



PLATINUM  
BUSINESS ACADEMY

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# Mark Scheme (Results)

## January 2015

### Pearson Edexcel 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"> <li>Specialisation</li> </ul> <p>Accept any phrase that includes the word specialisation eg job specialisation and spelling with a 'z'</p>	(1)

Question Number	Answer	Mark
1 (b)	<ul style="list-style-type: none"> <li>Mixed</li> </ul>	(1)

Question Number	Answer	Mark
1 (c)	<ul style="list-style-type: none"> <li>Shareholder(s)</li> </ul>	(1)

Question Number	Answer	Mark
1 (d)	<ul style="list-style-type: none"> <li>Hidden</li> </ul>	(1)

Question Number	Answer	Mark
2(a)	<ul style="list-style-type: none"> <li>Insurance cover for loss of profits/or because business has to close (1) eg because of fire, flood (1)</li> </ul>	(4)
2(b)	<ul style="list-style-type: none"> <li>Insurance cover against dishonesty of staff (1) eg funds taken by an accountant (1)</li> </ul> <p>(1 mark for each definition and 1 mark for each example)</p>	

Question Number	Answer	Mark
3	<ul style="list-style-type: none"> <li><math>£20\,000 + £40\,000/2 = £30\,000</math> (1) <math>£180\,000/30\,000 = 6</math> (1)</li> </ul> <p>(1 mark for correct method but a calculation error)</p>	(2)

Question Number	Answer	Mark
4	<ul style="list-style-type: none"> <li>• Delays in receiving the goods</li> <li>• Goods may not match the description/quality given</li> <li>• Difficulties in returning goods</li> <li>• Extra charges such as delivery</li> <li>• Difficulties in obtaining after-sales service</li> <li>• Difficulties in verifying the authenticity of the online retailer</li> <li>• Payment must be made before goods are received</li> <li>• Possible victim of credit card fraud</li> </ul> <p>(1 mark for each disadvantage)</p>	(2)

Question Number	Answer	Mark
5	<ul style="list-style-type: none"> <li>• Sole traders/partnerships usually rely on own savings that may be insufficient</li> <li>• Banks regarded small businesses as a poor risk/having poor credit rating</li> <li>• Not as likely to repay</li> <li>• Many small businesses fail within a short period of time</li> <li>• They may have no collateral security</li> </ul> <p>(1 mark for each reason)</p>	(2)

Question Number	Answer	Mark
6	<ul style="list-style-type: none"> <li>• To sell stock that is out of fashion/out of date</li> <li>• Clear shelves for new stock</li> <li>• To attract customers/increase sales/profits at end of season, ie winter</li> </ul> <p>(1 mark for each reason)</p>	(2)

Question Number	Answer	Mark
7 (i) (ii) (iii) (iv)	Government statistics = Desk Consumer panel = Field Observation = Field Trade magazine = Desk  (1 mark for each example correctly matched)	(4)

Question Number	Answer	Mark
8	<ul style="list-style-type: none"> <li>Deed of Partnership/partnership deed</li> </ul> (1 mark for correct name)	(1)

Question Number	Answer	Mark
9	<ul style="list-style-type: none"> <li>Growth of air freight airlines/destinations/larger planes</li> <li>Motorways/highways/express routes</li> <li>Faster rail journey times/Eurostar</li> <li>Couriers</li> <li>Online booking/electronic ticketing</li> <li>Cycle lanes</li> <li>Electric cars</li> </ul> (1 mark for each development)	(2)

Question Number	Answer	Mark
10	<ul style="list-style-type: none"> <li>Speeds up how people work/trade</li> <li>Reduces possibility of errors</li> <li>Improves the company's image</li> <li>Enables contracts to be written/transmitted</li> <li>Allows contact with suppliers/banks</li> <li>Widens the scope of the market</li> <li>Gives a company a competitive edge</li> <li>Enables people on different sites to work efficiently</li> <li>Can provide savings in time/money</li> <li>Enables people to transfer ideas</li> <li>Improves working relationships</li> </ul> (1 mark for each benefit)	(2)

