

# Mark Scheme (Results)

January 2012

International GCSE Commerce  
(4CM0)  
Paper 01

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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, ie 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	Answer	Mark
1(a)	<ul style="list-style-type: none"> <li>• Cold/ freezer/ refrigerated</li> </ul>	(1)

Question Number	Answer	Mark
1(b)	<ul style="list-style-type: none"> <li>• Rate</li> </ul>	(1)

Question Number	Answer	Mark
1(c)	<ul style="list-style-type: none"> <li>• Draft</li> </ul> <p>NB no mark for overdraft</p>	(1)

Question Number	Answer	Mark
1(d)	<ul style="list-style-type: none"> <li>• Certificate</li> </ul>	(1)

Question Number	Answer	Mark
2(a)	<p>Primary production is concerned with obtaining or extracting natural resources (from the earth), eg minerals, fuel, raw materials or food.</p> <p>(1 mark for definition plus 1 mark for an example)</p>	(2)

Question Number	Answer	Mark
2(b)	<p>Secondary production changes the raw materials into finished goods, eg steel making, manufacturing cars, house building shipbuilding or oil refining.</p> <p>(1 mark for definition plus 1 mark for an example)</p>	(2)

Question Number	Answer	Mark
3	<p>£350 000 - £220 00 = £130 000 (1)</p> <p>£130 000 - £7000 = £123 000 (2 marks for the correct answer)</p> <p>£ sign not required.</p> <p>(1 mark for correct method but calculation error)</p>	(2)

Question Number	Answer	Mark
4	<p>Valid points could include</p> <ul style="list-style-type: none"> <li>No need to visit banks</li> <li>Does not waste time in bank queues</li> <li>Can be used 24/ 7</li> <li>ATMs available in most countries/ found everywhere</li> <li>Can withdraw money</li> <li>Cheque account balance</li> <li>Obtain statement</li> <li>Change PIN</li> <li>Top up mobile phone</li> </ul> <p>(1 mark for each advantage)</p>	(2)

Question Number	Answer	Mark
5	<p>Valid points could include</p> <ul style="list-style-type: none"> <li>Obtain credit ('buy now pay later')</li> <li>Written agreement is signed</li> <li>Deposit is paid</li> <li>Buyer does not become the owner until last payment is made</li> <li>Payments are made in instalments</li> <li>Interest is charged</li> <li>Cooling-off period if agreement signed off seller's premises</li> <li>Buyer has right to end the agreement once 50% of payments are made</li> <li>Goods may not be sold until the payments are completed</li> <li>The seller can repossess the goods if less than one-third of purchase price has been paid</li> <li>If more than one-third of purchase price has been paid, a court order is needed</li> <li>If more than two-thirds of purchase price is paid, goods cannot be repossessed</li> </ul> <p>(1 mark for each feature)</p> <p>NB no mark for examples or consumer durables</p>	(2)

Question Number	Answer	Mark
6	<p>Valid points could include</p> <ul style="list-style-type: none"> <li>Longer distances</li> <li>Different exchange rates</li> <li>Different currencies</li> <li>Different legal systems</li> <li>More complex documentation</li> <li>Different weights/ technical specifications</li> <li>Language difficulties</li> <li>Different customs/ laws/ cultural barriers</li> <li>Increased packaging</li> <li>Increased insurance costs</li> <li>Increased market research costs</li> <li>Higher risk of non-payment</li> <li>Custom duties charged/ tariffs</li> <li>Quotas</li> </ul> <p>(1 mark for each difficulty)</p>	(2)

Question Number	Answer	Mark
7(i)	B	(1)

Question Number	Answer	Mark
7(ii)	A	(1)

Question Number	Answer	Mark
7(iii)	B	(1)

Question Number	Answer	Mark
7(iv)	A	(1)

Question Number	Answer	Mark
8	<p>Valid points could include</p> <ul style="list-style-type: none"> <li>To obtain information/ make enquires about goods/ services</li> <li>To obtain information about delivery dates</li> <li>To obtain information about discounts offered</li> </ul> <p>(1 mark for any one purpose)</p>	(1)

