with lots of potential application available in the stem due to the reference to the cost of R&D, the exact amount of retained profit currently held by Apple. Many responses focused on the effect on shareholders if dividends were reduced and whilst this was valid to a degree, there was no explanation as to why this might be an expected outcome Others focused on the importance of R&D but needed to link this to why retained profit might be a good long term source of finance to fund it. Forty percent of candidates achieved Level 2 or 3 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.