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Mark Scheme (Results)

Summer 2023

International GCSE in

Commerce (4CM1 02R)

Paper 2R: Facilitating commercial operations

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Which one of the following is a request to purchase a product?	Mark
1 (a)	<p>Answer</p> <p>A01 = 1 mark</p> <p>D An order</p> <p>A – is not correct as a receipt is issued after delivery of the product B – is not correct as an invoice is a demand for payment for the product C – is not correct as a delivery note is sent upon delivery of the product</p>	(1)

Question Number	Which one of the following is an approach to advertising?	Mark
1 (b)	<p>Answer</p> <p>A01 = 1 mark</p> <p>C Collective</p> <p>A – is not correct as advertising may be interactive but this is not an approach B – is not correct as advertising may be interesting but this is not an approach D – is not correct as advertising may be responsible but this is not an approach</p>	(1)

Question Number	Define the term retained profit .	Mark
1 (c)	<p>Answer</p> <p>A01 = 1 mark</p> <p>Award 1 mark for a definition of retained profit</p> <ul style="list-style-type: none"> Profit that has been kept by the business (1) 	(1)

Question Number	Define the term agenda .	Mark
1 (d)	<p>Answer</p> <p>A01 = 1 mark</p> <p>Award 1 mark for a definition of agenda</p> <ul style="list-style-type: none"> An agenda is a list of items to be discussed at a planned meeting (1) 	(1)

Question Number	State one way Olivia could reduce the purchasing costs of <i>Seabreeze's</i> tours.	Mark
1 (e) (i)	<p>Answer</p> <p>A02 - 1 mark</p> <p>Award 1 mark for one valid way Olivia could reduce the purchasing costs of <i>Seabreeze's</i> tours.</p> <ul style="list-style-type: none"> Olivia could provide a smaller and cheaper lunch (1) Olivia could buy low cost towels (1) <p>Accept any other appropriate response.</p>	(1)

Question Number	State one way Olivia uses point of sale material to promote <i>Seabreeze's</i> tours.	Mark
1 (e) (ii)	<p>Answer</p> <p>A02 = 1 mark</p> <p>Award 1 mark for one valid way Olivia uses point of sale material to promote the <i>Seabreeze's</i> tours.</p> <ul style="list-style-type: none"> Each guest is provided with a branded <i>Seabreeze</i> beach bag to use on the yacht (1) <p>Accept any other appropriate response.</p>	(1)

Question Number	Calculate the weekly Gross Profit Margin in 2019.	Additional guidance	Mark
1 (e) (iii)	<p>Answer</p> <p>A02 = 2 mark</p> $\frac{14\,850}{29\,000} \times 100 \text{ (1)}$ <p>= 51.21 % (1)</p>	<p>Award 1 mark for correctly substituting numbers into the formula</p> <p>Award full marks for correct numerical answer without working</p>	(2)

Question Number	Explain one benefit to a customer of having an overdraft with their bank.	Mark
1 (f)	<p>Answer</p> <p>A01 = 3 marks</p> <p>Award 1 mark for identifying one benefit to a customer of having an overdraft with their bank and up to 2 marks for explaining the benefit for a maximum of 3 marks.</p> <ul style="list-style-type: none"> An overdraft allows customers to use money they do not have in their account (1) with quick access when it is needed (1) which can be useful if the customer receives an unexpected bill (1) <p>Answers that list three benefits with no explanation will get 1 mark only</p> <p>Accept any other appropriate response</p>	(3)

Question Number	Explain one way a bank can help a business to export its products.	Mark
	Answer	

