



Mark Scheme (Results)

Summer 2018

International GCSE Commerce
(4CM0/01)

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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, 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	Answer	Mark
1 (a)	<ul style="list-style-type: none"> Guarantee / Bond <p>Accept misspelling and upper and lowercase</p>	(1)

Question Number	Answer	Mark
1 (b)	<ul style="list-style-type: none"> Limited <p>Accept Ltd / ltd Accept misspelling and upper and lowercase</p>	(1)

Question Number	Answer	Mark
1 (c)	<ul style="list-style-type: none"> Hire <p>Accept higher Accept misspelling and upper and lowercase</p>	(1)

Question Number	Answer	Mark
1 (d)	<ul style="list-style-type: none"> Barter <p>Accept Barter trade/barter system Accept misspelling and upper and lowercase</p>	(1)

Question Number	Answer	Mark
2 (a)	<ul style="list-style-type: none"> A short-term/temporary attempt to boost sales (1) e.g. free gifts, vouchers, prizes, point-of-sale, samples, coupons and special offers (1) <p>(1 mark for definition and 1 mark for example)</p>	(2)

Question Number	Answer	Mark
2 (b)	<ul style="list-style-type: none"> A service offered by a retailer or a manufacturer after the product has been sold or to a customer who has bought the product (1) e.g. delivery, installation, maintenance, warranty and repairs (1) <p>(1 mark for definition and 1 mark for example)</p>	(2)

Question Number	Answer	Mark
3	<ul style="list-style-type: none"> £400 divided by 2000 (1) = £0.20 (1) <p>(2 marks for correct answer with 1 mark for correct method but calculation error)</p>	(2)

Question Number	Answer	Mark
4	<ul style="list-style-type: none"> Lack of personal interaction/getting to know the participants May be inconvenient for people in different time zones Confidential documents may still need to be signed in person Technical problems/issues of sound quality/audio delay response Entire room may not be visible if there are a large number of people at one location Cost can be higher for the purchase of Equipment. <p>(1 mark for each disadvantage)</p>	(2)

Question Number	Answer	Mark
5	<ul style="list-style-type: none"> Encourage shoppers to use the credit card at that store giving them a competitive advantage/creates customer loyalty Shoppers are tempted to spend more than they would without the card/impulse buy/increased sales The store gets a record of everything you buy Revenue from late fees/interest The store knows who its regular customers are and can send them targeted advertising <p>(1 mark for each reason)</p>	(2)

Question Number	Answer	Mark
6	<ul style="list-style-type: none"> Credit note Debit note Statement of account Receipt <p>(1 mark for each named document)</p>	(2)

Question Number	Answer	Mark
7	<p>(i) Tertiary Industry</p> <p>Entertainment is classified as a commercial service example in the tertiary industry</p> <p>(ii) Primary Industry</p> <p>Forestry is classified as a non-exhaustive example in the primary industry</p> <p>(iii) Tertiary Industry</p> <p>Healthcare is classified as a commercial service example in the tertiary industry</p> <p>(iv) Primary Industry</p> <p>Quarrying is classified as an exhaustive example in the primary industry</p> <p>(1 mark for each industry correctly matched)</p>	

Question Number	Answer	Mark
8	<ul style="list-style-type: none"> Night safe <p>Accept misspelling and upper and lowercase</p>	(1)

Question Number	Answer	Mark
9	<ul style="list-style-type: none"> Exports become cheaper/increase demand for exports Imports become more expensive/decrease demand for imports Improve the balance of payments <p>(1 mark for each effect)</p>	(2)

Question Number	Answer	Mark
10	<ul style="list-style-type: none"> Instruction to bank Regular/monthly payment Fixed amount payment/bank cannot vary <p>(1 mark for each feature)</p>	(2)

Question Number	Answer	Mark
11	<ul style="list-style-type: none"> • Creating/designing the advertisement • Producing the advertisement • Placing the advertisement • Carrying out market research • Account planning • Advise on the best media to use • Buying advertising/media space <p>(1 mark for each function)</p>	(3)

Question Number	Answer	Mark
12	<ul style="list-style-type: none"> • The risk cannot be assessed/mathematically calculated • There are no past records • Cannot calculate/fix a premium <p>(One mark for each reason)</p>	(2)

Question Number	Answer	Mark
13	<p>It speeds up the time customers can check out (1) rather than dealing with long queues that get backed up by customers waiting to pay (1) The supermarket can reduce/reallocate staff / e.g shelf stacking (1) cut costs/save on wages (1)</p> <p>(1 mark per reason how plus up to three marks for explanation)</p>	(4)

