



Mark Scheme (Results)

January 2019

Pearson Edexcel International GCSE
Commerce (4CM0/01)
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, 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"> • Division <p>Accept any recognisable spelling Accept with either upper or lower case</p>	(1)

Question Number	Answer	Mark
1 (b)	<ul style="list-style-type: none"> • Purchase <p>Accept any recognisable spelling Accept with either upper or lower case</p>	(1)

Question Number	Answer	Mark
1 (c)	<ul style="list-style-type: none"> • Current <p>N.B Accept Currant Accept any recognisable spelling Accept with either upper or lower case</p>	(1)

Question Number	Answer	Mark
1 (d)	<ul style="list-style-type: none"> • Sale • Do Not accept After Sales <p>N.B Accept Sales Accept any recognisable spelling Accept with either upper or lower case</p>	(1)

Question Number	Answer	Mark
2 (a)	<ul style="list-style-type: none"> Collection of first-hand/original information (1) e.g. questionnaires, interviews, focus groups, observation, product sampling, consumer panels, experiments (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"> Looking at second-hand information already collected/published (1) e.g. website, newspaper article, government publications, sales records (1) <p>(1 mark for each definition and 1 mark for example)</p>	(2)

Question Number	Answer	Mark
3	<ul style="list-style-type: none"> £5 500 - £1 100 (£5 500 x 20% divided by 100 = £4 400 (1)) £4 400 - £220 (5% divided by 100) = £4180 (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"> Need for trans-shipment/not door-to-door Inflexible/need to run to a timetable Many countries/areas have no rail system/not accessible in remote areas More expensive than other methods over shorter distances <p>(1 mark for each disadvantage)</p>	(2)

Question Number	Answer	Mark
5	<ul style="list-style-type: none"> • Large quantities of goods are broken into smaller quantities that retailers want • Saves the retailer expense of keeping large stocks • Saves storage space at retailer's shop • Manufacturers may not supply small retailers with small amounts of stock • Retailers will be able to try new lines in smaller quantities to see if successful 	(2)

Question Number	Answer	Mark
6	<ul style="list-style-type: none"> • Storing produced goods • Storing seasonal goods <p>(1 mark for each way)</p>	(2)

Question Number	Answer	Mark
7	<p>(i) Seller</p> <p>(ii) Buyer</p> <p>(iii) Seller</p> <p>(iv) Buyer</p> <p>(1 mark for each type correctly matched)</p>	(4)

Question Number	Answer	Mark
8	<ul style="list-style-type: none"> • Teleconferencing/Tele-conference/Teleconference <p>Accept any recognisable spelling</p>	(1)

Question Number	Answer	Mark
9	<ul style="list-style-type: none"> • Affluence/wealth • Physical attraction • Hero worship/celebrity • Ambition/status <p>(1 mark for each suggestion)</p>	(2)

Question Number	Answer	Mark
10	<ul style="list-style-type: none"> • Owned by the state/government • Financed by taxes/government borrowing • Created by Act of Parliament • Accountable to Parliament • Board appointed by Government Minister • Has separate legal entity • Set up to provide an essential service <p>(1 mark for each feature)</p>	(2)

Question Number	Answer	Mark
11	<ul style="list-style-type: none"> • Mail order/ catalogues • Television shopping/teleshopping/ telesales • Telephone shopping • Online shopping/internet shopping • Party selling • Door-to-door selling <p>(1 mark for each type)</p>	(3)

Question Number	Answer	Mark
12	<ul style="list-style-type: none"> • letters of credit/documentary credit • bank draft • credit guarantees • bill of exchange • Credit checking • Electronic transfer • Cash on delivery 	(2)

Question Number	Answer	Mark
13	<ul style="list-style-type: none"> • Advertising material such as the brand name (1) is placed on the cereal box (1) making the brand name stand out/promote brand image (1) if there was no cereal box in the advertisement, the brand name would have to be put elsewhere (1) • The cereal box will be shown on advertising media (1) e.g. television (1) with attractive design/colour (1) to persuade customers to buy (1) • The advertising material can include information (1) e.g. ingredients (1) make parents think that it is a healthy choice of meal (1) and buy for their children (1) <p>(1 mark per point plus 3 marks for development)</p>	(4)

Question Number	Answer	Mark
14 (a)(i)	<ul style="list-style-type: none"> The ability to withdraw more money from an account than is in it (1) 	(1)

Question Number	Answer	Mark
14 (a)(ii)	<ul style="list-style-type: none"> A variable payment or Payment set up by the creditor (1) 	(1)

Question Number	Answer	Mark
14 (b)	<ul style="list-style-type: none"> Computerised/online transfer of money from one account to another. 	(1)

Question Number	Answer	Mark
14 (c)	<ul style="list-style-type: none"> Fewer bank branches required (1) leading to branches closing (1) lower building costs (1) Reduced costs (1) as more ATMs/self-service machines replacing staff/customer are back from home (1) reducing number of staff required (1) Able to offer customers service 24/7 (1) which will be more convenient to customers (1) leading to the bank having more satisfied customers (1) 	(3)

Question Number	Answer	Mark
15 (a)(i)	<ul style="list-style-type: none"> • $50,000 \times 5\% (1) = \text{£}2\,500 (1)$ <p>(2 marks for correct answer with 1 mark for correct method but calculation error)</p>	(2)

Question Number	Answer	Mark
15(a)(ii)	<ul style="list-style-type: none"> • $\text{£}245\,000 - \text{£}2\,500 (1) = \text{£}242\,500 (1)$ <p>(2 marks for correct answer with 1 mark for correct method but one calculation error)</p> <p>NB Allow $\text{£}2.42$ per share NB Allow OFR</p>	(2)

