Mark Scheme (Results)

November 2024

Pearson Edexcel International GCSE
In Commerce (4WCM1)
Unit 1 Commercial Operations and Associated Risks

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
Question Paper Log Number P80265A
Publications Code 4WCM1_01_2411_MS

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.

Q. No.	Which **one** of the following is a payment for insurance cover? **Answer**	Mark
1 (a)	**AO1 - 1 mark** **The only correct answer is B – A premium** **A** – is not the correct answer as it is money paid out by the insurance company to settle a claim **C** – is not the correct answer as a policy is the document that states the terms and conditions of the insurance when taken out **D** – is not the correct answer as a proposal form is the document completed before insurance is taken out	**(1)**

Q. No.	Which **one** of the following defines a multinational? **Answer**	Mark
1 (b)	**AO1 - 1 mark** **The only correct answer is C -** a business that has operations in at least two countries **A** – is not the correct answer as a multinational would have shareholders both in its home country and foreign countries **B** – is not the correct answer as a multinational would provide different services for customers **D** – is not the correct answer as a multinational has factories in other countries	**(1)**

Q. No.	Define the term **primary sector.** **Answer**	Mark
1 (c)	**AO1 - 1 mark** Award 1 mark for a correct definition of **primary sector** • Extraction of raw materials from the earth **(1)**	**(1)**

Q. No.	Define the role of the **wholesaler** in the chain of distribution. **Answer**	Mark
1 (d)	**AO1 - 1 mark** Award 1 mark for a correct definition of role of the **wholesaler** in the chain of distribution**.** • A wholesaler sells good to retailers by breaking bulk **(1)**	**(1)**

Q. No.	Calculate, to two decimal places, the price of the shoes in euros. You are advised to show your working. **Answer**	**Additional Guidance**	Mark
1 (e) (i)	**AO2 - 2 marks** Award 1 mark for calculation and 1 mark for the answer. 370.00 x 0.24 **(1)** = 88.80 **(1)** **NB** a candidate who responds with 88.80 and no calculation is awarded both marks.	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct answer with no working.	**(2)**

Q. No.	State **one** possible effect on *Priceless* sales to European tourists after the change in the exchange rate. **Answer**	Mark
1 (e) (ii)	**AO2 - 1 mark** Award 1 mark for stating the possible effect on sales at *Priceless*. • The higher prices may mean fewer tourists will visit *Priceless*, reducing the revenue it makes from the sales of handbags **(1)** **NB** Do not accept a possible effect on sales that is not in the context of *Priceless*. Accept any appropriate response.	**(1)**

Q. No.	State **one** disadvantage to *Priceless* of accepting foreign currency for payment of goods bought. **Answer**	Mark
1 (e) (iii)	**AO2 - 1 mark** Award 1 mark for stating a disadvantage to *Priceless* of accepting foreign currency for payment of goods bought. • The value of the Euro may have lowered before *Priceless* can pay the money into the bank **(1)** • *Priceless* may have a number of different currencies including the Japanese Yen and English pound making it more complicated to pay into the bank **(1)** **NB** Do not accept a disadvantage that is not in the context of *Priceless*. Accept any appropriate response.	**(1)**

Q. No.	Explain **one** advantage of consumer protection legislation. **Answer**	Mark
1 (f)	**A01 – 3 marks** Award 1 mark for identification of one advantage of consumer protection legislation, plus 2 further marks for explaining the advantage, for a maximum of 3 marks. • Having consumer protection means that customers are protected for any goods they buy **(1)** if a customer purchases a laptop and after one week the laptop did not work **(1)** the customer has the right to take the laptop back to the shop and ask the seller to repair or replace it **(1)** • A customer makes a complaint about the quality of food purchased **(1)** but the complaint is not true **(1)** The law states that the quality of the food would have to be checked to see if the complaint is true **(1)** **NB** No marks are awarded for a definition. Answers that list three advantages with no explanation will get 1 mark only. Accept any appropriate response.	**(3)**

