Examiners' Report
Principal Examiner Feedback

Summer 2022

Pearson Edexcel International GCSE
In Commerce (4CM1)
Paper 02R Facilitating commercial operations

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General

Candidates found the paper accessible and were able to complete it in the given time. Most candidates were able to apply their knowledge, analyse and evaluate to answer the questions. However, several candidates struggled with the 'State' 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 some candidates who are answering the questions detailing their knowledge of the topic without giving any application, analysis or evaluative comments when the question is analyse or justify. This restricts the candidates' access to the full range of marks. The various scenarios throughout the paper are of real-life commercial operations, which perhaps interested the candidates and meant that they were able to relate their comments more easily to the questions.

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 2 (g) and 3 (f) the command word is 'Justify' and candidates are asked to write an extended answer, using information provided in order to recommend one of the two options to a commercial operation.

It is important that candidates consider the marks allocated for each question, giving them 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. The examiner may not realise that a candidate has continued writing somewhere else on the paper unless it is made clear. 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 which question they are continuing with. Examiners are unable to guess if a candidate has continued the answer somewhere else. Candidates must clearly indicate by using 'continued', 'contd page ….' or 'see separate sheet'.

There are also some candidates who do not follow the instructions of the examination paper, for the multiple choice questions candidates are given the instruction to mark an

'X' in the box. There are some candidates who are using 'ticks' which may not be picked up as the questions are marked by computer.

Report on individual questions

Section A

Question 1
In part 1 a – the majority of candidates gained the mark for identifying which trading document would be received before an order.
Candidates should be reminded that if they do make a mistake when answering a multiple choice question, they should put a line through the wrong answer and an 'X' through the correct response. A candidate that marks two answers will not gain any marks.

In part 1 b – a multiple choice method of transport question answered correctly by almost all candidates.

In part 1 c – a define question, candidates had to define the term dividend. Many candidates did not gain the mark for this question as they failed to define it as a payment to shareholders from profit rather than just a payment to shareholders.

In part 1 d – again another define question where candidates had to define credit guarantee. This was not understood to be an aid to export by candidates with a majority not gaining the available mark.

In part 1 e (i) – This is the first 'state' question. The majority of candidates did not achieve the mark as the responses often included a good valid benefit to Anna of opening a current account at her bank but lacked the necessary application such as a reference to bananas. It is worth reiterating to candidates to note the command word 'state' requires application in the answer and this must be given without using a term in the question.

In part 1 e (ii) - this is the second of the 'State' questions where candidates must relate their response to the scenario. As in previous series, only a low proportion of the candidates gained the mark available. Although from the responses seen, many candidates could offer one way an overdraft may have helped Anna meet her extra costs, most failed to apply this to the question by perhaps referring to possible extra costs such as extra fruit or vegetables for sandwich fillings etc.

In part 1 e (iii) – this is the first calculation question. Candidates had to calculate the interest the truck driver would have to pay at 2%. A high percentage achieved the mark for this question but a significant number calculated 102% rather than 2%. Candidates should be encouraged to show their workings as this may help them gain at least one of the available 2 marks for a partial calculation.

In part 1 f – this is the first 'explain' question. Many candidates could have developed their answers more to gain the full 3 marks available. Most candidates were able to offer one benefit to a business of offering credit sales to its customers. Most of the cohort however did not fully develop their response to gain the 3 marks. Some students only offered one development so gained 2 marks. A few were able to develop and explain why this was a benefit by providing two developments to explain why the benefit offered was advantageous to the business or two developments of how this was a benefit. This gained 3 marks. Those who gained zero marks usually offered a benefit to the customer rather than the business. Some students offered a list of 3 benefits so were restricted to 1 mark as the further 2 marks must be for an explanation. 'Explain' questions are AO1 questions and do not require application.

In part 1 g – candidates are asked to explain one way a warehouse might help a business achieve price stability for its goods. The majority of the cohort were able to achieve 1 or 2 marks but few developed the answer sufficiently to achieve 3 marks.

In part 1 h – this is the first question in the paper which is marked by levels. Candidates needed to analyse how refrigerated container ships may help the cooperative achieve the best profit from its European sales. To gain the marks available candidates had to apply the information and then analyse it. The majority of the cohort could relate to Anna's bananas needing to be kept fresh to make the sea crossing and achieved Level 2 or Level 3 marks. More level 3 marks could have been achieved if candidates had offered more detail by offering 2 applied reasons and analysis or by providing more detail to the analysis of just one applied reason.

Question 2
In part 2 a – a multiple choice question where candidates must identify documentary credit as a method of payment that provides security for importers and exporters that payment will be made. Only a minority of candidates were able to gain this mark.

In part 2 b – a multiple choice question where candidates had to identify a business which would use a collective advertising approach. Over half of the cohort gained the available mark.