Question Number	Answer	Mark
9	<p>Valid points could include</p> <ul style="list-style-type: none"> <li>Increases employment</li> <li>Provides training</li> <li>Increases taxes/ revenue</li> <li>Improvements in infrastructure</li> <li>Gains foreign exchange</li> <li>Provide goods or services that country lacks</li> <li>Bring in new industries</li> <li>Local companies may become more efficient</li> <li>Provides investment/ economic growth</li> <li>Increases standard of living</li> </ul> <p>(1 mark for each point)</p>	(2)

Question Number	Answer	Mark
10	<p>Valid points could include</p> <ul style="list-style-type: none"> <li>Insurance broker arrange insurance cover/ act as an agent - Insurance underwriters accept insurance risks</li> <li>Insurance brokers work independently/ do not work for an insurance company - Insurance underwriters may work for one insurance company or in syndicates</li> <li>Brokers receive commission –underwriters earn or receive profit/ salary</li> </ul> <p>(1 mark for each point, with a maximum of one mark for either broker or underwriter)</p>	(2)



Question Number	Answer	Mark
11	<p>Valid points could include</p> <ul style="list-style-type: none"> <li>Banker to the Government</li> <li>Manages National Debt</li> <li>Banker to the Commercial Banks</li> <li>Holds gold and foreign-exchange reserves</li> <li>Manages the issue of notes and coins</li> <li>Implements domestic monetary policy</li> <li>Supervises other banks/ financial companies</li> <li>Lender of the last resort</li> <li>Controls inflation</li> </ul> <p>(1 mark for each function)</p> <p>NB do not give marks for any references to exchange rates</p>	(3)

Question Number	Answer	Mark
12	<p>Valid points could include</p> <ul style="list-style-type: none"> <li>Double coincidence of wants</li> <li>Valuing goods</li> <li>Indivisibility of goods</li> <li>Storage of goods</li> <li>Difficult to transport</li> </ul> <p>(1 mark for each disadvantage/ example)</p> <p>NB allow relevant description in place of above statements</p>	(2)

Question Number	Answer	Mark
13	<p>Valid points could include</p> <p>Fall in demand is a non-insurable/ uninsurable risk  –the risk cannot be assessed –or mathematically calculated –there are no past records –so it is difficult to identify the reasons there is no demand  –can only insure insurable risks –eg theft  The risk should be beyond the control of the insured –lack of demand could be avoided by the management working harder or seeking help – otherwise, the transport firm’s manager will simply mismanage the business –deliberately to make a claim –and make a profit –which is against indemnity</p> <p>(1 mark for each point plus 3 marks for development –2 marks maximum if no development)</p>	(4)

Question Number	Answer	Mark
14(a)(i)	<p>Department (store)</p> <p>(1 mark for correct name)</p>	(1)

Question Number	Answer	Mark
14(a)(ii)	<p>Valid points could include</p> <p>More space needed for larger furniture items/ hairdressers –quieter area to shop – compared to but lower floors  Furniture has a slower turnover  Hairdressers tend to have appointments made – less requirement to browse  Hairdressers have equipment that needs to be kept away from day-to-day shoppers</p> <p>(1 mark for a point plus 1 mark for development)</p>	(2)

Question Number	Answer	Mark
14(b)	<p>Valid points could include</p> <p>Large market/ population - easy access for customers –greater public transport – shoppers/ tourists from outside immediate area As they sell a wide range of goods –this suits a wide range of customers –high income levels – who are found in city centres –could create higher demand</p> <p>(1 mark for a point plus 2 marks for development)</p>	(3)

Question Number	Answer	Mark
15(a)(i)	<p><math>35\ 000 - 20\ 000 = 15\ 000</math> (1)  <math>15\ 000 \text{ divided } 20\ 000 \times 100 = 75\%</math>  (2 marks for the correct answer)</p> <p>(1 mark for correct method but calculation error)  note: percentage mark not required</p>	(2)

Question Number	Answer	Mark
15(a)(ii)	<p>Valid points could include</p> <p>Sales remain unchanged over the two years –but proportion of methods of sales has changed – increase in internet sales –at cost of mail order/ shops sales</p> <p>Many businesses want to expand their markets – without incurring the costs of more premises – with less shop staff to pay wages to –less need for catalogues</p> <p>The internet is suitable for displaying a wider range of goods –many people now have access to computers –have less time to go shopping –prefer shopping online</p> <p>Retailing is a competitive environment - competitors are offering internet shopping, so other retailers need to do so –the difficulties associated with internet shopping have been reduced –for example, credit card fraud</p> <p>(1 mark for each point plus 3 marks for development)  Note: 2 marks maximum if no development</p>	(4)