Question Number	Answer	Mark
11	<ul style="list-style-type: none"> <li>• Market for buying/selling shares</li> <li>• Shows share prices</li> <li>• Capital raising for companies</li> <li>• Protection of investors</li> <li>• Regulation/monitoring of companies</li> <li>• Facilitates public borrowing</li> <li>• Acts as an economic barometer/measure</li> </ul> <p>(1 mark for each function)</p>	(3)

Question Number	Answer	Mark
12	<ul style="list-style-type: none"> <li>• The owner is the franchisor</li> <li>• Allows franchisees to sell the product</li> <li>• Operates in a specific geographical area</li> <li>• Must buy all materials from franchisor</li> <li>• Payment of royalties</li> <li>• Annual sum paid for management services</li> <li>• Initial franchise fee</li> <li>• Franchise agreement</li> <li>• Must provide standard of service/product set by the franchisor</li> <li>• Franchisor helps to obtain the premises</li> <li>• Franchisor offers training</li> <li>• Franchisor carries out advertising</li> </ul> <p>(1 mark for each feature)</p>	(2)

Question Number	Answer	Mark
13	<ul style="list-style-type: none"> <li>• Sales will increase (1) leading to more competition (1) companies therefore more likely to reduce prices (1) to maintain sales (1)</li> <li>• The increased sales following advertising (1) will lead to companies producing more goods (1) at a cheaper cost (1) these savings can be passed on to consumers in the form of lower prices (1) Example given – numerical or product (1)</li> </ul> <p>(1 mark for each point)</p>	(4)

Question Number	Answer	Mark
14 (a) (i)	<ul style="list-style-type: none"> <li>• Agriculture/Fishing/Forestry/Mining (1)</li> </ul>	(1)
14 (a) (ii)	<ul style="list-style-type: none"> <li>• <math>600\,000 + 1\,200\,000 = 1\,800\,000</math> (1)</li> </ul>	(1)
14 (a) (iii)	<ul style="list-style-type: none"> <li>• <math>2\,400\,000 + 1\,600\,000 = 4\,000\,000</math> (1)</li> <li>• <math>4\,000\,000 / 8\,000\,000 \times 100 = 50\%</math> (1)</li> </ul> <p>(1 mark for correct method but calculation error)</p>	(2)

Question Number	Answer	Mark
14 (b)	<ul style="list-style-type: none"> <li>• As countries develop there is a greater demand for commercial services, eg insurance</li> <li>• Some primary industries have declined – mining</li> <li>• Growth of industries - such as IT</li> <li>• Some industries require more commercial services - transport</li> </ul> <p>(1 mark for per point plus 1 mark for development)</p>	(2)



Question Number	Answer	Mark
15 (a)	<ul style="list-style-type: none"> <li>• Small –scale retailers have one shop (1) supermarket chains have many more shops/branches (1)</li> <li>• Small –scale retailers have personal service (1) supermarkets self-service (1)</li> <li>• Small –scale retailers lack facilities (1) Supermarkets have cafes/other examples (1)</li> <li>• Small –scale retailers buy from wholesalers (1) supermarkets can buy from manufacturers/own factory (1)</li> <li>• Small –scale retailers have small capital (1) Supermarkets large capital (1)</li> <li>• Small –scale retailers limited choice/narrow range of goods (1) supermarkets have large variety or examples (1)</li> <li>• Small –scale retailers buy in small quantities (1) supermarkets buy in bulk (1)</li> <li>• Unit shops give credit (1) no credit given in supermarkets (1)</li> <li>• Small –scale retailers often owned by sole traders/partners (1) Supermarket chains owned by companies (1)</li> <li>• Small –scale retailers tend to be small shops (1) Supermarket chains tend to have larger floor area (1)</li> <li>• Small –scale retailers sell any brands (1) supermarkets have own brands (1)</li> </ul> <p>(2 marks for each difference)</p>	(4)

