Mark Scheme (Results)

Summer 2025

Pearson Edexcel International GCSE
In Commerce (4WCM1)
Paper 01: Commercial operations and associated risks

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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.

Q. No.	Which **one** of the following is a feature of a hypermarket? **Answer**	Mark
1 (a)	**AO1 - 1 mark** **The only correct answer is D – Primary** **A** – is not the correct answer as construction is the making of products **B** - is not the correct answer as secondary using raw materials to make a product **C** - is not the correct answer as tertiary is the selling of products	**(1)**

Q. No.	Which **one** of the following are the customers of a cash and carry? **Answer**	Mark
1 (b)	**AO1 - 1 mark** **The only correct answer is C - Retailers** **A** – is not the correct answer as exporters export goods from one country to another **B** – is not the correct answer as manufacturers make goods **D** - is not the correct answer as wholesalers sell goods to retailers	**(1)**

Q. No.	Define the term **bricks and clicks**. **Answer**	Mark
1 (c)	**AO1 - 1 mark** Award 1 mark for a correct definition of **bricks and clicks.** • Businesses which allow customers to order products either online or physically in one of their stores **(1)**	**(1)**

Q. No.	Define the term **mail order.** **Answer**	Mark
1 (d)	**AO1 - 1 mark** Award 1 mark for a correct definition of **mail order.** • Placing an order for goods and replying on the postal service for delivery **(1)**	**(1)**

Q. No.	Calculate, the cost of buying £2.50 worth of sweets in VND. 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. 31 669.30 x 2.50 **(1)** = 79 173.25 **(1)** **NB** a candidate who responds with 79 173.25 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 this change in the exchange rate could have on *Candy Wonderland*. **Answer**	Mark
1 (e) (ii)	**AO2 - 1 mark** Award 1 mark for a possible effect on this change in the exchange rate could have on *Candy Wonderland* in the context of the business. • Customers buying sweets in the UK will find that the cost of candy sweets will have increased **(1)** • Therefore customers may decide to buy more jellies as they are cheaper **(1)** **NB** Do not accept a disadvantage that is not in the context of *Candy Wonderland*. Accept any appropriate response	**(1)**

Q. No.	State **one** advantage for *Candy Wonderland* of making their own sweets. **Answer**	Mark
1 (e) (iii)	**AO2 - 1 mark** Award 1 mark for a valid advantage for *Candy Wonderland* of making their own sweets in the context of the business • They are aware of which candy sweets are selling the most and can therefore make more of them **(1)** • If a particular flavour of one of the jellies is not selling well, they can change the flavour **(1)** **NB** Do not accept an advantage that is not in the context of *Candy Wonderland*. Accept any appropriate response	**(1)**

Q. No.	Explain **one** impact on a business if a country imposed a 20 per cent tariff on imported goods. **Answer**	Mark
1 (f)	**A01 - 3 marks** Award 1 mark for an impact on a business if a country imposed a 20 per cent tariff on imported goods, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • If a country adds a 20 per cent tariff on imported goods it means that the goods are more expensive to buy **(1)** thus business are less likely to import that goods **(1)** as there is no guarantee they will be bought by customers **(1)** • By adding the 20 per cent it could encourage more customers to buy goods from businesses in their own country **(1)** this would increase the sales of the business **(1)** and could lead to a greater profit **(1)** **NB** No marks are awarded for a definition. Answers that list three impacts with no explanation will get 1 mark only. Accept any appropriate response.	**(3)**

Q. No.	Explain **one** reason why an insurance company gives compensation in the event of a loss. **Answer**	Mark
1 (g)	**A01 - 3 marks** Award 1 mark for identification of a reason why an insurance company gives compensation in the event of a loss, plus 2 further marks for explaining the reason, for a maximum of 3 marks. • The business is entitled to financial compensation due to a loss **(1)** as this was the reason the insurance policy was taken out **(1)** so that the customer can put back to the position before the loss **(1)** • If a customer has items stolen **(1)** then the insurance company would pay out the amount of the item **(1)** putting the customer in the same position before the item was stolen **(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.	Analyse the benefits *Shutterstock* using Electronic Point of Sale (EPOS) in its garden centre. **Indicative content**	Mark
1 (h)	**AO2 = 3 marks AO3 = 3 marks** **<u>AO2</u>** • EPOS can monitor the number of packets of tomato seeds sold. • The EPOS provides a means of controlling stock of the vegetable plants. **<u>AO3</u>** • This saves time because someone does not have to count all the packets of seeds at the end of the day. • When plants are low in quantity *Shutterstock* can restock ensuring that they always have that item available for sale with customers.	**(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 is the percentage increase in the number of supermarkets? **Answer**	Mark
2 (a)	**AO2 - 1 mark** **The only correct answer is C – 73.81%** **A** – is not the correct answer as 42.47% is 527/1241 x 100 **B** - is not the correct answer as 57.53% is 714/1241 x 100 **D** - is not the correct answer as 173.81% is 1241/714 x 100	**(1)**

