Examiners' Report
Principal Examiner Feedback

Summer 2025

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 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 "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.

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 eighty - six percent of the candidates gained the mark for identifying that a receipt is proof of payment.

In part 1 b – again well answered by almost fifty-six percent of candidates who clearly identified that the advantage to the customer of using mobile banking is being able to access their bank account at any time.

In part 1 c – candidates had to define the term mark up. Many found this challenging with only thirty-eight percent of candidates gaining the mark available. Those that did offer the formula often gained the mark but sadly a significant number had the formula upside down. Too many confused marks up with profit.

In part 1 d – another define question where candidates had to define the term price stability. Fifty-six percent were able to offer a correct response. A sizeable number tried to answer that price stability is keeping prices stable which cannot be awarded any marks as it is just repetitive of the question. Many candidates understood that this was about prices not fluctuating.

In part 1 (ei) – this was the first 'State' question, where candidates had to identify one way VAA had reduced its expenses. Eighty-eight percent of candidates were able to do this and offered the required application by relating the way identified to a gym or to reducing the electricity usage of unpopular equipment. 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 referring to the gym equipment or the central leases.

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. Almost fifty-five percent of candidates gained the mark available by providing a reason VAA advertised on the billboards was to attract all the huge numbers of drivers travelling around the cities.

In part 1 (eiii) –candidates were required to calculate the profit for the year margin for 2022. Over fifty-five percent gained the highest two marks. Other twenty-three percent gained 1 mark usually due to not answering to 2 decimal places. This is a skill that is needed in every commerce and business exam so it is worth ensuring that candidates know how to round up and down any answer if required. It is also 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 a benefit to a small business of using a night safe. The security offered by the night safe was the most popular response. This needed to be developed to explain why this was beneficial to small businesses. This was quite well answered. Over fourty - nine percent achieved full marks.

Thirty 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 development of the previous statement.

In part 1 g – candidates were asked to explain one reason why commercial banks lend money to businesses. This was quite well answered. However, a few candidates responded with reasons why the business may want or benefit from a loan from the bank rather than the reason the bank wanted to provide that loan. Fourty-one percent of candidates achieved full marks. Twenty-three percent of students were able to achieve two marks but failed to develop their responses fully.

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 AO1 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 direct debits are a good method of payment for VAA. Application could be achieved by reference to the membership packages. Significantly students often gained the highest marks with applied analysis of the ability of VAA to receive differing payments made in line with changing membership packages. Thirty percent of candidates achieved L3 marks. The majority of almost fourty-three 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 function of central banks. More than eighty-nine percent of candidates were able to correctly identify this as issuing notes and coins.

In part 2 b – a multiple choice question where candidates had to identify the correct formula to calculate yield was reasonably well answered. Most of the cohort gained the mark available.

In part 2 ci – most students were able to interpret the graph and identify that the lowest value of global traffic was 391.22. Some candidates risked gaining this mark by entering both the year and the actual number. Candidates must make a choice of just one of these factors.

In part 2 cii – this proved more challenging. Some students did not identify the correct year for the greatest increase in value with some incorrectly selecting the year 2024 because this had the highest value rather than the greatest increase in value. Fourty-four percent identified 2022.

In part 2 d – a define question where candidates were asked to define the term mortgage. It was insufficient to describe it as a loan or even a long term loan. Candidates needed to show knowledge and understanding that the loan will be secured against a property or other asset. Over 56% of candidates were able to do this.

In part 2 e – this question was an AO1 'explain' question hence candidates did not need to put it in context. Almost eighty percent of students Many students were able to explain a benefit to a business of sponsoring famous people. Most candidates were able to gain 2 or 3 marks on this question. One frequently chosen benefit to a customer was that they could raise brand awareness. Some candidates did not develop the answer beyond this.

In part 2 f – over eighty-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 one benefit to an individual of having a current account was the prospect of having a cheque book or an overdraft facility. Most were able to develop this with the acknowledgment of the convenience this provided to the account holder.

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 whether MBP should seek trade credit or an overdraft to finance new building contracts. This was well answered by many candidates. 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. Pleasingly twenty-four percent of candidates achieved Level 3 and over sixty-six percent achieved a Level 2.

SECTION B - Question 3

In part 3 a – most candidates gained the mark for identifying that a written record of the discussion and decisions made at a meeting are the minutes.

In part 3 b – again the majority of candidates were able to identify that a reason why Zomato provides a receipt to its customers may be so that customers can prove what meal they received in the event of a complaint.

In part 3 c – a state question where candidates had to offer one disadvantage of not paying a dividend to its shareholders. This was reasonably well answered with many candidates remembering to add context with reference to the investors or the sale of the shares or 2024. Candidates had to avoid repeating any context used in the question such as shareholder and dividend. Almost fifty-six percent of candidates were able to gain this mark.

In part 3 d – candidates were asked to complete the statement of account by calculating the missing amounts. Many candidates gained two marks. Too many lost one mark for deducting tax rather than adding it on. Over fifty percent of candidates gained two marks. Too many lost one mark for deducting VAT rather than adding it on.

In part 3 e – candidates were asked to analyse two benefits to Zomato of having its own transport. 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 thirty - nine percent gaining a Level 3 mark and almost sixty percent gaining a Level 2 mark. This part of the specification has been explored several times and most candidates could offer a good analysis.

In part 3 f – another option question where candidates had to justify whether Zomato should invest in advertising on the local radio or develop its website. Over ninety-six percent of candidates were able to gain some marks with most of those gaining level 2 marks and thirty 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 detailed evaluation.

SECTION C - Question 4

In part 4 of a - candidates are required to outline one reason Beekman 1802 uses DHL to deliver its international orders by air. The most common answer was to recognise the speed of aircraft which would satisfy customers expectations. More than fifty percent achieved two marks. However, some candidates did not gain the two marks due to a lack of application to the lightweight cosmetic packages.

In part 4 of b – over fifty-nine percent of candidates gained Level 2 marks. They offered a strong response to this question where they were asked to analyse a benefit to customers of Beekman 1802 of using mobile device to pay for their purchases. An analysis question requires application with the analysis. There was lots of potential application available in the stem with reference to the skincare products or cosmetics. Higher marks were often achieved with the use of interconnected points regarding the ease of use this method makes available to customers of Beekman 1802 and the ability to access other offers on the internet that this provides. Almost twenty-seven percent of candidates developed their responses in this way to achieve 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 the impact of changing consumer preferences on the way Beekman 1802 advertises its products. There was a wide range of responses to this question. Sadly, some candidates offered answers focusing on the production of the vegan skincare range rather than how it is promoted and failed to gain significant marks. However, there were a significant number of well-developed responses which detailed how the use of social media could be a valid way to access the potential customers with these new preferences. Almost sixty-eight percent of candidates gained level 2 marks. Higher Level 3 marks were often achieved with detailed use of some of the data available often with reference to the ability for developing targeted green marketing globally to become market leaders in this niche market in anticipation of the expected growth.

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.

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