Question Number	Answer	Mark
15(b)	<p>Valid points could include</p> <p>The sales are likely to be higher –so the profits may be greater –any losses from one shop are likely to be offset by profits made in another one – so less risk</p> <p>The owner can enjoy economies of scale - bulk buy –therefore obtaining discounts –and advertisements can be made for the chain of shops –so saving overall advertising costs</p> <p>Helps competition –customers know that if one shop does have a particular item they can go to one of the other shops –high recognition levels – leading to more publicity</p> <p>(1 mark for each point plus 3 marks for development) Note: 2 marks maximum if no development</p>	(4)

Question Number	Answer	Mark
15(c)(i)	<p>Valid points could include</p> <p>Useful for people who live in remote areas –who would find it difficult to visit shops –such as elderly or handicapped people –saving time/ costs of going to the shops</p> <p>Many mail order companies have extensive catalogues –over 1000 pages –more choice – particularly if goods are not available in local shops</p> <p>Mail order customers can have goods on approval – examine them at their leisure/ can take their time –if not required they can return goods –receiving a refund or replacement</p> <p>Credit is available –can spread payments –no need to pay cash up front –can use money for other purposes</p> <p>(1 mark for each point plus 5 marks for development)</p> <p>NB no marks for reference to internet buying</p>	(6)

Question Number	Answer	Mark
15(c)(ii)	<p>Valid points could include</p> <p>There will be higher postage –with associated higher packing –leading to delivery charges – such as booking courier firms to deliver</p> <p>Higher advertising costs –expensive brochures produced –many are just thrown away – treated as junk mail - by customers who do not purchase from them</p> <p>Cost of credit risk –bad debts –some people not repaying</p> <p>(1 mark for each point plus 3 marks for development)                      max 2 marks if no development</p>	(4)

Question Number	Answer	Mark
16(a)(i)	<p>Valid points could include</p> <p>Announces the new air freight service</p> <p>States that it will be between Dubai and London</p> <p>Gives the name of the company</p> <p>States that Air logistics is the tenth biggest carrier</p> <p>Gives the date of the start of the service</p> <p>Mentions that it uses containers</p> <p>(1 mark for each example)</p>	(2)

Question Number	Answer	Mark
16(a)(ii)	<p>Valid points could include</p> <p>Fonts/ colour/ graphics –so that they stand out</p> <p>Embolden some parts of the advertisement –such as the headings</p> <p>Add some persuasive wording or example –such as the word ‘fantastic’</p> <p>Make a comparison with other companies –such as the words ‘no other company can provide such a good service’.</p> <p>Give examples of competitive rates –for example, £200 for any sized container</p> <p>(1 mark for each point plus one mark for development)</p> <p>NB no marks for ‘. . . offer competitive rates.’</p>	(2)

Question Number	Answer	Mark
16(b)	<p>Valid points could include</p> <p>(Nature/ quantity of goods) –if the goods are bulky/ heavy –eg coal – you might need several trucks –or rail within the country –if overseas, low value bulk goods could be carried by ship –but an aircraft cannot be overloaded –so can only carry small quantities</p> <p>(Urgency of goods) –the quickest method has to be used –medical supplies may be needed to be sent by air</p> <p>(Cost of transport) –this is important as transport costs form part of the price that goods will be sold at –firms need to make a profit - air transport is generally more expensive –so the goods will need to be valuable –eg diamonds - to bear the cost of such transport</p> <p>(Safety/ security issues) fragile goods will need careful packaging –less packaging needed by air transport rail transport is not safe for fragile goods –glass - using your own road transport can be the safest –as greater supervision by driver</p> <p>(Reliability of carrier) –essential that goods arrive on time –in good condition –if they are delivered late, production can be disrupted –and customers can go elsewhere</p> <p>(Distance) –road often faster for short distances – sea transport is cheaper for long distances –eg iron ore</p> <p>(1 mark for each point plus two marks for development) (2x3)</p> <p>Note: Maximum of 2 mark if not developed</p>	(6)