1 (g)	<p>A01 = 3 marks</p> <p>Award 1 mark for identifying one way a bank can help a business to export its products and up to 2 marks for explaining the way for a maximum of 3 marks.</p> <ul style="list-style-type: none"> • Banks provide advice for exporters (1) this will help with the completion of the necessary trading documents (1) thus making the export of products efficient for the business (1) <p>Answers that list three ways with no explanation will get 1 mark only</p> <p>Accept any other appropriate response</p>	(3)
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Question Number	Analyse how Olivia could use social media to increase the bookings of tours on <i>Seabreeze</i> .	Mark
Indicative content		
1 (h)	<p>A02 = 3 marks A03 = 3 marks</p> <p><u>A02</u></p> <ul style="list-style-type: none"> • Olivia could create a Facebook page linked to her own website to appeal to international tourists • Olivia could target adverts to people with an interest in sailing <p><u>A03</u></p> <ul style="list-style-type: none"> • She could show videos of other tourists enjoying the sights of the harbour to persuade the viewers to book a tour • She could place advertisements with sailing clubs websites throughout the world via social media platforms to attract members to book a tour 	(6)

Level	Mark	Descriptor
	0	<ul style="list-style-type: none"> • No rewardable material

Level 1	1-2	<ul style="list-style-type: none"> Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2) Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3)
Level 2	3-4	<ul style="list-style-type: none"> Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2) Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)
Level 3	5-6	<ul style="list-style-type: none"> Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2) Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)

Question Number	Which one of the following is the formula used to calculate Return on Capital Employed (ROCE)?	Mark
2 (a)	<p>Answer</p> <p>A01 = 1 mark</p> <p>B ROCE = $\frac{\text{profit for the year}}{\text{capital employed}} \times 100$ (1)</p> <p>A is not correct as this does not calculate ROCE C is not correct as this does not calculate ROCE D is not correct as this calculates mark up</p>	(1)

Question Number	In which one of the following situations would a business send a letter?	Mark
	Answer	

2 (b)	<p>A02 = 1 mark</p> <p>A To issue personal congratulations and a certificate to an employee (1)</p> <p>B is not correct as a letter is not received immediately</p> <p>C is not correct as this would need money to be sent via the internet</p> <p>D is not correct as this is not the cheapest method of sending a message</p>	(1)
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Question Number	Identify the year with the lowest change in the value of the market size on the previous year.	Mark
Answer		
2 (c)(i)	<p>A02 = 1 mark</p> <p>2019 (1)</p>	(1)

Question Number	Identify the value of the market size in 2020.	Mark
Answer		
2 (c)(ii)	<p>A02 - 1 mark</p> <p>359.3 (1)</p> <p>OR</p> <p>\$359.3 (1)</p> <p>OR</p> <p>359.3 billion (1)</p> <p>OR</p> <p>\$359.3 billion (1)</p> <p>OR</p> <p>359 300 000 with or without \$ (1)</p>	(1)

Question Number	Define the term informal credit .	Mark
Answer		

2 (d)	<p>A01 - 1 mark</p> <p>Award 1 mark for a definition of informal credit.</p> <ul style="list-style-type: none"> • Informal credit is where a seller allows customers to take goods and pay for them later (1) 	(1)
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Question Number	<p>Explain one benefit to a business of offering a cash on delivery (COD) as payment option to its customers.</p> <p>Answer</p>	Mark
2 (e)	<p>A01 = 3 marks</p> <p>Award 1 mark for explaining one benefit to a business of offering a cash on delivery (COD) as a payment option to its customers and up to 2 marks for explaining the benefit for a maximum of 3 marks.</p> <ul style="list-style-type: none"> • A business requires payment when the goods are delivered (1) non-payment means the goods are not left with the customer (1) but are returned to the business (1) <p>Accept any other appropriate response.</p> <p>Answers that list three benefits with no explanation will get a maximum of 1 mark.</p>	(3)

