



Examiners' Report  
Principal Examiner Feedback

January 2020

Pearson Edexcel International GCSE  
In Commerce (4CM1) Paper 01

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## **PE REPORT ON GCSE INTERNATIONAL COMMERCE 4CM1 02 – Jan 2020**

### **GENERAL COMMENTS**

Candidates appear to be able to complete the paper in the allotted time. For the majority of the questions candidates were well prepared and able to apply their knowledge, analyse and evaluate to answer the questions. However, a number of candidates still struggled with the 'State' questions. Candidates must ensure that their response is related back to the stem of the question. Many of the comments made in the June 2019 series still apply to this particular series, it is worth reiterating this to candidates so that they can be fully prepared for the examination.

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. The various scenarios throughout the paper of real life commercial operations, perhaps interested the candidates which meant that they were able to relate their comments more easily to the questions.

The mark scheme includes all four of the Assessment Objectives. Just to reiterate, that all 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 take into account 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. 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', with each response clearly identified eg. 2(f), 3(g) as examples.

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 candidate. 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 – nearly three quarters of the candidates gained the mark for identifying manufacturing as being in the secondary sector. 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 a mark.

In part 1 b – well answered by the majority of candidates, clearly indicating they understood why supermarkets have loyalty cards.

In part 1 c – a define question, candidates had to define the term enterprise. Candidates found defining the term enterprise more difficult with only about a tenth of the candidates gaining the mark available. Some candidates confused the term with entrepreneur, which is not the same. Candidates should be encouraged to avoid using the term straight from the question when answering, as it does not clearly show understanding of the term.

In part 1 d – again another define question; there are three define questions in total, where candidates had to define insurable interest. This was not well answered by candidates with less than a fifth of the candidates gaining the mark available. From responses seen, candidates related it to actual insurance costs of taking out a premium.

In part 1 e (i) – a calculation question, where candidates had to work out the cost of purchasing 500 bowls from Germany for a Singapore businessman. Over two thirds of the cohort gained the full marks available. It is worth reiterating to candidates to show their workings within the box, as they may have the correct formula, which would gain them a mark but then make a calculation error. Candidates should be reminded that there is a line at the bottom of the box for their response. This makes it clearer and easier for the examiner when marking. From the responses seen some candidates had their answer within their workings, which was not always easily identified. It is also worthy of note that if the question asks for a calculation to two decimal places, then marks will not be given for a response that only gives one decimal place. Also candidates should take care with their writing of certain numbers e.g. the writing of the figure 4 sometimes looks like a 7.

In part 1 e (ii) - this is the first of the 'State' questions where candidates must relate their response to the scenario. Only a fifth of the candidates gained the mark available. Although from the responses seen candidates understood the effect of the depreciation in the Singapore Dollar, but did not put it in context and therefore did not gain the mark. Just by putting Singapore in the response does not guarantee the mark. For examples of how candidates could answer a 'State' question please refer to the mark scheme.

In part 1 e (iii) – the second state question of three. Candidates had to give a cost to the German factory of exporting to Singapore, other than changes in the exchange rate. Less than a fifth of the cohort gained the mark available, as mentioned earlier a 'State' question must relate back to scenario. Again from the responses seen candidates identified transport as a cost, which is correct, but then did not develop their response by referring to the scenario.

In part 1 f – a question where candidates could have developed their answers more to gain the full 3 marks available. The question asked for one reason as opposed to two, and on this occasion as it is an explain question, the response did not have to be in context. However, from the responses seen many candidates did not understand fully what a ‘loss leader’ was and confused it with selling off goods that customers were not purchasing at a lower price, so they would sell quicker. Three fifths of the cohort did not gain a mark on this question.

In part 1 g – candidates were asked to give one advantage why retailers offer credit facilities. Over half of the cohort was able to gain one or two marks with less than a quarter gaining no marks. Most candidates understood the benefits to the retailer of offering credit facilities that it encourages customers to spend more and therefore they will become a more loyal customer. Candidates should take care that they do not give two advantages as the question only asks for one.

In part 1 h – this is the first question in the paper which is marked by levels. Candidates were asked to analyse the impact of bad debts on businesses. To gain the marks available candidates needed to apply the information and then analyse it, as there are only application and analysis marks available for this question. Unfortunately a large number of candidates responded with comments that were related to the businesses not paying their debts as opposed to the business that loan the funds such as banks. Some candidates repeated the information from the stem which is also not worthy of a mark. Over a third of the cohort did not gain any marks on this question.

## Question 2

In part 2 a – a multiple choice question where candidates had to work out the percentage increase from one year to another. Most candidates were able to work out the correct figure with four fifths gaining the mark available.

In part 2 b – a multiple choice question where candidates had to identify the benefits to a person of buying a franchise, again a large percentage of the cohort gained the mark available.

In part 2 c (i) – candidates had to look at figure 2 and then identify which item was the second largest import. The majority of candidates were able to choose the correct import.

In part 2 c (ii) – candidates had to refer to figure 3 and identify the percentage of gold exported again identified correctly by the majority of candidates.