Question Number	Answer	Mark
15 (b)	<ul style="list-style-type: none"> <li>• Able to buy in greater bulk (1) leading to cheaper supplies (1) Lower cost prices (1) allow lower selling prices (1) due to economies of scale (1)</li> <li>• More customers attracted (1) sales or profits rise (1)</li> <li>• Large variety of stock (1) of different brands (1) displayed for customers to choose (1) in self-service (1)</li> <li>• Specialist staff available (1) eg home bakery (1)</li> <li>• Able to advertise widely (1) and makes use of sales promotions (1)</li> <li>• Has capital to provide attractive premises (1) facilities such as restaurants (1) car parks (1) air-conditioning (1)</li> <li>• Makes use of new technology (1) such as self-service checkouts (1) thereby cutting labour costs (1) Use of loyalty cards (1) collect points/gifts (1)</li> </ul> <p>(One mark per point plus up to 4 marks for development)</p>	(5)

Question Number	Answer	Mark
15 (c)	<ul style="list-style-type: none"> <li>• Customers will have a positive experience (1) more likely to return to shop (1) thereby creating customer loyalty (1) increasing turnover/sales/profits (1) ensuring continuity of the business (1)</li> <li>• Customers are more likely to recommend other people to shop there (1) as they will be happy with the service offered (1) as they trust the retailer (1) to give good advice (1) leading to less complaints and less returned goods (1)</li> </ul> <p>(One mark per point plus up to 4 marks for development)</p>	(5)

Question Number	Answer	Mark
15 (d)	<ul style="list-style-type: none"> <li>• Willing to sell in small quantities (1) as buys goods from manufacturer (1) as small-scale retailer could only get bulk orders from a manufacturer (1) and could not afford such a large capital outlay (1)</li> <li>• Provides credit (1) thereby reducing small-scale retailers capital requirements/helps cash flow (1) and gives the opportunity for the goods to be sold before the retailer has to pay for them (1)</li> <li>• Provides delivery (1) no need for retailer to have vehicle to collect (1) saving money (1)</li> <li>• Carries out processing (1) eg labelling/packing/bottling/grading (1) in own warehousing (1) where retailer can get stock when needed (1) no need to have own warehouse (1)</li> <li>• Variety of goods offered (1) thus saving the small-scale retailers time (1) in having to deal with each manufacturer individually (1)</li> <li>• Voluntary chains (1) goods ordered in bulk by chain (1) securing discounts (1) thereby lowering costs (1) cheaper prices for retailers (1)</li> <li>• Cash and carry (1) do not allow credit (1) or transport facilities (1) prices are cheaper (1) because wholesaler's expenses are lower (1) can obtain goods at any time from the warehouse (1)</li> </ul> <p>(1 mark per point plus up to 2 marks for development for each way (Maximum of 3 marks for each way)</p>	(6)

Question Number	Answer	Mark
16 (a) (i)	<ul style="list-style-type: none"> <li>• Mention the reliability/efficiency of Zbox Container Services</li> <li>• Include more detailed information</li> <li>• Include more facts in the advertisement</li> <li>• Say how safe the business is with goods</li> <li>• The range of containers offered</li> <li>• Make a comparison with other companies</li> <li>• Give examples of competitive rates/prices</li> <li>• Include the address/location/names</li> </ul> <p>(1 mark for each point)</p>	(2)

Question Number	Answer	Mark
16 (a) (ii)	<ul style="list-style-type: none"> <li>• (Website) information on can be accessed 24/7 (1) to check availability of space on ships (1) make booking online (1) and revisited if more information required (1)</li> <li>• (Phone) immediate contact (1) availability of options (1) discuss requirements (1) and make booking (1)</li> </ul> <p>(1 mark for each point of development)</p>	(4)

Question Number	Answer	Mark
16 (b)	<ul style="list-style-type: none"> <li>• Can give detailed information (1) with large capacity (1) and flexible as to size of the advertisement (1) with ability to insert/cancel information (1) and can be run as long as the advertiser wants (1) and kept for reference (1)</li> <li>• Can be placed on relevant page (1) to target particular audiences (1) eg in business services section (1) at a reasonable cost (1) with wide coverage (1)</li> </ul> <p>(1 mark per point plus up to three marks for development)</p>	(4)

