COMMERCE

Paper 7100/12
Multiple Choice

Question Number	Key	Question Number	Key
1	D	21	D
2	B	22	A
3	D	23	B
4	C	24	D
5	A	25	B
6	A	26	D
7	D	27	A
8	A	28	B
9	C	29	B
10	B	30	A
11	B	31	D
12	D	32	A
13	A	33	B
14	C	34	C
15	C	35	B
16	C	36	D
17	A	37	A
18	A	38	A
19	D	39	C
20	C	40	C

General comments

The multiple choice paper consists of 40 4-option items with some questions involving pictorial or diagrammatic data such as **Questions 1, 12, 13, 21** and **33** and some requiring candidates to undertake calculations such as **Questions 4, 9, 15, 16, 32** and **39**.

The mean was 28.56 with a standard deviation of 6.14. There were 1392 candidates. The highest score was 38 marks and no candidate scored below 5 marks. A very good standard of work was exhibited.

Candidates found the following questions relatively easy and a high facility was achieved – **Questions 1, 2, 3, 5, 7, 12, 14, 17, 18, 20, 22, 24, 25, 26, 27, 29, 32, 33** and **37**. The numerical questions were often accurately answered but some did not have such a high facility and this is commented upon below.

Comments on specific questions

Candidates found a few of the questions more difficult than the others on the paper and these achieved a fairly low facility. In **Question 4** many candidates chose Option D, tertiary, rather than Option B, secondary which is made up of manufacturing, construction and processing. In **Question 6** some candidates thought that the supermarket, Option C was the correct answer rather than Option D. Supermarkets may be found in city centres and have a wide range of goods but they do not provide luxury surroundings. In **Question 8** Option D proved to be a positive distractor with more candidates choosing this option rather than Option A. If a retailer waited until the customer had the money, the retailer would be unlikely to be paid.

In **Question 19** Option A was a positive distractor. Option D was the correct answer. It is not always true that costs are higher for imported goods – often transport and insurance costs are higher but they may have come from another country in a free trade area or have been imported from a neighbouring country. In **Question 28** candidates failed to realise that by storing goods, supply can be controlled and so price fluctuations reduced. Option B was the correct answer. A warehouse is as likely to catch fire as any other building. Many candidates thought that dividends were paid using direct debit, Option D. Option C, credit transfer, was the correct answer.

In **Question 30** some candidates were unsure about which policy had a surrender value. Option A was the correct answer but many candidates chose either Option B or D. Some candidates had difficulty with the calculation in **Question 39**. They chose Option B, subtracting the expenses from the sales turnover. Option C was the correct answer. All options in **Question 40** attracted responses indicating an element of guessing. Option C was the correct answer. The stock of jewellery is likely to be turned over less frequently than the other commodities listed

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| Paper 7100/13 |
| Multiple Choice |

Question Number	Key	Question Number	Key
1	D	21	B
2	B	22	D
3	A	23	B
4	D	24	C
5	A	25	B
6	D	26	C
7	B	27	A
8	A	28	B
9	C	29	C
10	D	30	A
11	A	31	C
12	C	32	C
13	D	33	D
14	C	34	B
15	D	35	B
16	B	36	C
17	A	37	B
18	A	38	B
19	A	39	D
20	C	40	C

General comments

The multiple choice paper consists of 40 4-option items with some questions involving pictorial or diagrammatic data such as **Questions 1, 4, 21, 26** and **34** and some requiring candidates to undertake calculations such as **Questions 9, 15, 16, 30, 32, 37** and **39**.

The mean was 23.51 with a standard deviation of 5.53. There were 118 candidates for this examination. The highest score was 37 marks and the lowest score was 2 marks.

Candidates found the following questions relatively easy and a high facility was achieved: **Questions 2, 4, 6, 7, 10, 16, 19, 26** and **31**.

Comments on specific questions

Candidates found some of the questions particularly difficult and these achieved a fairly low facility. In **Question 8** there was an element of guessing and all options attracted many responses. Option A was the correct answer. In **Question 9**, although Option C was the correct answer, many candidates chose Option A or Option D. In **Question 12** many candidates thought that the wholesaler would not be involved in importing canned fruit from South Africa and so chose Option B instead of the correct one, Option C.