In part 2 d – a define question where candidates were asked to define click and collect. Well over three quarters of the candidates failed to gain the mark for this question. From some of the responses seen candidates made comments about either about one part and not the other for example using the internet to choose an item but then did not comment on how they obtained the item. Care should be taken with this type of question to ensure that candidates give a full definition of the term.

In part 2 e – this question was ‘explain’ hence candidates did not need to put it in context. Over two thirds of candidates were not able to gain at least one mark on this question. It is worth reiterating that candidates should be encouraged to read the question at least twice before answering. A number of candidates read self-scan checkouts and gave a response related to the customer and not the retailer, which meant they were unable to gain the marks available. For those candidates that understood the question and referred to retailers not having to employ as many staff was valid.

In part 2 f – nearly half of the cohort did not gain any marks on this question. As it was another ‘explain’ question candidates did not have to put it in context. From the responses seen some candidates understood the advantages of a business of exporting its products, however they then did not develop their comments by giving reasons of how these would benefit the business.

In part 2 g – again this is a question that is marked by levels with only Application, Analysis and Evaluative of the Assessment Objectives being tested. Candidates had to choose between the two options of either increasing the size of the present shop or opening a new one. Most candidates understood that they had to justify why they had chosen which option. However a large number of candidates gave very detailed descriptions of the two options, which was knowledge and therefore they did not gain any marks, this accounted for less a fifth of cohort who gained no marks. From the responses seen a number of candidates made a decision on which option would be better for Petalbees and justified the reasons with application and analysis but failed to give evaluative comments. Perhaps if candidates could summarise why they have chosen one option and not the other might help in their response.

## **SECTION B**

### **Question 3**

In part 3 a – two thirds of the candidates did not gain the mark available for this question, either they did not understand what an etailer is or the distractors.

In part 3 b – again two thirds of the candidates did not gain the mark available for this question, showing that they did understand how an insurance company assesses the risk before providing insurance.

In part 3 c – the third state question where candidates had to give a cost other than insurance that Zero Baht would have to pay. Again as mentioned earlier, from the responses seen, a number of candidates gave a valid answer but did not related it back to Zero Baht, and therefore did not gain the mark available. Approximately a tenth of the candidates gained the mark. Even if the candidate mentions Zero Baht but did not put the response in context they would not gain the mark. An example where a candidate's response would not gain the mark. 'Zero Baht would have to pay transport costs'. The response is probably correct but not in context, for the candidate to gain the mark they could have added, 'they would have to pay to transport the recycled goods from their shop to the recycling factory'.

In part 3 d – candidates were asked to outline one reason why Zero Baht is so successful. Over half of the candidates did not gain any marks on this question. From the responses seen for those candidates that gained marks, comments related to Zero Baht being different to other shops, enabling those with little money to be able to collect recyclable items and get goods in exchange for them.

In part 3 e – candidates were asked to analyse the importance of Zero Baht locating near to transport links. For this question candidates had to Apply and analyse their response. Under half of the cohort failed to gain a mark on this question. From responses seen a number of candidates gave a detailed description of what transport Zero Baht would need, road transport and rail transport but then did not relate it back to why it would be important to Zero Baht.

In part 3 f – again another option question where candidates had to justify which one of the two options would be more suitable for Zero Baht when opening further shops, either becoming a partnership or a private limited company. As in question 2 many candidates described both methods of ownership giving the advantages and disadvantages. Again there are no knowledge marks available for this type of question. From the responses seen a number of candidates confused the two methods of ownership, which was a great pity. Nearly two fifths of the cohort did not gain a mark on this question. Candidates should be encouraged to apply, analyse and evaluate the two options to enable them to gain the higher marks. There is no right or wrong answer on this type of question, the candidates can justify either one. Candidates should be encouraged to draw a conclusion or conclusions from the information they have given which might help them to evaluate their response.

## **SECTION C**

### **Question 4**

In part 4 a - candidates should be encouraged to show their workings as advised in the question, as they could gain a mark for the formula, even if the actual answer is wrong. As mentioned earlier candidates should ensure that their figures are easily readable and that they put their answer in the space provided. Over half of the candidates did not gain the marks available for this question.

In part 4 b – most candidates were able to gain some marks on this question, with less than two fifths of the cohort gaining no marks at all. As previously mentioned this is an application and analysis question as to why Lou Wener would want to ensure that her shop is fully insured. Candidates could comment on any reason as to why she would need want to have her shop fully insured, damage through weather, theft, damage to flooding are some examples and then justified why.

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. A number of candidates only completed a few lines and therefore did not gain many of the marks available. Some candidates are using bullet points or numbered format, this will not allow them to gain the higher level marks because they may not have analysed or evaluated the points made.

Candidates were asked to evaluate why small retailers are surviving where there are large retailers. A variety of valid comments were made by candidates, such as small retailers offer a personal service, often they have a relationship with customers and the retailer stocks what the customers purchases are some examples. Some candidates made valid points but then failed to develop these points and justify their decisions to enable them to gain the higher level marks. Again a conclusion would help candidates to develop their evaluative comments. Nearly a third of candidates failed to gain any marks on this question.