Question Number	Answer	Mark
15 (b)	<ul style="list-style-type: none"> • There is a fixed percentage dividend paid on preference shares (1) whereas there is a variable dividend paid on ordinary shares (1) thereby giving the preference shareholder more certainty of dividend payment (1) and less risk (1) • Preference shares have priority in receiving their dividends first (1) ordinary shares only receive their dividends after preference shareholders (1) thereby there is more security for preference shareholders of receiving their dividend (1) making this a more attractive investment (1) • There are voting right for ordinary share holder (1) so they have a say in the management of the company(1) preference Shareholder do not have voting right (1) have no say in company operation (1) <p>(1 mark for each point plus 1 mark for development of each difference)</p>	(4)

Question Number	Answer	Mark
15 (c)	<ul style="list-style-type: none"> • Capital raising (1) ready market for company shares (1) companies can gain long-term capital (1) from a wide range of investors (1) • Evaluation of securities (1) companies can know the true worth of their company at any time (1) can compare it with other companies in the same sector (1) can gauge the risk of being taken over (1) <p>(1 mark per point plus up to 3 marks for development)</p>	(4)

Question Number	Answer	Mark
15 (d)(i)	<ul style="list-style-type: none"> • Stock broker/licensed dealer (1) by telephone/online/visit (1) <p>(1 mark per point plus 1 mark for development)</p>	(2)

Question Number	Answer	Mark
15 (d)(ii)	<ul style="list-style-type: none"> • Gaining any dividends/increase in sale value will depend on the company performing well (1) if a company makes a loss (1) there will be no dividend (1) the share price could then fall (1) making the shares less valuable/worthless (1) and investors would not get the full amount invested returned (1) <p>(1 mark for each point plus 5 marks for development)</p>	(6)

Question Number	Answer	Mark
16 (a)	<ul style="list-style-type: none"> • Employers' liability covers the business against claims by employees/ pay compensation to employees (1) as a result of accident/injury whilst working for the business(1) <p>(1 mark per point plus 1 mark for development)</p>	(2)

Question Number	Answer	Mark
16 (b)	<ul style="list-style-type: none"> It is a non-insurable risk (1) as business failure cannot be calculated (1) so the premium cannot be set (1) as the business failure may be caused by owners' bad management (1) 	(4)

Question Number	Answer	Mark
16 (c)(i)	<ul style="list-style-type: none"> £3 000 000 divided by 750 (1) = £4 000 (1) <p>(2 marks for correct answer with 1 mark for correct method but one calculation error)</p>	(2)

Question Number	Answer	Mark
16 (c)(ii)	<ul style="list-style-type: none"> Salaries/wages/transport/electricity/rent 	(1)

Question Number	Answer	Mark
16 (c)(iii)	<ul style="list-style-type: none"> Profit/gross profit/net profit/retained profit 	(1)

Question Number	Answer	Mark
16 (d)	<ul style="list-style-type: none"> Premiums are calculated according to the size of the insurance pool/ the bigger the pool, the smaller the premium to be charged(1) the pooling of risk means that the fortunate, who do not have to make claims for compensation (1) help the unfortunate who do have to make claims (1) so there needs to be enough money in the insurance pool to cover the claims (1) <p>(1 mark per point plus 3 marks for development)</p>	(4)

Question Number	Answer	Mark
16 (e)	<ul style="list-style-type: none"><li data-bbox="467 319 1149 613">• Utmost good faith means you must tell the truth (1) and give all material facts or relevant information that might affect your claim (1) such as a medical condition (1) withholding this information would have affected the premium paid (1) and will make the contract null and void (1) and no compensation will be received for the loss/claim made (1) <p data-bbox="418 613 1149 646">(1 mark for each point plus 5 marks for development)</p>	(6)

Question Number	Answer	Mark
17 (a)	Goods (1) sold to other countries (1) (1 mark per point)	(2)

Question	Answer	Mark
17 (b)	<ul style="list-style-type: none"> Large quantities of bus parts can be imported (1) in sealed/locked/secure containers (1) preventing theft/damage (1) thereby reducing packing/insurance costs (1) (1 mark for each point plus 3 marks for development)	(4)

Question Number	Answer	Mark
17 (c)	<ul style="list-style-type: none"> Many countries have to import goods they need (1) because they do not have the necessary resources (1) therefore countries specialise in goods where they have a natural advantage (1) which goods they then export to other countries (1) (1 mark for why plus 3 marks for development)	(4)

Question Number	Answer	Mark
17 (d)	<ul style="list-style-type: none"> A trading bloc is a group of countries (1) who have made a free trade agreement/no tariffs paid on trade between them (1) 	(2)

Question Number	Answer	Mark
17 (e)	<ul style="list-style-type: none"> • Duties/tariffs may be imposed on the exported buses to new countries. Therefore, making the goods more expensive, so their profit margin may not be as great. If there are quotas involved there may be restrictions on the number of buses that are exported, so that they may not be able to fulfil demand. • In addition, E19 may have to overcome the difficulties involved in fluctuating currency rates of these new countries. This could mean E19 selling buses at a loss. • There may be extra transport costs of exporting the buses to countries that may be further away from E19's base. • Buses may have different specifications concerning design in these new countries. This may cause additional work for designers and production workers and raise costs. • E19 may not want to jeopardize its present markets and may decide not to expand its exports at this point in time because it deems difficulties too great to overcome profitably. <p>(1 mark for each difficulty and up to 3 marks for development)</p>	(8)