Q. No.	Explain why department stores are a popular type of retailer. **Answer**	Mark
1 (g)	**A01 – 3 marks** Award 1 mark for identification of why department stores are a popular type of retailer, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • They sell a wide range of different products under one roof **(1)** this means there is one-stop shopping **(1)** and customers do not have to visit other retailers to get what they want **(1)** • Department stores are often located on the outskirts of town centres **(1)** where parking for cars is available **(1)** thus making it easier to shop for more than one item **(1)** **NB** No marks are awarded for a definition. Answers that identify why department stores are a popular retailer with no development will get 1 mark only. Accept any appropriate response.	**(3)**

Q. No.	Analyse why an insurance business would want *Bombay Sweet Shop* to meet the principle of insurable interest. **Indicative content**	Mark
1 (h)	**AO2 = 3 marks AO3 = 3 marks** **<u>AO2</u>** • *Bombay Sweet Shop* could not insure the premises of the sweet shop unless it was the owner • The insurance business would let them insure the sweet display cabinets as they belong to *Bombay Sweet Shop* **<u>AO3</u>** • If the premises had a fire that *Bombay Sweet Shop* caused and it did not own the business then it would not be able to claim for any damage caused to the shop • This means that *Bombay Sweet Shop* must have an interest in the shop to have an insurable interest in the cabinets as they provided them to display the sweets	**(6)**

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	• 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	• 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	• 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)**

Q. No.	Which **one** of the following risks is uninsurable? **Answer**	**Mark**
2 (a)	**AO1 - 1 mark** **The only correct answer is C –** the loss made by a business **A** – is not the correct answer as an employee injured at work would be insured **B** - is not the correct answer as a customer would be insured if they incurred an injury whilst visiting a shop **D** - is not the correct answer as stock would be insured against any flooding	**(1)**

Q. No.	*Makro* sells televisions. It buys them for 6 500 South African Rand (ZAR) and sells them for 8 750 ZAR. One was damaged on delivery and cost 2 750 ZAR to repair. *Makro* makes a claim against its insurance policy. Which one of the following is the amount of compensation that the insurance company would pay *Makro*? **Answer**	**Mark**
2 (b)	**AO2 - 1 mark** **The only correct answer is B** – 2 750 as it is the cost of the repair **A** – is not the correct answer as 2 250 is the difference between cost price and sale price **B** – is not the correct answer as 3 750 is the cost price minus the repair **D** – is not the correct answer as 6 500 is the cost of supplying the television	**(1)**

Q. No.	Identify the insurer with the highest premium for an individual for a week. **Answer**	**Mark**
2 (c) (i)	**AO2 - 1 mark** ♦ LV	**(1)**

Q. No.	Identify the lowest premium paid to insure a family for a week. **Answer**	**Mark**
2 (c) (ii)	**AO2 - 1 mark** ♦ £11.52	**(1)**

Q. No.	Define the term **bad debts**. **Answer**	Mark
2 (d)	**AO1 - 1 mark** Award 1 mark for a correct definition of **bad debts.** • When a customer fails to pay for goods delivered **(1)**	**(1)**

Q. No.	Explain **one** role of an insurance assessor. **Answer**	Mark
2 (e)	**A01 - 3 marks** Award 1 mark for identification of a role of an insurance assessors plus 2 further marks for explaining the role, for a maximum of 3 marks. • Assessors are normally people who are most likely to represent the claimant **(1)** they decide the true value of the claim being made **(1)** so that the claimant does not lose out financially **(1)** • An assessor aims to ensure that the claimant will get fair compensation **(1)** for any loss or damage to any property insured **(1)** and to sort the claim out quickly **(1)** **NB** No marks are awarded for a definition. Answers that list three roles with no explanation will get 1 mark only. Accept any appropriate response.	**(3)**

Q. No.	Explain **one** reason that would make an area of land suitable for building a shopping centre on it. **Answer**	Mark
2 (f)	**A01 - 3 marks** Award 1 mark for identification of one reason that would make an area of land suitable for building a shopping centre, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • The land is near to a town centre **(1)** or other shops **(1)** this will attract people to visit the shopping centre when it is built **(1)** • Transport links will need to be efficient **(1)** so that customers can visit the shopping centre **(1)** without having to travel long distances **(1)** **NB** No marks are awarded for a definition. Answers that list three reasons with no explanation will get 1 mark only. Accept any appropriate response.	**(3)**

