



Examiners' Report Principal Examiner Feedback

Summer 2025

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

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

Summer 2025

Publications Code 4CM1_02R_2506_ER

All the material in this publication is copyright

Pearson Education Ltd 2025

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.

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

In part 1 a – seventy-seven percent of candidates identified that the provision of foreign currency is a service provided by commercial banks.

In part 1 b – again well answered by over eighty- seven percent of candidates who clearly identified that a direct debit is an electronic method of payment.

In part 1 c – candidates had to define the term venture capital. This was reasonably well answered by fifty-four percent of candidates recognising that this was a type of investment supporting new businesses to gain the mark available.

In part 1 d – another define question which challenged some candidates. Fifty-three percent of candidates gained this mark. When asked to define the term inventory turnover, candidates needed to show awareness that this is a measurement of the rate of turnover by description or formula rather than the amount.

In part 1 (ei) – this was the first ‘State’ question, where candidates had to identify how changing consumer preferences had impacted Waterdrops advertising. Quite well answered with almost sixty-four percent of candidates able to include the required application. 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 health benefits of the waterdrop drink or the cubes etc. The application must not have been used in the question but can be and should be extracted from the case study.

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. Fifty-one percent of candidates were able to give a reason why Waterdrop sponsored some famous named American Tennis players. Most who failed to gain the mark lost it because they did not include any application in their answer.

In part 1 (eiii) –candidates were required to calculate the gross profit for the year. There was a range of responses. Seventy percent of candidates gave the correct response. Some candidates simply did not know the formula to undertake the calculation. Some gained only 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 one disadvantage for a business using factoring. This had a wide range of responses. Fourty-six percent of candidates gained full marks and fifteen percent gained two marks. Clearly some candidates are not entirely sure what factoring is and cannot not offer a convincing response. 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 way a business might benefit from having an overdraft. This was well answered. Fifty-six percent of students were able to achieve full marks but a few failed to develop their responses. The ability of the business to raise money quickly (1 mark) to fund urgent debts/invest in new machinery (1 mark) was the most popular response. This needed to be developed to explain how this was beneficial to the business.

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 using a credit card was a good method of payment for customers of Waterdrop. Application could be achieved by reference to the drinks or cubes. Twenty-one percent of candidates achieved full marks and sixty-seven percent achieved Level 2 marks. This was usually due to lack of application. Some failed to gain any marks. Often this was because the answer was about the benefit to Waterdrop not its customer.

Question 2

In part 2 a – a multiple choice question where candidates had to identify the correct formula for the calculation of markup. Most candidates were able to correctly identify this as storage costs.

In part 2 b – a multiple choice question where candidates had to identify the benefit to a supplier of bricks of offering 90 day trade credit to its customers. Most gained the mark available.

In part 2 ci – students were asked to interpret the graph and identify that 29% of UK residents visit a bank branch to obtain credit cards. Some candidates risked gaining this mark by entering both the year and the actual percentage. Candidates must make a choice of just one of these factors. Ninety-eight percent of students achieved full marks.

In part 2 cii – Over ninety-eight percent of students gained full marks. Most students were able to identify the method with the lowest percentage of use when obtaining a credit card in the UK was by telephone

In part 2 d – a define question where candidates were asked to define the term cheque. It needed to reference that it was a document instructing a bank to transfer money to another account and some students were just too vague but eight five percent were able to offer an acceptable definition.

In part 2 e – this question was an AO1 'explain' question hence candidates did not need to put it in context. Many students were able to explain a benefit to a business of a cashless society. Ninety-three percent of candidates were able to gain 2 or 3 marks on this question. One frequently chosen benefit to a customer was the likelihood of reduced theft. Candidates needed to develop this.

In part 2 f – seventy-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. From the responses seen many candidates understood that one reason ROCE was important to an investor was that it allowed them to note how well the company was performing. Very few linked this to the ability to compare performance of different businesses in order to make a decision about which business to invest in.

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 Warby Parker should aim to increase the average spend of a customer or whether to increase marketing spend on its ecommerce site. Pleasingly twenty-eight percent of candidates achieved Level 3 and fifty-eight 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. It is worth noting that very few pupils understood or argued that by increasing the range of accessories to its glasses such as increasing the range of sunglasses or spectacle cases, Warby Parker could perhaps increase average spend in an appealing way to customers rather than just increasing the price of the glasses themselves which may actually reduce revenue.

SECTION B - Question 3

In part 3 a – most candidates gained the mark for identifying that a debenture is a loan where the business pays a fixed rate per annum for a fixed period of time.

In part 3 b – most candidates were able to identify that the document asking how much a consignment of toys would be is an enquiry.

In part 3 c – a state question where candidates had to offer one way technology helped the business prepare orders. This was reasonably well answered with sixty-two percent of candidates remembering to add context with reference to the automated technology helping picking and packing of the toys or online orders. Candidates had to avoid repeating any context used in the question such as prepare orders

In part 3 d – candidates were asked to complete the order form by calculating the missing amounts. Eighty-six percent of candidates were able to do so. Too many lost one mark for deducting VAT rather than adding it on.

In part 3 e – candidates were asked to analyse how BFL could benefit from having its own transport. This is an area of the spec that has been visited many times and twenty percent of candidates achieved a Level 3 and over seventy of students achieving a Level 2. Marks were sadly often lost by presenting excellent responses without any application to a multi-product delivery service.

In part of 3 f – again another option question where candidates had to justify whether BFL should hold regular videoconferences or exchange emails. Fifty-nine percent of candidates were able 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 or evaluation. In particular, it was notable that there was a significant number of good responses that lacked any application whatsoever. Marks are only available for applied knowledge so there was some loss associated with this.

SECTION C - Question 4

In part 4 of a - candidates are required to outline one way Bakumatsuya could improve its inventory turnover. The most common answer was to reduce the price of the books. The command outline requires that the response is applied. Two marks are available. Fifty-eight percent of candidates achieved two marks. The majority of those not achieving these marks, failed to do so because of a lack of application.

In part 4 of b – this question asked candidates to analyse how the trade association ABAJ has helped Bakumatsuya export successfully. An analysis question requires application with the analysis. There was lots of potential application available in the stem with reference to the books and events. Many candidates realised that ABAJ's organisation of trade fairs was very helpful and that the trust generated from the use of the ABAJ logo helped to reassure potential foreign customers. Forty-three percent of the cohort achieved Level 3 and another forty-three percent achieved level 2.

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 whether the issuing of catalogues is an appropriate form of promotion for Bakumatsuya. Most candidates gave the valid response that this would offer exposure of their books to existing clients around the world who were already customers. They would be seeking new customers at trade fairs and could send interested parties the catalogues which may be circulated online. Some failed to offer strong evaluation of how there would be competitors who may also be doing the same thing or that the catalogues may become dated quite quickly. Seventeen percent of candidates achieved Level 3 marks and another sixty- one percent achieved Level 2.

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.