Question Number	Answer	Mark
16 (c)	<ul style="list-style-type: none"> <li>• The sizes can vary but sizes are standard (1)</li> <li>• Metal boxes (1)</li> <li>• Fitted with handling devices (1)</li> <li>• Fitted with locks (1)</li> <li>• Can be carried on different forms of transport (1)</li> <li>• Can be refrigerated (1)</li> </ul> <p>(1 mark for each feature)</p>	(3)

Question Number	Answer	Mark
16 (d)	<ul style="list-style-type: none"> <li>• Sea transport can be prone to security problems – containers can be very secure – can be locked – to avoid theft</li> <li>• Many of the ships built are container ships – container lorries can be driven straight on to the ships – with more goods being carried in containers – as more and more goods traded internationally – especially bulky/heavy goods</li> <li>• Development of container ports – eg Dubai – led to providing better facilities for use of containers carried by sea – goods can be easily transhipped from docks to road/rail – without being unpacked –reducing handling time/costs</li> <li>• Containers do not need to be warehoused – can be left at the docks – on top of each other – saving dock space</li> </ul> <p>(1 mark per point plus up to six marks for development)</p>	(7)

Question Number	Answer	Mark
17 (a) (i)	<ul style="list-style-type: none"> <li>• 2011 (1)</li> </ul>	
17 (a) (ii)	<ul style="list-style-type: none"> <li>• 2011 – 2012/2012 (1)</li> </ul>	
17 (a) (iii)	<ul style="list-style-type: none"> <li>• 300 million – 200 million (1) = 100 million (1)</li> </ul> <p>(1 mark for correct method but a calculation error)</p>	
		(4)

Question Number	Answer	Mark
17 (b)	<ul style="list-style-type: none"> <li>• Visible trade is trade in import/export of goods (1) eg raw materials, electronics, food (1)</li> <li>• Invisible trade is import/export of services (1) eg insurance, tourism, teaching (1)</li> <li>• (1 mark for each definition plus 1 mark for each example)</li> </ul>	

Question Number	Answer	Mark
17 (c)	<ul style="list-style-type: none"> <li>• As the value of the local currency depreciates, exports become cheaper to overseas customers (1). The demand for the exports will increase (1) making the country more money (1). Export industries should see increases in their order book (1).</li> <li>• Conversely, the local prices of imports will increase (1) causing demand for these imported goods and services to fall (1) leading to less trade in imports (1) making less money for importers (1)</li> </ul> <p>(1 mark per point plus up to 3 marks for development)</p>	

Question Number	Answer	Mark
17 (d)	<ul style="list-style-type: none"> <li>• There will be more trade encouraged (1) with free trade between member countries (1) with free access to larger markets (1) wider choice of goods for consumers (1)</li> <li>• Prices will be more competitive (1) with less controls of import duties/quotas (1) with more opportunities to export (1)</li> <li>• Ability to set up factories in each other's countries (1) able to take advantage of cheap land (1) and raw materials (1) financial aid given for particular projects/industries (1) frees up labour to find work in another country (1)</li> <li>• Standardisation of measures/documents (1) possibly currency (1) making it easier to sell to other countries (1)</li> <li>• Competition from companies of other countries (1) because if a country is able to produce goods as a cheaper price than local producers making the same goods (1) then it becomes cheaper for retailers to import those goods (1)</li> <li>• Countries exclude other countries with which they had good trade links (1) Australian wool into Europe (1) with the external tariff making the wool more expensive (1)</li> <li>• Countries can be over regulated with too many rules (1) with some decisions not favouring individual bloc members (1) EU CAP on UK farmers (1)</li> <li>• The annual contribution made by governments to trading bloc budgets may be large (1) causing less to be spent within the country (1)</li> <li>• Businesses may have to adopt their products to suit the needs/tastes of different countries consumers (1) this may add to their costs (1)</li> </ul> <p>(1 mark per point plus up to 4 marks for development of each advantage/disadvantage)</p>	(8)

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