Q. No.	**Option 1:** opening another shop **Option 2:** using ecommerce Justify which **one** of two options *Cicli Corsa* should choose. **Indicative content**	Mark
2 (g)	**AO2 = 3 marks, AO3 = 3 marks, AO4 = 3 marks** **Arguments for option 1** **AO2** • By opening another shop, it can provide the cycle equipment that customers may want or need • The staff at the shop will have the expert knowledge of the cycling products and be able to demonstrate them to customers **AO3** • This will allow them to reach more customers and increase its sales • Thus, providing the customers with a high level of choice ensuring that they return to *Cicli Corsa* **AO4** • However, there is no guarantee that the shop will be successful when it is opened • However, customers may find that the cost of the goods are too expensive for customers and will not purchase any products or services **Arguments for option 2** **AO2** • Customers can order the bicycle online rather than visit the shop • By shopping online *Cicli Corsa* can attract cycle enthusiasts from a wider area **AO3** • Customers may find it easier to order and can do this 24/7 saving them time • This could increase the sales of *Cicli Corsa* and make them more popular **AO4** • However, they are unable to see the actual bicycle and it may not suit their needs when it arrives • However, not all customers have access to the internet and without credit/debit cards they cannot purchase anything	**(9)**

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-3	• 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	• 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	• Detailed application of knowledge and understanding of commercial concepts and issues to the business context throughout. (AO2) • Deconstructs business 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 business information and issues relevant to the choice made. (AO4)

Q. No.	Which **one** of the following is the insurance principle on which this payment is made? **Answer**	Mark
3 (a)	**AO1 - 1 mark** **The only correct answer is A** – Indemnity **B –** is not the correct answer as utmost good faith is giving the truth to the insurance company when taking out a policy **C –** is not the correct answer as pooling of risks is not a payment **D –** is not the correct answer as subrogation is once a claim has been paid the goods then belong to the insurance company	**(1)**

Q. No.	*Shoprite* often has special offers on certain products in its stores. A packet of spaghetti costs 14.99 ZAR. If a customer buys two packets they receive a 12.5% reduction in the price. Which **one** of the following would be the price for two packets of spaghetti with the reduction applied? **Answer**	Mark
3 (b)	**AO1 - 1 mark** **The only correct answer is C –** 26.23 **A** – is not the correct answer as 11.27 – is the price of one packet of spaghetti with the discount applied **B** - is not the correct answer as 33.73 – is price of two packets of spaghetti with the discount added **D** - is not the correct answer as 29.98 - is the price of two packets of spaghetti	**(1)**

Q. No.	State **one** reason why *Shoprite* might take out credit insurance. **Answer**	Mark
3 (c)	**AO2 - 1 mark** Award 1 mark for identifying one reason why *Shoprite* might take out credit insurance and one mark for further development. • Credit insurance will protect *Shoprite* from customers who fail to pay for the television they bought on credit **NB** Do not accept a reason that is not in the context of *Shoprite*. Accept any other appropriate response.	**(1)**

Q. No.	Outline **one** advantage for *Shoprite* of providing credit facilities to its customers. **Answer**	Mark
3 (d)	**AO2 - 2 mark** Award 1 mark for one identification of one advantage of *Shoprite* providing credit facilities, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • Credit facilities allow customers to purchase home appliances such as a fridge without having to pay for it immediately. **(1)** Encourages more customers to buy a range of goods such as toasters and kettles as the cost can spread over several months **(1)** **NB** Do not accept an advantage that is not in the context of *Shoprite*. Accept any other appropriate response.	**(2)**

Q. No.	Analyse the importance to *Shoprite* of having a good after sales service. **Indicative content**	Mark
3 (e)	**AO2 = 3 marks AO3 = 3 marks** **<u>AO2</u>** • It encourages *Shoprite*'s customers to return to the store to purchase additional items including kettles • If *Shoprite* offers customers a delivery or installation service for a fridge purchased **<u>AO3</u>** • The customer knows that if the kettle did have a fault *Shoprite* would ensure that the problem is sorted out • Customers know that they are being looked after by the store which could increase repeat business for *Shoprite*	**(6)**