The services of a freight forwarder were not always understood in **Question 13**. All options attracted responses. Option D was the correct answer. A freight forwarder is responsible for all services necessary to move goods from one place to another usually abroad. A freight forwarder is not responsible for negotiating contracts or making payments. Candidates had difficulty with **Question 15** and there was some guessing as each option attracted responses. Option D was the correct answer – trade discount had been added to the amount owed instead of being subtracted. In **Question 24**, Option D was a positive distractor. Containerisation may reduce theft and damage but putting goods into containers does not prevent theft and damage occurring. Option C was the correct answer as sea transport is particularly suitable for low value cargoes.

Responses to **Question 25** revealed a lack of knowledge of the documents involved when using transport. Option B was the correct answer. Both consignment notes and delivery notes are used with transport within a country. In **Question 29** there seemed to be an element of guessing. The correct answer was Option C but there were responses to all the other three options which were all insurance documents. Only a few candidates identified the correct answer of Option A in Question 30, most chose Option B. Mr Muti had insured his contents for half their value. They were all destroyed so he could expect to receive only half the value of the insured contents, that is $25 000.

In **Question 33** many candidates thought that you could not change your PIN at an ATM. Option D was the correct answer. As all options in **Question 36** attracted responses, it was obvious that the characteristics of a public limited company were not known. Option C was the correct answer. This referred to a characteristic of a private limited company. In **Question 37** many candidates failed to realise that repayment was in 6 months' time and so chose Option A. Option B was the correct answer. All options attracted responses in **Question 40**. The rate of stock turnover of jewellery is likely to be much slower than for the three other products and so Option C was the correct answer.

COMMERCE

Paper 7100/22
Written

Key messages

Below are some general suggestions to help candidates do well in this examination.

- Revise all sections of the syllabus.
- Notice the number of marks awarded for each question.
- Use time effectively. Time spent on answering questions should be directly related to the number of marks allocated.
- Read and re-read questions before answering. Weak responses were often characterised by not taking enough time to fully register both the general focus of questions and also the level of detail required.
- Look for the command and key command words in each question.
- Show working out in any calculation questions.
- Candidates should learn succinct and accurate commercial definitions.
- Do not forget to develop your answers with examples and/or application.
- Comparative comments such as 'easier', 'quicker' or 'cheapest' do not score marks without reasoning.

General comments

Paper 2 requires candidates to answer four questions from a choice of eight. All the questions set in this paper covered more than one topic from the syllabus. **Questions 1, 3, 6** and **7** were the most popular questions, and **question 4** the least popular.

The overall outcome of the examination was similar to that of the performance by candidates in 2015. In fact, the standard of work overall was very high, with many candidates scoring very high marks. These candidates showed sound commercial knowledge and an ability to develop their answers in context. There was much evidence of good preparation, advice on examination technique and revision before the examination. Well-prepared candidates presented some detailed answers and were able to make reasoned judgements in the context of the questions set. Some candidates did omit parts of questions and wrote very short answers. Notwithstanding this, it was evident to the Examiners that all Centres had continued to prepare their candidates well by providing wide coverage of the syllabus content, with candidates possessing generally sound knowledge and understanding of commercial vocabulary.

Some candidates do not always answer at the appropriate level of skill. In this connection, the **command** words on the examination paper are particularly relevant to centres and candidates. Each question indicates the level at which it is based:

Assessment objective 1 (**Knowledge and understanding**) – This assessment objective tests candidates on their ability to demonstrate their knowledge and understanding of commercial terms, ideas or concepts mentioned in the question. For example, **question 1(b)(i)** asked candidates to 'State two characteristics of street markets.' Command words such as 'Name', 'Describe', 'Give' and 'State' confirm that the question is at this level and that **knowledge** only is required.

Assessment objective 2 (**Application**) – This assessment objective tests candidates on their ability to relate their answers to the context of the question. The context to **question 2** was a country's trading figures. **Question 2(b)(i)** asked candidates to 'calculate Country X's Balance of Payments figures for 2015'. Command words such as 'How', 'Draw', 'Why', 'Give an example' and 'Calculate' confirm that the question is at this level, requiring **application** of candidates' knowledge to the context/information provided.

