Examiners' Report
Principal Examiner Feedback

November 2021

Pearson Edexcel International GCSE
In Commerce 4CM1/02

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PE REPORT ON GCSE INTERNATIONAL COMMERCE 4CM1 02 – November 2021

GENERAL COMMENTS

Candidates appeared to have found the paper accessible and were able to complete the paper in the given time. Candidates were well prepared and able to apply their knowledge, analyse and evaluate to answer many of the questions. However, a significant number of candidates continued to struggle with the 'State' questions and therefore lost the available 2 marks for these questions. Sadly a significant number of candidates also failed to offer reasonable definitions of business terms and therefore lost easily available 1 marks on these questions.

Many candidates had gained a great deal of commercial understanding from studying the course and this was apparent in the answers given. However, there are a number of candidates who are answering the questions detailing their knowledge of the topic without giving any application, analysis or evaluative comments. This does restrict the candidates' access to the full range of marks.

Generally, though, the range of scenarios throughout the paper of real life commercial operations appeared to be of interest to the candidates and this enabled them to demonstrate their knowledge and understanding of the questions quite easily. Higher marks were achieved with analysis of that application and then evaluation of their arguments.

The mark scheme includes the Assessment Objectives to help in the preparation of candidates for future examinations. Just to reiterate, that all four of the Assessment Objectives (AO's) are covered throughout the paper and the percentage breakdown of each AO can be seen on page 31 in the Specification. Also, on page 44 of the Specification, are examples of the command words used. For example in question 1e(i) and 1e(ii) the command word is 'State' which requires AO2 responses so is looking to find that the answer first demonstrates the knowledge and understanding of the question posed but importantly that this is then applied to the case study. When seeking this application, candidates need to remember that they must avoid just repeating words and phrases in the question. In Q4c, the command word is "Evaluate" and there are marks available for all four of the Assessment Objectives which means this question is very accessible to all students.

It is important that candidates consider the marks allocated for each question. The marks given provide guidance on the amount of detail they need to answer the question.

It is also worth mentioning, that the examination paper is marked using the online 'ePEN' system, therefore candidates must indicate if they have continued their answer somewhere else on the paper or have added additional sheets. Although many candidates did follow this information there were still a number who did not. For those candidates that used additional paper, their response to the questions must be clearly identified on the paper. Sufficient lines are given for candidates to answer questions. It is also important that candidates clearly label the additional pages to show their details and which question they are continuing to answer.

Questions can be taken from any part of the specification, therefore centres should ensure that all sections are covered so that they do not disadvantage any candidates. From the work seen it appeared that some candidates had not covered the full specification.

COMMENTS ON INDIVIDUAL QUESTIONS

SECTION A - Question 1

In part 1 a – well answered. 81% of candidates identified that a mortgage is a long term source of finance.

In part 1 b – slightly disappointing as only 68% of candidates recognise that a pipeline is the most suitable way to transport a large amount of oil. Of those who gave an incorrect answer, the majority suggested a ferry would be the most suitable.

In part 1 c – candidates had to define the term advice note. Almost 57% were able to demonstrate understanding of this document. Incorrect answers were wide ranging with reference to other trade documents or restricted to a form of communication with customers.

In part 1 d –candidates had to define leasing. 57% recognised that this was a form of renting an asset. Others confused this with achieving ownership of the asset.

In part 1 e(i) – this was the first 'State' question, where candidates must relate their response to the scenario. Candidates had to identify a benefit to *H&M* area managers of having the minutes from a meeting between store managers. Whilst most candidates could identify a benefit, only 5% remembered to introduce application to link this back to *H&M* retailers which was reasonably straightforward to achieve by simply mentioning fashion or fashionable clothing.

In part 1 e(ii) - this is the second 'State' question where candidates must relate their response to the scenario. Only 7% gained the mark available. Although from the responses seen candidates were able to suggest ways in which *H&M* could promote its product in countries where it does not have stores by its website, very few were able to relate this to application such as referring to fashion.

In part 1 e(iii) – candidates were required to calculate, to two decimal places, *H&M*'s profit margin in Sweden. Over 75% of students were able to calculate the margin but 8% of these lost one mark by not correctly adjusting to 2 decimal places. It is worth reminding candidates that it is always good practice to show their workings so that they can achieve at least one of the two marks available. In this case, it is also worth reminding students how to correctly round a figure to two decimal places to gain the second mark.