Question Number	Answer	Mark
16(c)	<p>Valid points could include</p> <p>Speeds up the transport of goods –because it is mechanised –the containers are unloaded without unpacking the contents –quicker turnaround - with no transshipment involved –and less customs formalities</p> <p>Protect/ secures the goods –from damage –and less theft involved –because goods are in metal containers –which are locked</p> <p>Containers do not have to be warehoused –as the container acts as the warehouse –with the containers being able to be packed on top of each other –saving dock/ airport space</p> <p>A large variety of goods can be packed together – as containers come in different sizes –with bulk cargoes possible –in refrigerated containers</p> <p>(1 mark for a point plus three marks for development) Note: Maximum 1 marks if not developed</p>	(4)

Question Number	Answer	Mark
16(d)	<p>Valid points could include</p> <p>Growth of global economy - high demand for overseas goods –particularly lightweight goods – such as electronics</p> <p>Increased number of airports –making more air routes available –with better facilities at these airports for handling cargo –larger cargo doors on aircraft –and storage facilities</p> <p>The need for speed –particularly for perishables/ valuable goods –that can absorb the costs of air transport</p> <p>More cargo planes available –with greater capacity –more fuel efficient - leading to relative freight charges coming down/ prices are falling</p> <p>(1 mark for each point plus 2 marks for development of each reason) (x2)</p> <p>Maximum 2 points if not developed.</p>	(6)



Question Number	Answer	Mark
17(a)(i)	<p>Valid points could include</p> <ul style="list-style-type: none"> <li>Loudspeaker/ tannoy at matches</li> <li>TV/ radio interviews</li> <li>Telephone conversations/ voice messages</li> <li>Team meetings/ face-to-face</li> <li>Video conferencing/ video calls/ skype</li> </ul> <p>(1 mark for each example)</p>	(2)

Question Number	Answer	Mark
17(a)(ii)	<p>Valid points could include</p> <ul style="list-style-type: none"> <li>To confirm details/ provide more detail –and clarify points - such as length of contract</li> <li>To maintain records –for tax purposes –if involved in a dispute</li> <li>To produce written proof –as evidence –to reduce disagreements/ misunderstandings</li> <li>Need signature –legal requirements –kept for future reference</li> </ul> <p>(1 mark for each point plus 2 marks for development)</p>	(3)

Question Number	Answer	Mark
17(b)	<p>Valid points could include</p> <p>It is instantaneous –the email is sent immediately – gets to the recipient shortly –with the recipient able to reply as soon as possible/ quick feedback – with no need to type in an address</p> <p>Email messages can be stored –until they are needed –making no filing necessary –so it makes it easier to refer back to –as there is no need to look through many documents</p> <p>Messages can be sent all over the world –even in remote parts –as it is 24/ 7 –there is no need for time differences –this will make it much cheaper than sending a letter over long distances</p> <p>There is the advantage of one message send –to a large number of people at the same time –this saves time –as you do not have to write out individual messages –with the possible use of attachments –eg photographs</p> <p>Can create groups –for distribution lists –this saves time, as you have to remember/ gather all the email addresses</p> <p>(1 mark for each point plus 4 marks for development)</p>	(5)

Question Number	Answer	Mark
17(c)	<p>Valid points could include</p> <p>Saves travelling time to meetings –especially over long distances –so that problems such as delays/ jet lag are avoided</p> <p>Cuts down on costs –such as room hire –hotel accommodation</p> <p>Face-to-face communication possible –can see people’s reactions –their body language – compared with telephone/ letter –can give immediate feedback</p> <p>Can be recorded –played back –be reviewed – used as proof</p> <p>(1 mark per point plus 2 marks for development of each benefit)</p>	(6)

Question Number	Answer	Mark
17(d)	<p>Valid points could include</p> <p>Can see at a glance the club fixtures –so that they can plan ahead - the supporters can be kept up-to-date with club information –such as new players</p> <p>Supporters can buy tickets/ merchandise online – no need to go to the ground</p> <p>(1 mark for each point up to 4 marks or 1 mark for each point plus 3 marks for development)</p>	(4)

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