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Assessment objective 3 (**Analysis**) – This assessment objective requires candidates to select, interpret or otherwise analyse the problem or situation presented in the question. For example, **question 5(a)(i)** asked candidates to 'Identify two reasons why customers might prefer to use the large national grocery retailer then Suraiya's store.' Command words such as 'Identify', 'Compare' and 'Analyse' confirm the question is at this level and usually requires **analysis** of two different aspects of an issue.

Assessment objective 4 (**Evaluation**) – This assessment objective tests candidates' ability to formulate some judgements. For example, **question 8(d)** asked candidates to 'Discuss whether or not senior managers at Shufla should consider protection of the consumer to be important.' Command words such as 'Do you consider', 'Discuss' and 'Evaluate' confirm the question is at this level and normally requires **evaluation** (a decision) based on reasoned analysis.

One general weakness of candidates relates to ignoring the number of responses required by some questions. For example, in **Question 8(a)(ii)** candidates were asked to 'Explain one advantage and one disadvantage to Shufla's production workers of specialisation'. Some candidates gave two advantages and two disadvantages. It should be emphasised to candidates that including more than the prescribed number do not gain any more marks and, in fact, may waste valuable examination time that could be used elsewhere on the paper to score marks.

One part of each of the questions set was marked according to Levels of response and these were **Questions 1(d), 2(cii), 3(d), 4(c), 5(d), 6(cii), 7(c),** and **8(d)**. These questions differentiate well between candidates. Most candidates wrote well-structured and developed answers, with reasons for their opinions in answer to these questions. Other candidates wrote short statements or lists of points, and so achieved low marks. For this type of question it is important to study what is required in the question, that is, an opinion, a choice or recommendation with reasons, and then to follow these requirements. It is also important to look at both sides of the argument, and then to offer a reasoned judgement/conclusion. Points should be developed, saying why something is important or why something is the better choice. Candidates who do this will achieve the higher mark band level and thus gain higher marks.

Comments on specific questions

Question 1

(a)   Most candidates were able to state two advantages of being a sole trader but some candidates did find difficulty in explaining the advantages.

(b)(i)   The question asked for *characteristics* of street markets, such as the use of stalls and that traders often make what they sell. Hence, answers that focussed on advantages did not receive credit.

(ii)   Answers on the disadvantage part of the question generally scored better than those on the advantage of buying goods at street markets. Many of the latter answers gave a valid point such as personal seller contact, but then failed to develop the point.

(c)(i)   Most candidates correctly identified an internal source of finance. Please note that *shares are an internal source of finance*.

(ii)   In answering this question, candidates had to give a valid reason and then explain the reason with two additional points of relevant information linked to the stated reason. Many candidates did appreciate that retained profit or own savings may not be sufficient to cover the large amount of money needed to purchase the new van.

(d)   Strong answers gave a recommendation after discussing both the pros and cons of using bank loans and leasing, and usually in the context of the purchase of a new van. The weaker answers were characterised by a lack of evaluative skills and the inability to develop their answers in sufficient detail to gain development marks.

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Question 2

(a)(i) Strong answers gained two full marks by stating a range of international trade benefits such as earning foreign currency to pay for imports, creating jobs so thereby lowering unemployment and increased friendly relations between countries so reducing conflict/wars.

(ii) There were many disappointing answers by candidates who clearly did not fully understand the differences between visible and invisible trade. Good candidates defined each term and gave appropriate examples. Some weaker answers simply described the data in Fig. 1.

(b)(i) For part **(i)** it was surprising to find a large number of candidates not correctly calculating the Balance of Payments figures so as to obtain the answer of –$320m.

(ii) Using the figures obtained from part **(i)**, candidates needed to say that the government should take action owing to the deficit and how it might do so. This question was generally well answered.

(c)(i) The majority of candidates identified a valid electronic means of communication, and proceeded to describe it. Advertising methods were not accepted as a valid choice.

(ii) This question proved to be challenging. To achieve higher marks, candidates needed to use examples of when *rapid communication* was necessary or not necessary *in international trade* to support their argument. Weaker answers often described means of communication without linking them to the need for speed.

Question 3

Question 3 was a frequent choice, with many candidates demonstrating sound commercial knowledge about types of business partnerships, advertising and insurance.