Question Number	Answer	Mark
14 (a)	<ul style="list-style-type: none"> Owned by the state/government Often run not-for-profit Financed by the taxpayer Provides essential services <p>(1 mark for each feature)</p>	(1)

Question Number	Answer	Mark
14(b)	<ul style="list-style-type: none"> Percentage unemployed = $100 - (35 + 55) = 10\%$ (0.10) (1) <p>Total working population = 27 million Number of unemployed = 27 million \times 10% (0.10) = 2.7 million/2,700,000 (1)</p> <p>(2 marks for correct answer with 1 mark for correct method but calculation error)</p>	(2)

Question Number	Answer	Mark
14 (c)	<ul style="list-style-type: none"> Provide essential industries/services (1) such as road cleaning/police (1) will not be provided by the private sector (1) Greater co-ordination/planning (1) leading to less duplication (1) greater efficiency (1) Charge lower prices (1) as profit not the main motive (1) accessible to low income families (1) Provide employment (1) the chart shows over a 1/3 / 9.45m (1) thereby reducing unemployment figures (1) <p>(1 mark for an advantage plus 2 marks for development)</p>	(3)

Question Number	Answer	Mark
15 (a) (i)	<ul style="list-style-type: none"> • Name of partnership • Objectives of partnership • Nature of the business • Duties/role of each partner • Amount of salary to be paid to each partner • Witnesses • Place of business • Signatures • Share of profits • Interest on capital • Partners can be added <p>(1 mark for each item)</p>	(2)

Question Number	Answer	Mark
15 (a)(ii)	<ul style="list-style-type: none"> • A person who takes no active part in the partnership/has no voting powers/takes no part in decision-making (1) but who supplies capital (1) <p>(1 mark for the role plus 1 mark for development)</p>	(2)

Question Number	Answer	Mark
15 (a)(iii)	<ul style="list-style-type: none"> • It is legally binding on the partners (1) so that they how to act/ behave according to the deed of partnership provisions (1) is evidence/proof of agreement/can be referred to (1) and to prevent is understanding/solve disputes (1) <p>(1 mark for why plus 3 marks for development)</p>	(4)

Question Number	Answer	Mark
15 (b)	<ul style="list-style-type: none"> • Limited number of partners allowed (1) 2-20 (1) cannot raise large amounts of capital/large businesses require large amounts of capital (1) making it difficult to expand (1) • Lack of continuity (1) to build up over a long period (1) if business ends (1) on death of a partner (1) • Risk too great (1) because of unlimited liability (1) can lose capital invested (1) and personal possessions (1) • Funds cannot be raised by public subscription (1) through selling of shares (1) on stock exchange (1) limiting the amount of capital available (1) <p>(1 mark for reason plus 3 marks for explanation)</p>	(4)

Question Number	Answer	Mark
15 (c)	<p>Valid points could include:</p> <p>Advantages of selling assets – do not have to borrow money, no interest paid, assets not being used anyway Disadvantages of selling assets – may not raise enough money, may not have any spare assets to sell, loses potential revenue from assets</p> <p>Advantages of a bank loan – paid back in fixed instalments, fixed rate of interest so can budget for it, bank does not have any ownership control or any profits Disadvantages of a bank loan – interest has to be paid, can be high, issue of losing collateral security if loan not repaid, can be difficult to obtain and a long process to receive the loan</p> <p>The final decision will depend on whether they have sufficient assets to sell or can afford bank loan repayments from current revenue</p> <p>(3 marks for assets, 3 marks for bank loan and 2 marks for judgement/conclusion)</p> <p>Note if only one option considered max 5 marks.</p>	(8)

Question Number	Answer	Mark
16 (a)	<ul style="list-style-type: none"> • It will cut out the middleman (1) and as they are saving the wholesaler costs (1) it will increase their own profit (1) • It will allow manufacturers to control the whole operation (1) promote their products more/have brand control (1) not subject to third party delays (1) • Quicker access for goods to the market (1) compared to competitors/rivals (1) leading to increased sales (1) • Improves relations with customers (1) increasing customer loyalty/direct customer feedback (1) leading to increased sales (1) • Manufacturers receive the cost of the product directly (1) has no third party involved (1) revenue is received more quickly (1). 	(3)

Question Number	Answer	Mark
16 (b)	<ul style="list-style-type: none"> • May restrict customer choice/limit variety (1) as retailers stock a wide range of goods from different manufacturers (1) so customers will be left choosing a narrower range of products (1) • Customers will have less shops/outlets to look at goods located near them (1) will have to travel further for goods/rely on internet selling (1) increase their travel costs/less personal service/advice (1) • Customers would have to buy in bulk (1) as manufacturers do not break bulk (1) increasing cost to customer (1) <p>(1 mark for disadvantage plus up to 2 marks for development)</p>	(3)

