



Examiners' Report
Principal Examiner Feedback

November 2024

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

Edexcel and BTEC Qualifications

Edexcel and BTEC qualifications are awarded by Pearson, the UK's largest awarding body. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. For further information visit our qualifications websites at www.edexcel.com or www.btec.co.uk. Alternatively, you can get in touch with us using the details on our contact us page at www.edexcel.com/contactus.

Pearson: helping people progress, everywhere

Pearson aspires to be the world's leading learning company. Our aim is to help everyone progress in their lives through education. We believe in every kind of learning, for all kinds of people, wherever they are in the world. We've been involved in education for over 150 years, and by working across 70 countries, in 100 languages, we have built an international reputation for our commitment to high standards and raising achievement through innovation in education. Find out more about how we can help you and your students at: www.pearson.com/uk

November 2024

Publications Code 4CM1_02_2411_ER

All the material in this publication is copyright

© Pearson Education Ltd 2024

PE REPORT ON GCSE INTERNATIONAL COMMERCE 4CM1 02 – November 2024

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 considerable 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 "Evaluated" 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 – more than seventy-six percent of the candidates gained the mark for identifying that a benefit of a cashless society is that shoppers will find paying for purchases more convenient.

In part 1 b – almost fifty-five percent of candidates clearly identified that the documents sent by a supplier before an order is placed is a quotation.

In part 1 c – candidates had to define the term average inventory. Many candidates found this challenging with only twenty-five percent of candidates gaining the mark available.

In part 1 d – candidates had to define the term mortgage. Forty-six percent were able to offer a correct response. Many students failed to connect this to any collateral or time period and the responses could be definitions of other types of loans.

In part 1 (ei) – this was the first 'State' question, where candidates had to identify a reason Vinasmex would use a particular website to sell its spices to Europe. Twenty-seven percent were able to do this and offered the required application by referring to the Miss Linh website or to the spices sold. 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. 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 involved in the export of cinnamon.

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. This proved a challenging question for many candidates as only six percent of candidates were able to identify an advantage to Vinasmex of a listing on the Vietnam Stock Exchange. The simplest way to achieve the necessary application was to refer to the raising of capital to improve investment in exports to other countries. Many candidates offered the reason of raising capital but did not offer any application.

In part 1 (eiii) – candidates were required to calculate the profit for the year for 2021. Over forty percent gained the highest two marks. Other thirteen 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 part 1 f – an explain question where candidates are required to explain why a business may want to pay high dividends to its shareholders. This was quite well answered. Twenty-six percent achieved full marks. Thirty-six percent gained 2

marks but did not develop the benefit enough to gain the 3rd mark. It is worth reminding candidates that each part of the response must be a clear development of the previous statement. It is also worth mentioning that there was a common assumption that share purchases provide direct capital to the business rather than often just providing a secure base on which to raise capital. No marks were available for a definition of dividends or shareholders.

In part 1 g – candidates were asked to explain one benefit to a customer of having an overdraft. This was well answered. Twenty-seven percent of candidates achieved full marks and another thirty-six percent achieved two marks but failed to develop their responses fully. The ability of the customer to pay unexpected bills was the most popular response. This needed to be developed to explain that this could be achieved by spending money they do not have in their accounts to a limit agreed with the bank. No marks were available for a definition of an overdraft.

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 Vinasmex may choose to use documentary credits when accepting payments for its new products. Application could be achieved by reference to the export of its spices to new customers around the world. Candidates widely confused documentary credits with credit cards so fifty-seven percent failed to achieve any marks. Five percent of candidates achieved L3 marks. Almost thirty-one percent achieved L1 marks.

Question 2

In part 2 a – a multiple choice question where candidates had to identify the formula for the calculation of ROCE. Fifty-seven percent of candidates were able to do so.

In part 2 b – a multiple choice question where candidates had to identify a point of sale promotion used by a fast food delivery service. Over sixty-seven 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 Japan as the country that had the same interest rate in January 2022 and August 2023. Some candidates risked gaining this mark by entering both the year and the actual interest rate. Candidates must make a choice of just one of these factors.

In part 2 cii – Eighty percent of students were able to identify United States as the country with the biggest change in interest rates in the same time period.

In part 2 d – a define question where candidates were asked to define the term agenda. Over forty-seven percent of students gained this mark. Many of the remaining candidates confused this with minutes.