(a) The best answers related their location factors to the context of a car repair business, such as competition and the supply of skilled mechanics. Candidates who gave general location factors generally scored fewer marks.

(b)(i) Many candidates correctly stated two characteristics of a private limited company although there was sometimes confusion with a public limited company.

(ii) Strong answers to part **(ii)** gained high to full marks by identifying and explaining two valid risks of setting up a partnership and recognised points, such as unlimited liability and that conflict could take place in meetings. Vague generalised points such as 'lower sales' and 'splitting profits' were not accepted as creditworthy.

(c)(i) Valid reasons for advertising, such as to inform and persuade consumers were often provided by candidates to this question part.

(ii) The majority of candidates identified two valid advertising medium for Imran and Khaled's business. Television was *not* accepted as a valid choice for a small car repair business.

(d) Strong answers to this question recognised that insurance was important for compensating any losses, providing business confidence to invest and protecting the business against claims from employees or the public. There were some interesting answers by some candidates who realised that a car repair could be hazardous and prone to fire given the nature of the flammable and dangerous liquids that would be present. Weaker answers gave less detail or focused more generally on identifying insurance risks.

Question 4

(a)   Many candidates correctly calculated the correct figure of $1 million although some candidates gave five noughts instead of the required six noughts when writing out the figures in full.

(b)(i)   The term 'manufacturer' was generally well understood. However, answers such as 'to manufacture goods' were too general to be given credit.

(ii)   Many candidates scored full marks, by explaining wholesaler functions such as breaking bulk and providing advice. There were some candidates who lost marks by not fully developing their points, or not fully addressing the question, which asked for an explanation of two reasons.

(c)   Candidates found this question demanding with many disappointing answers. The strongest answers used and interpreted the data from Fig. 2 to provide applied evidence to their argument. However, many candidates simply stated basic benefits of selling goods in both the home and overseas markets without much explanation.

(d)(i)   Most candidates had little difficulty in commenting that a bill of lading would be used in sea transport but found more difficulty in pointing out that a bill of lading acts as a document of title, as a receipt for goods shipped and a contract of carriage.

(ii)   Although some candidates did confuse a credit note with a debit note, the term 'credit note' was generally well understood and answered.

Question 5

Overall, question 5 on the context of retail stores was generally well answered.

(a)(i)   Most candidates mentioned that a national grocery chain would normally have lower prices and a wider range of goods available compared to a small grocery store.

(ii)   The best answers knew that providing personal service leads to customer loyalty, shoppers feeling at ease and wanting to return as repeat customers. Some candidates gave irrelevant answers such as the use of less labour and increasing brand loyalty.

(b)(i)   The question asked 'what is *meant* by bar-coding'. Many candidates knew that bar codes are a means of computerised recognition of a product, provide information such as price and are used for stock control. However, the question did *not* ask for the advantages of bar-coding, such as swiping a bar-code at a checkout results in less queues, reduced labour costs and more efficient re-ordering of stock. Weaker answers made less relevant points or linked their answers simply to security issues.

(ii)   Again, the question required the emphasis on the meaning of the term 'EPOS' not on its advantages, which some candidates thought.

(c)(i)   The focus of the question was the *benefit* of informal credit *to customers*. Some candidates lost marks by relating the benefit to the retailer instead.

(ii)   Many candidates appreciated that offering informal credit can lead to bad debts and chasing debtors.

(d)   Most candidates described what a debit card is and does but found greater difficulty in explaining why a grocer should or should not accept payments by it. Many of the reasons given were repetitive in nature, largely resting on the point that less cash would be handled, leading to better security.

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Question 6

(a) (i)   This question was generally well answered. The best answers correctly identified flexible delivery timings, better driver supervision and advertising on the side of vans as benefits to a business of using its own fleet of vans for deliveries. Weaker answers gave general imprecise benefits such as increasing sales and not having to rent vehicles from other carriers. Overall, a topic that differentiated well between candidates, as marks were evenly spread across all mark bands from 0 to 4 marks.

(ii)   There was generally inadequate knowledge demonstrated by many candidates of the concept of a central warehouse. Many candidates simply related their answers to general wholesaling functions. The best answers described how a central warehouse reduces the necessity to have stock in retail shops as they could supply branches at short notice when stock runs out. Other candidates picked up on the idea that as they were centrally situated they could benefit from the economies of scale of this position.