Question Number	Explain one benefit to a business of allowing customers to use hire purchase to buy its products.	Mark
2 (f)	<p>Answer</p> <p>AO1 = 3 marks</p> <p>Award 1 mark for identifying one benefit to a business of allowing customers to use hire purchase to buy its products and up to 2 marks for explaining the benefit for a maximum of 3 marks.</p> <ul style="list-style-type: none"> • Under a hire purchase agreement ownership of the product only transfers to the customer once all payments have been made (1) thus it protects the business from bad debts (1) as the item can be repossessed and resold if payments are missed (1) <p>Accept any other appropriate response.</p> <p>Answers that list three benefits with no explanation will get a maximum of 1 mark.</p>	(3)

Question Number	<p>Option 1: use overseas agents and pay an agent's fee of 5% of the sales they make</p> <p>Option 2: use <i>Scottish Enterprise</i> to carry out the promotion of its buses at international trade fairs for transport.</p> <p>Indicative Content</p>	Mark

(g)

AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks.

Arguments for option 1:

AO2

- The majority of countries worldwide have some cities that offer public transport
- *ADL* has designed the Enviro500 bus, suitable for city use

AO3

- Regionally based overseas agents can reach this huge market as they understand local needs and can effectively communicate with the relevant decision makers when they are buying new buses for their cities
- This bus can be sold by the agents to many cities for the limited extra costs of the 5% agents fees to recover the investment already made

AO4

- However, *ADL* will lose some control over how its buses are presented to possible buyers which may result in lower sales
- However, the 5% additional cost may make it difficult for *ADL* to remain competitive if it tries to raise prices to cover this cost.

Arguments for option 2:

AO2

- *Scottish Enterprise* can help *ADL* launch more new innovative buses at trade fairs
- *Scottish Enterprise* was successful in helping *ADL* to achieve sales in Hong Kong

AO3

- *Scottish Enterprise* can share its knowledge about the innovative buses with attendees at the trade fairs who are usually visiting because they already have an interest in purchasing some form of transport

(9)

	<ul style="list-style-type: none"> The orders for Enviro500 buses gained at trade fairs will increase the exports of <i>ADL</i> thus generating profits for investment in new designs and the potential for more investment from <i>Scottish Enterprise</i> to help increase exports even more <p><u>AO4</u></p> <ul style="list-style-type: none"> However, <i>ADL</i> may be able to offer better customer service and information by sending its own sales people to the trade fairs thus gaining more exports of its buses However, <i>ADL</i> need to be confident that <i>Scottish Enterprise</i> choose the most suitable trade fairs as sales are not guaranteed 	
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Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-3	<ul style="list-style-type: none"> Limited application of knowledge and understanding of commercial concepts and issues to the commercial context (AO2) Attempts to deconstruct commercial information and/or issues, finding limited connections between points (AO3) Makes a judgement, providing a simple justification based on limited evaluation of commercial information and issues relevant to the choice made (AO4)
Level 2	4-6	<ul style="list-style-type: none"> Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies (AO2) Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3) Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made (AO4)
Level 3	7-9	<ul style="list-style-type: none"> Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout (AO2) Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3) Makes a judgement, providing a clear justification based on a thorough evaluation of commercial information and issues relevant to the choice made (AO4)

Question Number	Answer	Mark
3 (a)	<p>A01 = 1 mark</p> <p>D Providing foreign currency to the public (1)</p> <p>A is not correct as the central bank prints the national currency</p> <p>B is not correct as the central bank lends money to the commercial banks</p> <p>C is not correct as the post office issues postal orders</p>	(1)

Question Number	Answer	Mark
3 (b)	<p>A02 = 1 mark</p> <p>C To receive secure payment from customers for the flowers (1)</p> <p>A is not correct as transaction fees are charged for every sale</p> <p>B is not correct as drivers may still make late deliveries</p> <p>D is not correct as customers pay before receiving the flowers</p>	(1)

Question Number	State one reason why <i>Freddies Flowers</i> uses email when answering customer queries.	Mark
3 (c)	<p>A02 = 1 mark</p> <p>Customers can quickly receive a response so that they can order their flowers immediately (1)</p> <p>Accept any other appropriate response</p>	(1)