In part 2 c (i) – candidates had to look at a table and identify the site on which 17% of businesses advertised. Almost all candidates were able to do this.

In part 2 c (ii) – again candidates had to refer to Figure 1 and identify the site that attracted the highest percentage of advertisers. Almost all candidates were able to do this.

In part 2 d – a define question where candidates were asked to define the term agenda. Most of the cohort was able to do this.

In part 2 e – this question was an 'explain' hence candidates did not need to put it in context. The majority of candidates were able to gain marks on this question, but many did not gain the full marks available. Candidates often offered one reason why a small business might try to raise finance through a government grant and did not develop the answer. However, this needs linked development explaining why the business might choose this method of raising finance or how the benefit chosen might help the business. It may be beneficial to remind students to check whether a question is asking for a benefit or advantage to a business or customer in these types of questions. Of the responses seen, some failed to gain any marks because the response offered was for an advantage to a customer rather than a small business.

In part 2 f – the majority of the cohort was able to gain at least mark on this question. As it was another 'explain' question candidates did not have to put it in context. From the responses seen, too many candidates offered a benefit to the customer rather than the business. Most candidates that responded with a benefit to the business were able to gain 2 marks but did not offer enough development to gain the third mark.

In part 2 g – this is a question that is marked by levels and is the first 9 mark question. Candidates had to choose between the two options of promotional methods – either radio or mobile apps. Most candidates understood that they had to justify why they had chosen either option. However, candidates must remember that there are no marks available for knowledge. Responses must be applied to the case study. Candidates were often able to offer Level 2 responses with an understanding and application of the advantages of radio as a promotional method vs mobile apps. However, very few were able to supply sufficient detail to achieve a Level 3.

Section B

Question 3
In part 3 a – another multiple choice question where almost all of the candidates gained the mark.

In part 3 b – on this multiple choice question, nearly four fifths of the candidates gained the mark.

In part 3 c – a state question where candidates had to state one reason why Superdry might use a written letter as a form of communication with its clothing manufacturers. The majority of candidates gained Level 2 marks. Most of these need to offer a more detailed response to gain Level 3 marks. A minority of candidates failed to apply their responses to Superdry and the clothing manufacturers.

In part 3 d(i) candidates were asked to calculate the number of packs of cotton t-shirts on a credit note where the unit price was 30.50 and the total amount 61. The majority of students gained this mark.

In part 3 d(ii) – candidates were asked to calculate the total amount of credit by adding 61.00 and 24.90. Almost all candidates achieved this mark.

In part 3 e – candidates were asked to analyse how increasing emphasis on environmental matters might impact on the way Superdry advertises its products. Candidates were able to relate to the environmental issues in the Superdry case study and provided a wide range of valid analysis on the impact on advertising. Few candidates developed enough detail to achieve Level 3 marks.

In part 3 f – this is the second 9 mark option question where candidates had to justify which one of the two options would be more suitable for Superdry in order to increase its profit margin. The options were either to increase the selling price of the organic clothing or reduce the number of visits from the UK trainers to the farmers. Too many candidates described either one or both methods giving the advantages and disadvantages but failed to apply the response to the particular situation and aims of Superdry. Again, there are no knowledge marks available for this type of question. However, most candidates did offer application and analysis and were able to achieve a level 2 mark. Candidates should be encouraged to analyse and evaluate at least one option and then justify why that choice of option is better than the other to enable them to gain Level 3 marks. This question requires some recognition of the impact on the profit margin in the response to gain Level 3 marks. It is always important to remind students to link answers to the aims of the business in these option questions. There is no right or wrong answer on this type of question, the candidates can justify either one.

Section C

Question 4
In part 4 a – this is an 'outline' question and therefore requires application to gain any marks. Almost three quarters of the cohort failed to apply their answers to the case study and therefore did not gain any of the available marks. This question asked for a

reason why Samsung international retailers operate regional distribution centres. In this instance, the simplest way to achieve application would have been to refer to TVs or other products that Samsung sell.

In part 4 b – A significant few were able to gain Level 3 marks with easy application to TVs etc and a clear analysis of why reducing the range of TVs produced to the most popular would help to increase inventory turnover. Candidates were possibly helped by the information of the speed of turnover in the stem, so this worked well. Too many did not understand inventory turnover.

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 needed to evaluate how Samsung's trade credit terms help it achieve more orders from retailers. Many students were able to offer reasonable responses for this question. Few had the detail to reach Level 3 but many achieved Level 2. Application was not usually a problem.

Some candidates continued on additional paper, which is acceptable, but if there is no indication on the examination paper that they have done so, valuable marks could be lost. Candidates must let the examiner know that they have continued their answer, simply by adding the word 'continued', or 'contd' or something similar is acceptable.