(b) (i)   The best answers knew that the imposition of import tariffs would make imported goods more expensive to buy leading to less demand.

(ii)   The best answers knew that the imposition of import quotas would restrict the number of imported goods which would lead to less supply for importers to buy.

(c) (i)   Most candidates were able to calculate the correct figure of $114.

(ii)   Many candidates produced an interesting discussion as to whether the retailer should or should not offer sales promotions to its customers. However, it was only the strongest candidates that argued that the retailer needed to be aware that sales promotions cost money and therefore reduce profitability, and as they are only used for a limited period consumers are likely to return to previous shopping habits after receiving the discounted offers.

Question 7

(a) (i)   Most candidates were able to identify two types of bank account, namely deposit and current.

(ii)   In answering this question part the reasons why banks provide ATMs was generally well known but some responses narrowed their focus to the benefits for the banks, focusing their answers on the cost saving benefits of staff and premises rather than the benefits to customers who run out of cash.

(b) (i)   Strong answers knew that direct debits was used to make variable payments at variable times. Weaker answers confused direct debits with standing orders.

(ii)   Better answers included reasons such as improving efficiency and cash flow.

(c)   It was pleasing to see many well-developed discussions on the advantages and disadvantages of bank customers using internet banking, showing a range of points often polarising around the convenience and security of this banking service.

(d)   There were a range of answers to this question. Some candidates argued that informative advertising was sufficient whereas other candidates thought that informative advertising had to be supplemented by persuasive advertising in order to introduce a new savings scheme. The best answers were often by candidates who *decided/judged/evaluated/concluded* that a hybrid of informative and persuasive advertising was needed.

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Question 8

(a) (i) The question asked for an example of specialisation from the context in the stem but some candidates gave other examples, thus losing the mark for the example.

(ii) Candidates were better versed on the disadvantages of specialisation compared to the advantages. Some candidates also lost marks by looking at specialisation from the viewpoint of the business instead of from that of the production workers as required by the wording of the question.

(b) Most candidates concentrated on the possibility of increasing sales without exploring some of the other benefits of mail order selling, such as cost savings as there is less need to have physical stores.

(c) This question differentiated well, with a wide spread of marks from 0–4 marks. The best answers looked at actions such as reducing prices and increasing advertising. Weaker answers were characterised by the inability to develop their answers in sufficient detail to gain development marks or irrelevant answers such as to buy in bulk.

(d) This question was a challenging one for the majority of candidates. The best answers mentioned the need to abide by particular consumer protection laws and ensure that the customer receives quality so that a good reputation can be built up for the business. On the other hand, some candidates argued that such protection can lead to changing business operations with possible increasing costs of production, leading to less profit. Weaker answers gave less points and less relevant detail.

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Key messages

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- Revise all sections of the syllabus.
- Notice the number of marks awarded for each question.
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General comments

Paper 2 requires candidates to answer four questions from a choice of eight. All the questions set in this paper covered more than one topic from the syllabus. **Questions 1, 3, 6** and **8** were the most popular questions, and **question 5** the least popular.

The overall outcome of the examination was similar to that of the performance by candidates in 2015. The standard of work overall remained variable, with candidates scoring a wide range of marks. The best candidates showed sound commercial knowledge and an ability to develop their answers in context. There was much evidence of good preparation, advice on examination technique and revision before the examination. Well-prepared candidates presented some detailed answers and were able to make reasoned judgements in the context of the questions set. Weaker candidates did omit parts of questions and wrote very short answers. Notwithstanding this, it was evident to the Examiners that all Centres had continued to prepare their candidates by providing wide coverage of the syllabus content.

Some candidates continue not to always answer at the appropriate level of skill. In this connection, the **command** words on the examination paper are particularly relevant to centres and candidates. Each question indicates the level at which it is based:

Assessment objective 1 (**Knowledge and understanding**) – This assessment objective tests candidates on their ability to demonstrate their knowledge and understanding of commercial terms, ideas or concepts mentioned in the question. For example, **question 1(a)(i)** asked candidates to 'State two advantages of using division of labour in a factory'. Command words such as 'Name', 'Describe', 'Give' and 'State' confirm that the question is at this level and that **knowledge** only is required.