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	• 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	• 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	• 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)**

Q. No.	Option 1: buy from suppliers in South Africa Option 2: buy from suppliers in other countries. Justify which **one** of these two options *Shoprite* should choose. **Indicative content**	Mark
3 (f)	**AO2 = 3 AO3 = 3 AO4 = 3** **Arguments for choosing option 1** **AO2** • There would be no language barrier when ordering the wider range of kettles • Can easily negotiate the price of new ovens **AO3** • Questions can be resolved quickly and a particular order can be discussed and amended as it is easier to discuss individual requirements • It is simple for suppliers to contact *Shoprite* if there needs to be changes to quoted prices **AO4** • However, the quality of kettles may not be as good as those obtained from other countries • However, there may not be a large enough range of cookers for *Shoprite* **Arguments for choosing option 2** **AO2** • Shoprite have access to a large range of toasters and kettles • The opportunity to buy refrigerators from different manufacturers around the world **AO3** • *Shoprite* will be able to offer its customers a greater choice of household appliances improving customer satisfaction and increasing sales • This will enable *Shoprite* to buy the refrigerators that are the most reliable and of good quality • **AO4** • However, buying from other countries can be time consuming and delay the supply of kettles to its supermarkets • However, the price of the refrigerators may be higher and South African customers may not be able to afford them	**(9)**

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-3	• 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	• 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	• Detailed application of knowledge and understanding of commercial concepts and issues to the business context throughout. (AO2) • Deconstructs business 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 business information and issues relevant to the choice made. (AO4)

Q. No.	Calculate, to two decimal places, the premium the customer will pay to insure the new television. You are advised to show your workings. **Answer**	**Additional Guidance**	**Mark**
4 (a)	**AO2 - 2 marks** Award 1 mark for calculation and 1 mark for the answer. 1 750 x 0.125 **(1)** = 218.75 **(1)** **NB** A candidate who responds with 218.75 and no calculation is awarded both marks	Award 1 mark for correctly substituting numbers into formula. Award full marks for correct answer with no working.	**(2)**

Q. No.	Analyse the effects on *Sony* if countries increase their tariffs on imported electronic products. **Indicative content**	Mark
4 (b)	**AO2 = 3 marks** **AO3 = 3 marks** **<u>AO2</u>** • The price of imported *Sony* televisions would increase • The revenue from the sale of *Sony* televisions may decrease **<u>AO3</u>** • This would mean that customers will choose to buy from cheaper domestic television manufacturers • This could reduce overall revenue for *Sony* leading to lower profits	**(6)**

Level	Mark	Descriptor
	0	No rewardable material.
Level 1	1-2	• 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	• 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	• 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)**

Q. No.	Evaluate why *Sony* has insurance cover against theft in its stores and warehouses. You should use the information provided and your own knowledge of commerce in your answer.	Mark
4 (c)	**AO1 = 3 marks AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks** **<u>AO1</u>** • As *Sony*'s products are expensive, they would not want them stolen • *Sony* would not want to incur any financial loss if its warehouses were broken into and goods stolen **<u>AO2</u>** • A customer walking out of a store and not paying for headsets would be a loss for *Sony* • *Sony* would not want to lose a large quantity of televisions from its warehouse at the same time **<u>AO3</u>** • This could affect total revenue from sales at the store where the theft took place • By being insured *Sony* could receive compensation for any items stolen **<u>AO4</u>** • However, it could take a long time for the insurance company to pay the claim, this could have a negative effect on overall sales for *Sony* • However, the compensation may not be sufficient to cover the full cost of replacing the goods stolen	**(12)**

Level	Mark	Descriptor
	0	No Rewardable material.
Level 1	1-4	• 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 business 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	5 - 8	• 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) • Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made. (AO4)
Level 3	9 - 12	• 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 business 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)

Pearson Education Limited. Registered company number 872828
with its registered office at 80 Strand, London, WC2R 0RL, United Kingdom