Question Number	Answer	Mark
16 (c) (i)	<ul style="list-style-type: none"> Wholesaler pays manufacturer promptly/with cash (1) reducing the amount of working capital required by the manufacturer (1) the manufacturer will therefore have a regular inflow of cash (1) to buy stock/use as working capital (1) Provides the retailer with a wide choice of goods from a range of manufacturers (1) thereby allowing consumers to have a greater choice of goods (1) enabling the small retailer to compete with larger retailers (1) so that consumers can get their goods at their nearest small store (1) <p>(1 mark for the role plus 3 marks for explanation of 'why' it is important)</p>	(4)

Question Number	Answer	Mark
16 (c) (ii)	<ul style="list-style-type: none"> Increasing size of large scale retailers (1) who perform many of the functions of wholesalers themselves (1) and can afford to bulk buy directly from manufacturers (1) this leads to negotiating better prices/terms (1) Declining number of small-scale retailers (1) due to the increase in large supermarkets opening (1) leading to difficult trading conditions/losses/closures (1) with less small retailers, wholesalers have fewer customers (1) <p>(1 mark for reason plus 3 marks for explanation of 'why' it is important)</p>	(4)

Question Number	Answer	Mark
16 (d)	<ul style="list-style-type: none"> • The overseas agent will save a business time/money (1) as there is no need to recruit/train new employees (1) to travel long distances/provide accommodation (1) as agents will collect payment/making contracts for the business/ guaranteeing payment (1) which will solve the problem of not being sure whether they will receive payment from an unknown customer (1) • The overseas agent will have greater knowledge of the market that they want to sell to (1) they will have already established relationships with potential buyers (1) this will reduce risk of failure (1) as this would be impossible for inexperienced agents based in the UK to do (1) and would take time to find new markets/prospective buyers in another country (1) <p>(2 marks for advantages plus 4 marks for explanation) Mb 3 marks maximum per each advantage</p>	(6)

Question Number	Answer	Mark
17 (a) (i)	<ul style="list-style-type: none"> Specialisation is concentrating on one task or process (1) e.g. cutting/sewing/putting on buttons/folding/packing (1) <p>(1 mark for definition and one mark for example)</p>	(2)

Question Number	Answer	Mark
17 (a) (ii)	<p>Advantages:</p> <ul style="list-style-type: none"> Worker becomes more skilled (1) can increase piece rate wages/bonus payments (1) May reduce manual effort (1) using machinery (1) Jobs take a shorter time to learn (1) so training for a new job is easier for workers (1) <p>Disadvantages:</p> <ul style="list-style-type: none"> May lead to boredom (1) become less motivated (1) Fewer skills (1) to transfer to other jobs (1) Less job satisfaction (1) as only responsible for part of job (1) <p>(1 mark for each advantage/disadvantage plus 1 mark for explanation of each advantage/disadvantage)</p>	(4)

Question Number	Answer	Mark
17 (b)	<ul style="list-style-type: none"> Internet/online shopping Television shopping Telephone/call shopping Social media e.g. facebook <p>(1 mark each way x 2)</p>	(2)

Question Number	Answer	Mark
17 (c) (i)	<ul style="list-style-type: none"> Allows name/logo to be used in advertisement/clothes (1) helps customers to identify a product (1) Customers will remember the brand from the message in the advertisement (1) <p>(1 mark for 'how' plus 2 marks for explanation)</p>	(3)

Question Number	Answer	Mark
17 (c) (ii)	<ul style="list-style-type: none"> Will make packaging easily recognizable/attractive (1) being used in advertisements based on colour/shape/pictures/information (1) customers will remember the product from the packaging shown in the advertisement (1) <p>(1 mark for 'how' plus 2 marks for explanation)</p>	(3)

Question Number	Answer	Mark
17 (d)	<ul style="list-style-type: none"> The directors of Sgar must ensure the customers receive value by manufacturing quality garments that do not shrink or contain hazardous fibers/chemicals likely to cause irritation/skin rash consumer protection will increase their costs and if Sgar do not consider consumer protection important, then their reputation will be damaged and this will eventually lead to a decrease in sales revenue, the possibility of legal action and negative publicity for the brand <p>(Up to 4 marks for analysis of importance of consumer protection and up to 2 marks for judgement/conclusion)</p>	(6)

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