Q. No.	Which **one** of the following describes an insurance broker? **Answer**	Mark
2 (b)	**AO1 - 1 mark** **The only correct answer is A – negotiates deals between a proposed client and an insurance business** **B** – is not the correct answer as an insurance broker cannot insure against making a loss **C** – is not the correct answer as an insurance broker does not calculate premiums **D** - is not the correct answer as an insurance broker cannot guarantee buyers can pay	**(1)**

Q. No.	Using **Figure 1**, identify the insurance provider with the lowest excess. **Answer**	Mark
2 (c) (i)	**AO2 - 1 mark** ♦ CoverForYou	**(1)**

Q. No.	Using **Figure 1**, identify the cost of the lowest company for insurance in Europe. **Answer**	Mark
2 (c) (ii)	**AO2 - 1 mark** ♦ £8.90	**(1)**

Q. No.	Define the term **fidelity guarantee**. **Answer**	Mark
2 (d)	**AO1 - 1 mark** Award 1 mark for a correct definition of **fidelity guarantee.** • A specialist insurance policy to compensate employers from theft, fraud or dishonest employees **(1)**	**(1)**

Q. No.	Explain why an insurance company would want a completed claim form when a product has been stolen from its shop. **Answer**	Mark
2 (e)	**A01 - 3 marks** Award 1 mark for identification of why an insurance company would want a completed claim form when a product has been stolen from its shop plus 2 further marks for explaining the way, for a maximum of 3 marks. • If an expensive item was stolen from the shop **(1)** the insurance company would want to have full details of the product **(1)** before they would consider the claim **(1)** • The insurance company would check all the details of the claim are correct **(1)** if all the details are correct **(1)** they would then pay out the claim **(1)** **NB** No marks are awarded for a definition. Answers that list three ways with no explanation will get 1 mark only. Accept any appropriate response.	**(3)**

Q. No.	Explain **one** impact on a business of selling faulty goods. **Answer**	Mark
2 (f)	**A01 - 3 marks** Award 1 mark for identifying one impact on a business of selling faulty goods and up to 2 marks for linked development. • Customers could give bad reviews of the business because of the quality of the goods, **(1)** which could lead to a reduction in the number of customers buying goods **(1).** Eventually the business could close because customers do not shop there any more **(1)** Answers that list three impacts on a business of selling faulty goods with no explanation will get a maximum of 1 mark Accept any other appropriate response	**(3)**

Q. No.	**Option 1:** by supplying directly to retailers in Europe **Option 2:** by supplying through wholesalers in Europe. **Indicative content**	Mark
2 (g)	**AO2 = 3 marks, AO3 = 3 marks, AO4 = 3 marks** **Arguments for option 1** **<u>AO2</u>** • If *IGTF* sells directly to retailers it can provide them with a full range of different tasting teas • By *IGTF* selling direct to retailers they know that the teas flavours are freshly packed and delivered as soon as possible to retailers **<u>AO3</u>** • This could increase its sales as retailers will be able to encourage customers to try different teas • This could mean that the retailers' shelves will not be empty of *IGTF*'s products, thus meeting customers' demands **<u>AO4</u>** • However, there is no guarantee that the retailers have the customers who are willing to buy a variety of teas • However, there could a delay in delivering the goods from *IGTF* to the retailer because of the different means of transport that would be required **Arguments for option 2** **<u>AO2</u>** • By selling through a wholesaler means that *IGTF* opens up a larger market to sell the different teas to • The wholesaler can offer the retailer different sizes of the teas for them to try before buying in quantity **<u>AO3</u>** • This could save *IGTF* money because they will not be delivering to a variety of retailers • Ensuring that the retailer can try the product out before buying in larger quantities that might not be sold **<u>AO4</u>** • However, there is no guarantee that retailers will be interested in teas if the wholesaler does not pass the information on • However, the wholesaler will have their mark-up on the products which might make *IGTF* products too expensive for the smaller retailer	**(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 a temporary document issued while the policy is prepared **Answer**	Mark
3 (a)	**AO1 - 1 mark** **The only correct answer is A – Cover note** **B** – is not the correct answer as a prospectus is details of the types of insurance available **C** - is not the correct answer as a proposal is an application for insurance **D** - is not the correct answer as subrogation states that once payment has been made to the claimant all other property belongs to the insurance company	**(1)**

Q. No.	Which one of the following would be the cost of the 3 items with the discount? **Answer**	Mark
3 (b)	**AO2 - 1 mark** **The only correct answer is B – 663 568.65** **A** – is not the correct answer as 117 100.35 is the 15% discount **C** - is not the correct answer as 897 769.35 is 780 669.00 plus 117 100.35 **D** - is not the correct answer as 2 342 007.00 is 780 669.00 x 3	**(1)**

Q. No.	State **one** advantage for *Vin Mart* of taking out plate glass insurance. **Answer**	Mark
3 (c)	**AO2 - 1 mark** Award 1 mark for identifying one advantage for *Vin Mart* of taking out plate glass insurance in the context of the business. • Cover is provided for the front window to be replaced if it is broken due to a car driving into it **(1)** • All *Vin Mart* shops have glass windows to display the shopping items they have on sale **(1)** **NB** Do not accept a reason that is not in the context of *Vin Mart* Accept any other appropriate response	**(2)**