Question Number	Answer	Mark
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3 (d)(i)	A02 = 1 mark 3 (1)	(1)
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Question Number	Answer	Mark
3 (d)(ii)	A02 = 1 mark 90 (1) OR 90.00 (1) OR £90 (1) OR £90.00 (1)	(1)

Question Number	Answer	Mark
	Analyse why <i>Freddies Flowers</i> might choose to use crowdfunding to finance its marketing campaign Indicative content	
3 (e)	A02 = 3 marks A03 = 3 marks <u>A02</u> <ul style="list-style-type: none"> • <i>Freddies Flowers</i> has 100,000 regular customers • <i>Freddies Flowers'</i> customers have an interest in flowers <u>A03</u> <ul style="list-style-type: none"> • Many of the regular customers may enjoy investing a small sum because of their love of flowers which could raise a large amount of capital • This should make it easier to raise the capital from crowdfunding rather than taking out an expensive bank loan 	(6)

Level	Mark	Descriptor
	0	<ul style="list-style-type: none"> • No rewardable material
Level 1	1-2	<ul style="list-style-type: none"> • Limited application of knowledge and understanding of commercial concepts and issues to the commercial context (AO2) • Attempts to deconstruct commercial information and/or issues, finding limited connections between points (AO3)
Level 2	3-4	<ul style="list-style-type: none"> • Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies (AO2) • Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3)
Level 3	5-6	<ul style="list-style-type: none"> • Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout (AO2) • Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3)

Question Number	Option 1: more electric bikes Option 2: delivery vans. Indicative content	Mark
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f

A02 = 3 A03 = 3 A04 = 3

Arguments for option 1:

A02

- Central London and other cities may be congested
- *Freddies Flowers* delivers 40,000 boxes of fresh seasonal flowers every day

A03

- Bikes are able to park to deliver in almost all locations which makes deliveries more reliable resulting in satisfied customers and increased efficiency
- Flowers are lightweight and can be carried in bulk on the bikes platforms in most cities without expensive fuel costs

A04

- However, the boxes are exposed to bad weather conditions which may delay riders and cause damage to the flowers
- However, electric bikes need to be charged regularly so deliveries will be interrupted if they take a long time

Arguments for option 2:

A02

- *Freddies Flowers* delivers flowers to areas throughout the UK
- *Freddies Flowers* delivers 40,000 boxes of flowers every week

A03

- Delivery vans would be able to travel the long distances needed for the towns and more rural areas ensuring *Freddies Flowers* can deliver reliably throughout the country thus increasing efficiency
- Delivery vans can carry lots of boxes of flowers to efficiently deliver all those boxes in as few trips as possible in cities and rural areas

	<p><u>AO4</u></p> <ul style="list-style-type: none"> • However, <i>Freddies Flowers</i> would have to pay a congestion charge for each of the delivery vans needed in central London and some other cities thus increasing the costs of delivery • However, vans may be delayed by traffic problems and congestion and may deliver flowers that have lost their freshness causing dissatisfied customers and lost sales 	
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Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-3	<ul style="list-style-type: none"> • Limited application of knowledge and understanding of commercial concepts and issues to the commercial context (AO2) • Attempts to deconstruct commercial information and/or issues, finding limited connections between points (AO3) • Makes a judgement, providing a simple justification based on limited evaluation of commercial information and issues relevant to the choice made (AO4)
Level 2	4-6	<ul style="list-style-type: none"> • Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies (AO2) • Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3) • Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made (AO4)
Level 3	7-9	<ul style="list-style-type: none"> • Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout (AO2) • Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3) • Makes a judgement, providing a clear justification based on a thorough evaluation of commercial information and issues relevant to the choice made. (AO4)