Assessment objective 2 (**Application**) – This assessment objective tests candidates' ability to relate their answer to the context of the question. The context to question **3** was about a country's working population in the private and public sector. **Question 3(a)(ii)** asked candidates to 'calculate the percentage and actual number of people who were unemployed in 2015'. Command words such as 'How', 'Draw', 'Why', 'Give an example' and 'Calculate' confirm that the question is at this level, requiring **application** of candidates' knowledge to the **context**/information provided.

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Assessment objective 3 (**Analysis**) – This assessment objective requires candidates to select, interpret or otherwise analyse some problem or situation presented in the question. For example, **question 2(a)(ii)** asked candidates to 'Identify two factors Lowprice should consider before locating in a new country.' Command words such as 'Identify', 'Compare' and 'Analyse' confirm the question is at this level and usually requires **analysis** of two different aspects of an issue.

Assessment objective 4 (**Evaluation**) – This assessment objective tests candidates' ability to formulate some judgements. For example, **question 6(c)(ii)** asked candidates to 'Discuss whether or not advertising in a national newspaper is the best method for promoting Zappo.' Command words such as 'Do you consider', 'Discuss' and 'Evaluate' confirm the question is at this level and normally requires **evaluation** (a decision) based on reasoned analysis.

One general weakness of candidates relates to ignoring the number of responses required by some questions. For example, in **Question 4(a)(ii)** candidates were asked to 'State two advantages to customers of buying goods through mail order'. Some candidates gave three advantages. It should be emphasised to candidates that including more than the prescribed number do not gain any more marks and, in fact, may waste valuable examination time that could be used elsewhere on the paper to score marks.

One part of each of the questions set was marked according to Levels of response and these were **Questions 1(c), 2(b), 3(c), 4(d), 5(d), 6(cii), 7(e),** and **8(c)**. These questions differentiate well between candidates. Most candidates wrote well-structured and developed answers, with reasons for their opinions in answer to these questions. Other candidates wrote short statements or lists of points, and so achieved low marks. For this type of question it is important to study what is required in the question, that is, an opinion, a recommendation or a choice with reasons, and then to follow these requirements. It is also important to look at both sides of the argument, and then to offer a reasoned judgement/conclusion. Points should be developed, saying why something is important or why something is the better choice. Candidates who do this will achieve the higher mark band level and thus gain higher marks.

Comments on specific questions

Question 1

(a) (i)   Most candidates were able to state two advantages of using division of labour in a factory.

(ii)   The best answers showed the relationship between primary and secondary production by how the latter transforms primary raw materials to make finished goods, using relevant examples. However, some candidates forgot to include any examples in their answers, and some confused secondary production with tertiary production.

(iii)   Using Fig. 1, most candidates were able to apply two ways in which the business added value to its pizzas.

(b) (i)   Most candidates were able to identify two benefits of using a bank current account.

(ii)   In answering this question part, on the reasons why a business would benefit from providing credit cards, some candidate responses narrowed their focus to the benefits for the customers instead of writing about the benefits for the business. No credit could be given for this approach.

(c)   Better answers discussed the pros and cons of partnerships and private limited companies, explaining reasons for their answers. Some candidates recognised that partnerships lacked the capital compared to private limited businesses, being limited to twenty owners and not being able to sell shares. Weaker answers often looked at only partnerships or private limited companies, and had a narrow range of points, some being inaccurate.

Question 2

(a) (i) Most candidates knew that a multinational was a worldwide company but had difficulty in developing their answers beyond this fact.

(ii) The best answers related their location factors to the context of a supermarket such as competition and the nearness to customers. Candidates who gave general location factors often scored fewer marks.

(b) This question proved to be challenging. To achieve higher marks, candidates needed to discuss both the benefits and disadvantages of multinationals locating in a country. Weaker answers often only looked at the benefits without considering the disadvantages.

(c) (i) There was generally inadequate knowledge demonstrated by many candidates to the concept of a central regional distribution warehouse. Many candidates simply related their answers to general wholesaling functions. The best answers described how a central warehouse reduces the necessity to have stock in retail shops as they could supply branches at short notice when stock runs out. Other candidates picked up on the idea that as they were centrally situated they could benefit from the economies of scale of this position.