In part 1 f – an explain question where candidates are required to offer an advantage for a customer of using a credit card to pay for products. It is important that candidates understand that this is asking for an advantage which then needs to be developed to explain how it is an advantage and the advantageous consequence of using a credit card to pay for products. Whilst more than 80% were able to gain two of the three marks, only 39% achieved the full 3 marks, usually because there was insufficient development. The advantage was usually identified as being able to buy now and pay later and a development was often that this meant the customer could buy some products they would not otherwise be able to afford. Too many therefore lost the development of paying back later could be interest free if customers paid on time. Of the 18% of students who did not achieve any marks, it is worth noting that some confused this with a credit note and others offered advantages to a business rather than a customer.

In part 1 g – candidates were asked to explain one reason why informative advertising can be used to increase sales. Candidates generally found this quite challenging. Whilst 91% could offer a valid reason and gain 1 mark, only 42% were able to develop this to gain the full 3 marks. The most common valid reason was to support the launch of a new and unfamiliar product with detailed information. This offered opportunities for development such as, the consumer may be therefore able to understand how this product can be useful to his or her lifestyle and this provides the confidence to buy the new product.

In part 1 h – this is the first question in the paper which is marked by levels. To gain the marks available candidates needed to apply the information and then analyse it. 49% of candidates achieved Level 2 indicating sound analysis but lacking detail or application. 7% of candidates achieved Level 3 marks by providing that detail and application. However, 42% of candidates achieved only Level 1 so this would often indicate some basic understanding without application or detail. It is worth noting that it is often easier for candidates to achieve the higher marks if they offer two reasons rather than one as sometimes they have trouble in achieving sufficient detail with just one reason or one way. The question required a response analysing why being able to pay for purchases using *WeChat Pay* on mobile phones could help fashion retailer *H&M* increase sales in China. Often the responses did start to offer a way it could help but were not detailed in how this could help *H&M* improve sales in China. For example there was often reference to being able to play games at the same time and chat to friends but this was not then sufficiently detailed in development perhaps by referring to the ease of switching to look at *H&Ms* fashions or the ease of payment without interrupting the interaction with their friends, the opportunity of discussing options with friends, sharing reviews after purchasing, and then crucially linking this back to how this could then tempt more buyers and increase sales for *H&M* in China.

Question 2

In part 2 a – a multiple choice question where over 96% of candidates identified that Central Bank has the role of managing the money supply of a country.

In part 2 b – a multiple choice question where over 98% of candidates identified that a cold storage warehouse was the most suitable type of warehouse for an ice cream business.

In part 2 c(i) – 98 % of candidates identified that road was the most used form of transport.

In part 2 c(ii) – again candidates had to refer to figure 2 and identify what percentage of freight was carried by inland waterway and 98% of candidates correctly responded that this was 4.1%.

In part 2 d – a define question where candidates were asked to define inventory turnover. Sadly only 30% of candidates showed understanding of this term. Many simply defined inventory.

In part 2 e – this question was 'explain' hence candidates did not need to put it in context. This was answered well. 55% of candidates understood the function of a credit note but the majority of these gained 2 marks of the 3 marks available with insufficient development.
45% of candidates did not understand the function of a credit note and many of these confused it with a credit card.

In part 2 f – this question was answered well with over 80% of the cohort gaining 2 or 3 marks. As it was another 'explain' question candidates did not have to put it in context. From the responses seen many candidates understood the reason why a business in different countries might use videoconferencing was that discussions between colleagues could take place online thus saving travel costs with no need to travel to a single venue.

In part 2 g – again this is a question that is marked by levels so candidates are required to apply, analyse and evaluate in their responses and will be rewarded holistically on how well they do this. No marks are available just for knowledge. Candidates had to choose between
two finance options, increasing the price per night for a lodge or providing additional facilities for guests, that would best help *Center Parcs* achieve their aim of increasing their profit.
This question does carry some quantitative skills marks so the top of Level 3 is difficult to achieve without some basic use of the financial information and occupancy data provided in order to demonstrate detailed interconnected points and thorough evaluation. Almost 62% of candidates achieved Level 2 marks so offered some sound analysis and evaluation of the situation where *Center Parcs* already has a 97% occupancy rate which is very high so increasing prices just a little might prove the simplest way to increase profit. However, there were also some very good and insightful answers of the ways in which *Center Parcs* could improve its facilities to attract more guests but to gain L3 marks these had to refer back with some detail to how these facilities would increase profits.