Q. No.	Outline **one** reason why *Vin Mart* encourages its customers to use their loyalty cards. **Answer**	Mark
3 (d)	**AO2 - 1 mark** Award 1 mark for identifying one reason why *Vin Mart* encourages its customers to use their loyalty cards and one mark for further development. • Customers using their loyalty cards gain points or discount of their food shopping **(1)** which encourages them to keep returning to *Vin Mart* to gain more points **(1)** **NB** Do not accept a reason that is not in the context of *Vin Mart* Accept any other appropriate response	**(2)**

Q. No.	Analyse the importance of *Vin Mart* locating its shops near to transport links. **Indicative content**	Mark
3 (e)	**AO2 = 3 marks AO3 = 3 marks** **AO2** • Being close to transport links enables *Vin Mart*'s customers to easily transport their weekly shopping including washing powder and vegetables • *Vin Mart* being located near to transport links means that it is easier for its stock items of bread and cheese to be delivered and arrive on time at the store **AO3** • If customers find the store easy to locate they are more likely to purchase a variety of items • Transport is not delayed as the delivery drivers know that the store is easy to find and locate	**(6)**

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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)**

<table>
<tr><th>Q. No.</th><th>Option 1: branded items
Option 2: own labels

Justify which one of these two options Vin Mart should choose.

Indicative content</th><th>Mark</th></tr>
<tr><td>3 (f)</td><td>AO2 = 3 marks, AO3 = 3 marks, AO4 = 3 marks

Arguments for option 1
AO2
Displaying branded items such as Kellogg’s cornflakes at the end of the isle encourages customers to see the item
Branded items are more well-known to customers and they know that Fairy washing powder will do exactly what they expect it to do
AO3
This could mean that they are more likely to buy the items than any other brand
Branded items are normally more reliable and will do what is expected of them, rather than non-branded items
AO4
However, there is no guarantee that customers will buy the item if it is too expensive
However, the cost of purchasing branded items can be much more expensive than non-branded items
Arguments for option 2
AO2
By displaying own labels products means that the customer may be more interested in buying the product because it is cheaper
Using own label means that there is less expense on advertising its tins of baked beans
AO3
Therefore Vin Mart will increase its sales of own label and make more profit
Thus saving Vin Mart the expense of having an advert designed or shown on television</td><td></td></tr>
</table>

	AO4 • However, customers may have tried the own label product and were not happy with the quality of the bread • However, if customers do not know about the own label product they may not see it to purchase it	**(9)**

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	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 percentage discount on the handbag. You are advised to show your working. **Answer**	**Additional Guidance**	**Mark**
4 (a)	**AO2 - 2 marks** Award 1 mark for calculation and 1 mark for the answer. Award 1 mark for correct calculation and 1 mark for correct answer 102 100.00 – 89 848.00 = 12 252.00 **(1)** 12 252.00/102 100.00 = 12 **(1)** **NB** A candidate who responds with 12 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)**

<table>
<tr><th>Q. No.</th><th>Analyse why Kraven would want to take out insurance against a fire occurring.

Indicative content</th><th>Mark</th></tr>
<tr><td>4 (b)</td><td>AO2 = 3 marks   AO3 = 3 marks

<u>AO2</u>
If there was a fire at Kraven and the handbags and clothes in the shops were burnt, then there would be no where to sell the products made
Protection against fire means that if there was a fire at Kraven the insurance company would pay out to rebuild their shop
<u>AO3</u>
This would lead to a loss of revenue that meaning that Kraven would not be able to help those people in need
Which means that the employees of Kraven would be able to continue to help the land mine victims with clothing and handbags</td><td>(6)</td></tr>
</table>

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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 *Kraven* would need to follow the insurance principles when taking out insurance or making a claim. You should use the information provided as well as your own knowledge of commerce. **Indicative content**	Mark
4 (c)	**AO1 = 3 marks AO2 = 3 marks AO3 = 3 marks AO4 = 3 marks** **<u>AO1</u>** • *Kraven* would take out insurance to ensure that if there was a loss they would be compensated for it • *Kraven* must be honest with the insurance company when taking out a policy **<u>AO2</u>** • If a number of handbags were stolen and they cost *Kraven* 900 000.00 Cambodian riel to make them, they could not claim for the selling price of 12 000 000.00 • If they are not honest then the insurance company will not pay out for any damage to the shop or souvenirs that may be lost **<u>AO3</u>** • If *Kraven* made a claim they could not be better off or worse off from the claim made • If items are lost and they are not covered by insurance this could affect the help it gives families who have suffered from the land mines **<u>AO4</u>** • However, there is no guarantee that the insurance company would pay the full amount of a claim made • However, *Kraven* would need to ensure that all aspects of the business are covered by insurance if they need to make a claim at any time	**(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)

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