In part 2 e – this question was an AO1 'explain' question hence candidates did not need to put it in context. Over seventy-four percent of students were able to explain a benefit to a business of selling an expensive product on hire purchase. No marks are available for a definition on these explain questions. The mark is available for the identification of a benefit and then for the explanation of how or why this benefit is achieved. Most candidates were able to gain 2 or 3 marks on this question. One frequently chosen benefit to a business was that the business would attract more customers who would otherwise not be able to afford to buy the goods thereby increasing sales revenue. Some candidates lost marks due to offering a benefit to the customer but not the business. It is worth mentioning that many candidates did not appear to understand that the hire purchase is often not financed by the business itself.

In part 2 f – over ninety-seven 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. Again, there are no marks for a definition of sponsorship. From the responses seen many candidates understood that one benefit to a business of sponsoring a famous person is that the brand will be seen and admired by the followers of that famous person. This is likely to increase the trust in that brand and result in increased sales as fans try to emulate their celebrity. Over sixty percent of candidates were able to gain the full three marks.

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 whether Unilever should reduce the price of Ben & Jerrys' ice cream or develop a new ice cream in a scenario of rising energy costs and falling sales. Pleasingly seventeen percent of candidates achieved Level 3 and over fifty five 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 bonded warehouse is a place to store goods before customs and excise duties are paid.

In part 3 b – again the majority of candidates were able to identify that a reason why Dronamics likes to receive payments for deliveries by electronic transfer is because it quickly receives payment into its bank account.

In part 3 c – a state question where candidates had to offer the reason why the final part of the delivery is made by road. Too many said this was because the roads were narrow, but twenty three percent were able to identify that the choice of transport was motorcycles for the narrow roads. As an AO2 question this must be applied to the scenario, but candidates must avoid repeating any context used

in the question. Where marks were not gained this was almost always because either the response was not in context.

In part 3 d – candidates were asked to complete the quotation by calculating the missing amounts. Over seventy-six percent of candidates gained two marks.

In part 3 e – candidates were asked to analyse the benefits for a business of using Dronamics to deliver packages to the Greek Islands. 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 seventeen percent gaining a Level 3 mark and more than forty-five percent gaining a Level 2 mark. Some candidates offered the benefits to Dronamics rather than to a business using Dronamics and sometimes lost a few potential marks as a result. Generally, well answered.

In part 3 f – again another option question where candidates had to justify whether Dronamics should use a bank loan to raise \$40 million dollars to fund expansion into North Africa or whether to use venture capitalists. Almost ninety percent of candidates were able to gain some marks with most of those gaining level 2 marks and ten percent were able to achieve Level 3 marks with detailed interconnected points and logical chains of reasoning in context and some evaluation. Where marks were lost, it was often due to the lack of application with reference to the purpose of the loan i.e. the expansion into North Africa or the \$40 million needed or even a reference to the drone business. Some candidates appeared to believe that the raising of a bank loan is always easy for new businesses.

SECTION C - Question 4

In part 4 a - candidates are required to outline one way Dauphinette could advertise the environmental features of its products on its packaging. Too many candidates offered ways Dauphinette could advertise rather than focusing on advertising on its packaging. The most common answer was to suggest it should write about its use of natural products on a label on its packaging. The command outline requires that the response is applied. Two marks are available. More than twenty-eight percent achieved two marks. Thirty-five percent achieved one mark. Of those not achieving these marks, this was usually due to a lack of application.

In part 4 b – over forty-six percent of candidates gained Level 2 marks for this question where they were asked to analyse why Olivia Cheng prefers to meet her suppliers face to face. An analysis question requires application with the analysis. There was lots of potential application available in the stem with reference to the reused materials and jewellery designs and the need for physical contact with these products so they can be touched and looked at closely. There is a need for physical presence to achieve the most effective communication. Many candidates realised that this was a valid response. Higher marks were often achieved with the use of interconnected points regarding the benefit to design and quality that this communication method makes available to Dauphinette and the ability to develop the brand that this provides. Almost thirteen percent of candidates developed their responses in this way to achieve Level 3 marks. The majority of forty-six percent achieved L2.

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 how taking part in New York fashion trade fair and exhibitions helped promote Dauphinettes' brand. Most candidates gave the valid response that the fairs and exhibitions would reach a worldwide audience but only a minority were able to focus on the presence of major buyers which would likely lead to more export orders and brand awareness being built through extra retail outlets and further online promotion. Many failed to offer strong evaluation of the presence of many competitors and that one fair in one city would be unlikely to be sufficient global promotion. Almost forty-eight percent of candidates gained Level 2 marks.

Some candidates offered lengthy responses continued on additional paper, which is perfectly acceptable if these are genuinely long responses. Please ensure that all candidates do include the centres details and their name and candidates' number on these additional sheets. However, too often candidates are using the additional paper sheets where there is ample space without them.