SECTION B - Question 3

In part 3 a – 87% of the candidates gained the mark for identifying an agenda as a document that lists items to be discussed at a business meeting.

In part 3 b –Again very well answered. Over 94% of candidates identified that *IAC* keeps its inventory in its warehouse to meet seasonal demand as the growing season changes.

In part 3 c – a state question where candidates had to give one way in which a bank could support *IAC* when receiving payments from the UK. This requires an applied response which some students achieved with reference to the exchange of currency from pounds to rupees. It is worth encouraging students to look again at the stem of the question for application to include in their response as sadly many lost this mark although they clearly understood that a bank could support *IAC* by exchanging currency but failed to add the application of rupees and pounds. 28% of candidates did achieve the mark.

In part 3 d – candidates had to calculate some missing figures from a Statement of Account. The majority of students were able to calculate the first figure which was the subtotal of the amount due, a significant number did not achieve the second mark. This may be because they were unfamiliar with what an opening balance is.

In part 3 e – candidates were asked to analyse how the trade organisation *PFVA* can help *IAC* expand in Europe. 33% of candidates achieved Level 2 marks with interconnected point s and chains of reasoning. Over 5% achieved Level 3 marks. It is worth repeating that many Level 2 candidates would benefit from trying to provide two ways in which *PFVA* can help as this does seem to achieve the detail required more easily. The best answers concentrated on the ability to provide advice and assistance rather than negotiate tariffs. A significant number remained in level 1 with very little application to *PFVA*.

In part 3 f – again another 9-mark option question where candidates had to justify which one of the two options would be more suitable for *IAC* to use as an aid to raise awareness of its new shop, *Go4Fresh*. The choices were either to offer free gifts and samples or advertise in local cinemas.
This question was answered well with 18% of candidates gaining Level 3 marks with detailed interconnected points and chains of reasoning. Another 66% gained Level 2 marks. Some candidates lost marks for failing to connect their answers back to how their suggestions would achieve the aim of improving awareness of the shop. Many candidates were able to offer a comparison as one way of achieving detailed evaluation.

SECTION C - Question 4

In part 4 a – candidates are required to outline one reason why *ADE* may use email to communicate with its customers. The command outline requires that the response is applied. Two marks are available. Many achieved 2 marks by recognising that *ADE* had customers in a number of different regions and email allowed them to contact them all 24/7. Application was usually achieved with reference to equestrian clothing.

In part 4 b – this was well answered with 19% of candidates achieving a Level 3 and 57% achieving Level 2. This was an analysis question requiring application and analysis of why *ADL* uses *DHL* for delivery of its clothes to customers in other countries. Many candidates were able to gain application by referring to the *DHL*'s history and reputation and that ADE does not have its own fleet of transport currently. Most candidates were able to argue that outsourcing this part of its operations allows *ADE* to concentrate on the operation of designing and selling the equestrian clothing.

In part 4 c – It is worth pointing out to candidates that this question does carry the most marks and they should allow sufficient time to answer it with all four of the Assessment Objectives being covered.

Candidates were asked to evaluate how the use of her own capital to launch her business has helped Jordan McCabe to become so successful. 90% of candidates were able to gain some marks. Most candidates were able to offer some knowledge of the benefits of owners' capital but too many did not then analyse this knowledge and so restricted themselves very often to Level 1 and Level 2. Evaluation was varied but stronger responses were able to recognise the importance of the freedom this capital provided in allowing Jordan McCabe to have control of her designs and marketing strategies but understand that the limitation of the capital may have restricted the growth of the business which might have been avoided with the use of other forms of long-term finance. It is worth remembering that as the question was about owners' capital, these issues must be included in order to reach high Level 2 and Level 3. Too many candidates moved on too quickly from offering knowledge of owners' capital to argue why other forms of capital might also have helped and whilst these arguments are valid, it is difficult to achieve detailed and logical interconnected chains of reasoning without the analysis of owners capital.

Some candidates offered lengthy responses and continued on additional paper, which is perfectly acceptable, please ensure that all candidates do include the centres details and the candidates name and their number on these additional sheets.