Question Number	Outline one reason why <i>Uncommon Cacao</i> chooses to ship the cacao beans by sea.	Mark
Answer		
4 (a)	<p>A02 = 2 marks</p> <p>Ships can carry many containers containing cacao beans (1) therefore lessening distribution costs (1)</p> <p>Accept any other appropriate response.</p>	(2)

Question Number	Analyse how containerisation helps maintain the quality of the beans as they are transported to the USA.	Mark
Answer		
(b)	<p>A02 = 3 marks A03 = 3 marks</p> <p><u>A02</u></p> <ul style="list-style-type: none"> • The cacao beans stay in the same container from Belize port to Oakland port and when transferred onto lorries • The beans are in ventilated containers for the 7-day sea journey <p><u>A03</u></p> <ul style="list-style-type: none"> • This reduces cost of waste from beans being damaged on the journey and thrown away • This means the beans remain fresh and of high quality to achieve the highest selling price. <p>Accept any other appropriate response.</p>	(6)

Level	Mark	Descriptor
	0	No rewardable material

Level 1	1-2	<ul style="list-style-type: none"> Limited application of knowledge and understanding of commercial concepts and issues to the commercial context (AO2) Attempts to deconstruct commercial information and/or issues, finding limited connections between points (AO3)
Level 2	3-4	<ul style="list-style-type: none"> Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies (AO2) Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3)
Level 3	5-6	<ul style="list-style-type: none"> Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2) Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning (AO3)

Question Number	Evaluate how national newspapers help <i>Uncommon Cacao</i> promote its products in the USA.	Mark
	Answer	

(c)

**A01 = 3 marks A02 = 3 marks A03 = 3 marks
A04 = 3 marks**

A01

- The national newspapers are widely distributed across US
- The US is the world leading importer of chocolate products in a growing market

A02

- Many readers of national newspapers will eat chocolate and be interested to read about the production methods of the cacao beans
- The national newspapers will reach new potential customers of *Uncommon Cacao* that make high quality chocolate throughout the US

A03

- Consumers of chocolate may be motivated by reading of the benefits to the farmers of Belize and Guatemala and will look for retailers that sell chocolate using these beans which will encourage retailers to place orders with *Uncommon Cacao*
- New orders are likely to be received at a relatively low advertising cost and those orders can help *Uncommon Cacao* benefit from the growing chocolate market in US

A04

- However, many consumers of chocolate may only be interested in the taste of the chocolate and not be attracted by stories about the beans or benefits to the farmers and retailers will need to advertise the final chocolate products in other ways
- However, many rival products may also advertise in the national newspapers which may reduce the impact of *Uncommon Cacao's* promotions on chocolate consumers in US and orders may be lower than expected

(12)

Level	Mark	Descriptor
	0	No rewardable material
Level 1	1-4	<ul style="list-style-type: none"> • Demonstrates elements of knowledge and understanding of commercial concepts and issues, with limited commercial terminology used (AO1) • Limited application of knowledge and understanding of commercial concepts and issues to the commercial context (AO2) • Attempts to deconstruct commercial information and/or issues, finding limited connections between points (AO3) • Draws a conclusion, supported by generic assertions from limited evaluation of commercial information and issues (AO4)
Level 2	5-8	<ul style="list-style-type: none"> • Demonstrates mostly accurate knowledge and understanding of commercial concepts and issues, including appropriate use of commercial terminology in places (AO1) • Sound application of knowledge and understanding of commercial concepts and issues to the commercial context, although there may be some inconsistencies (AO2) • Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies (AO3) • Draws a conclusion based on sound evaluation of commercial information and issues (AO4)
Level 3	9-12	<ul style="list-style-type: none"> • Demonstrates accurate knowledge and understanding of commercial concepts and issues throughout, including appropriate use of commercial terminology (AO1) • Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2) • Deconstructs commercial information and/or issues, finding detailed interconnected points with chains of reasoning (AO3) • Draws a valid and well-reasoned conclusion based on a thorough evaluation of commercial information and issues (AO4)