



Examiners' Report Principal Examiner Feedback

Summer 2023

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

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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 – more than ninety-two percent of the candidates gained the mark for identifying that an order is a request to purchase a product.

In part 1 b – again well answered by almost seventy percent of candidates clearly identifying that one approach to advertising is collective.

In part 1 c – candidates had to define the term retained profit. Over seventy-two percent of candidates gained the mark available.

In part 1 d – another define question where candidates had to define the term agenda. This was well answered by candidates with sixty percent being able to offer a correct response.

In part 1 (ei) – this was the first ‘State’ question, where candidates had to identify a suitable way to reduce the purchasing costs of Seabreeze’s tours. Over seventy-five percent were able to do this. The most popular response was to buy cheaper towels. In order to achieve the necessary action, the stem offered choices such as the towels or cheaper ingredients for the luxury lunches. 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. 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 yacht and Sydney harbour tours.

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 sixty percent of candidates gained the mark available. Lots of application was available in the stem about this yacht for charter, the most popular being the branded beach bag.

In part 1 (eiii) –candidates were required to calculate the weakly gross profit margin in 2019 to 2 decimal places. Almost sixty percent gained the highest 2 marks. Another twenty 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 $14,850/29000 \times 100$ even if the calculation was then incorrect.

In part 1 f – an explain question where candidates are required to explain a benefit to a customer of having an overdraft. Almost twenty-seven percent achieved full marks. Over forty 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. For example, 'allows a customer to spend more money than they have in their account (1st mark) when they need quick and easy access to funds (2nd mark) to meet emergency costs such as an unexpected bill' (3rd mark). It is also important to remind students that they should check that they have answered with a benefit to the customer if requested as a benefit to the bank would receive zero marks. Many of the sixteen percent of students who failed to gain any marks offered a benefit to the business.

In part 1 g – candidates were asked to explain one way a bank can help a business export its products. This was quite well answered. Twenty percent of candidates achieved full marks. Overall, almost fourteen percent of students were given zero marks. Almost thirty-five percent of students were able to achieve mid marks but failed to develop their responses fully. The ability of the bank to help with foreign currency exchange was the most popular response. This needed to be developed to explain how this was beneficial to the exporter in reducing risks associated with fluctuations in the exchange rates.

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 Olivia could use social media to increase the bookings of tours in Seabreeze. 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 correct formula to calculate ROCE. Sixty-nine percent of candidates were able to identify a credit sale.

In part 2 b – a multiple choice question where candidates had to identify the situation in which a business would send a letter. Over fifty-four percent of the cohort gained the mark available.

In part 2 ci – sixty-four percent of students were able to interpret the graph and identify 2019 as the year with the lowest change in the value of the market size on the previous year.

In part 2 cii – ninety-three percent of students were able to identify the value of the market size in 2020.

In part 2 d – a define question where candidates were asked to define the term informal credit. Over forty-eight 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. Over eighty-four percent of students were able to explain a benefit to a business of offering cash on delivery as a payment option for its customers. The majority of candidates were able to gain 2 or 3 marks on this question. One frequently chosen benefit to a customer was that they could attract more customers, as some customers may be unable to pay at the time of purchase but can organise the cash in time for delivery. Some candidates just offered a benefit to the customer such as they do not have to have the money immediately. This does not answer the question of benefit to the business so zero marks.

In part 2 f – over eighty-two 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 business of allowing customers to use hire purchase was that it protects the business from bad debt. Most were able to develop this with the argument that ownership is not transferred until the last payment has been made so the asset acts as security throughout the hire purchase agreement. Almost thirty-nine 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 be rewarded holistically on how well they do this. No marks are available just for knowledge. Candidates had to choose either using overseas agents or international trade fairs to increase the exports of ADL's buses. Pleasingly almost nineteen percent of candidates achieved Level 3 and fifty-nine 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 commercial bank will provide foreign currency to the public.

In part 3 b – Again the majority of candidates were able to identify that Freddie's Flowers only accepts credit card payments online in order to receive secure payment before delivery.

In part 3 c – a state question where candidates had to offer one reason why Freddie's Flowers uses email to respond to customer queries. As an AO2 question this must be applied to the scenario, but candidates must avoid repeating any context used in the question. Candidates found this quite challenging and rarely applied their answers. The stem offered possibilities of referring to the fresh flowers or that Freddie's Flowers operates as an online florist. 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 credit note by calculating the missing amounts. Over eighty-five percent of candidates gained two marks.

In part 3 e – candidates were asked to analyse why Freddie's Flowers might choose to use crowdfunding to finance its planned marketing campaign. 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 more than fifty percent gaining a Level 2 mark. Most candidates could analyse how the fact that the business has over 100,000 current customers would be helpful in raising the money in this way and might support its success. Higher level marks were often achieved when students offered interconnected points with reference to the active interest in flowers of these customers, some of whom order flowers every week and a proportion of these customers with reasonable levels of disposable income may therefore be expected to have money to invest.

In part of 3 f – again another option question where candidates had to justify whether Freddie's Flowers should invest in more electric bikes or in delivery vans to deliver flowers. Over ninety-eight percent of candidates were able to gain some marks with most of those gaining level 2 marks and twenty-eight 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 how to serve

rural areas with bikes and how to keep the flowers fresh in a van operating over large areas.

SECTION C - Question 4

In part 4 of a - candidates are required to outline one reason why Uncommon Cacao would choose to transport its beans by sea. The command outline requires that the response is applied. Two marks are available. Almost forty percent achieved two marks. The majority of those not achieving these marks, failed to do so because of a lack of application. Candidates needed to refer to the journey from central America to California or to luxury chocolate or to the use of containers all of which were in the stem.

In part 4 of b – almost fifty-nine percent of candidates gained Level 2 marks for this question where they were asked to analyse why the use of containerisation helps Uncommon Cacao maintain the quality of its beans. An analysis question requires application with the analysis. Most candidates realised that containerisation would help keep the beans fresh and protect them from damage during the journey. Higher marks were often achieved with the use of interconnected points regarding the protection from damage as the beans would need to be unloaded in their containers onto trucks for delivery to the large specialist warehouse. Almost twenty-three 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 how using national newspapers helps Uncommon Cacao to promote its products in the US. Most candidates gave the valid response that the named newspapers are widely known not just in the US but throughout the world. This helps to develop brand recognition and status in the US where there is such a rising demand for luxury chocolate. There was a weaker offering of evaluation, but most were able to offer the issue of the information being lost amongst so many other articles and the declining rate of newspaper readership. Higher levels often achieved these marks by recognising that e-readership of newspapers is still a highly valuable and long term promotional method which would be likely to result in higher sales to a range of high quality chocolate makers in the US and the success of the venture may depend on how

well Uncommon Cacao fulfils those orders. Almost sixty-five 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.