(ii) Strong answers explained various factors such as door to door delivery, routes can be varied and the need for speed over shorter distances. These answers were often well supported with appropriate examples. Weaker answers described types of road transport without linking them to a factor.

(iii) Some candidates pointed out that the purpose of delivery notes was to act as a checking device for goods received and as a receipt. However, most candidates did not supply a valid purpose.

Question 3

(a) (i) Many candidates knew that the public sector was owned by the government but found difficulty in explaining any other valid points such as that is financed through taxation.

(ii) For part **(ii)** it was surprising to find a large number of candidates not correctly calculating the unemployment figures so as to obtain the answer of 4.3 million people.

(b) (i) Valid examples of primary sector activity such as farming and mining were often provided by candidates to this question part.

(ii) Candidates found this question demanding with many disappointing answers. The strongest answers used and interpreted the data from Fig. 2 to provide applied evidence to their argument. However, many candidates simply stated basic points about the primary and tertiary sectors in both the private and public sectors without much explanation.

(iii) Some candidates did understand that as this country was possibly less developed, many people needed an increase in education opportunities in order to work in the tertiary sector

(c) The strongest answers considered both the advantages and disadvantages of setting up a new franchise business with an evaluated conclusion. Weaker answers lacked knowledge with little or no discussion taking place.

Question 4

(a) (i)   Many candidates confused mail order shopping with internet shopping.

(ii)   Many candidates recognised that there advantages of mail order shopping such as that there was no need to leave home and a wide range of goods were available. Weaker answers were characterised by the inability to develop their answers in sufficient detail to gain development marks. Please note that unqualified word comments such as 'cheaper', 'faster' and 'easier' do not gain any marks.

(b)   There was generally inadequate knowledge demonstrated by many candidates about the importance of branded goods to a retailer. Many candidates simply stated it identified the goods without related their answers to further points such as creating brand loyalty leading to greater sales.

(c) (i)   The majority of candidates identified two valid electronic means of communication, but found difficulty in adequately describing them. Advertising methods were not accepted as a valid choice.

(ii)   Letters and face-to-face meetings were frequent valid choices of non-electronic communication methods.

(d)   This question was a challenging one for the majority of candidates. The best answers understood that they needed to consider the advantages and disadvantages of buying directly from manufacturers abroad instead of using the wholesalers at present. Some candidates did consider that such a decision might cut costs but lose the expertise of the wholesaler in carrying out this function. Weaker answers gave less points and less relevant detail.

Question 5

(a) (i)   Trade barriers and language problems were often identified as two valid export difficulties.

(ii)   Many answers were limited to increasing the sales of the business. It was only the best answers that pointed out other benefits such as to need to diversify to other markets and to become more well known in other countries. Building relationships with other countries was not creditworthy as it did not apply to a business but a country.

(b) (i)   The term 'freeport' was not well known with some candidates confusing it with bonded warehouses.

(ii)   Few candidates gave a sufficient explanation of a benefit to an importer of being located in a freeport.

(c)   Candidates did explain some relevant insurance risks but sometimes they did not specifically name the insurance risk involved.

(d)   Most candidates recognised that containers were a more secure means of transporting goods but often did not consider any alternative forms of sending their goods abroad.

Question 6

(a)(i) There were many maximum scores to this question.

(ii) Most candidates were able to calculate the correct figure of $2.70.

(iii) Many candidates were able to calculate the correct percentage reduction of 30%

(b)(i) Many candidates gained one mark for a valid point on an invoice but often did not sufficiently develop their answer to gain a second mark.

(ii) Statements of account were sometimes confused with bank statements but most candidates knew that they were a document sent at regular intervals.

(c)(i) Valid reasons for advertising such as to inform and persuade consumers were often provided by candidates to this question part.

(ii) Candidates were better at discussing the advertising of newspaper advertising than the disadvantages.

Question 7

(a) The term 'mark-up' was not widely understood.

(b) In order to answer this question well candidates needed to focus on what is, and apply it to Mr Akhtar's business. Many answers focussed on aids to trade instead, thereby gaining few marks.

(c) This question was a challenging one for the majority of candidates. The best answers mentioned the need to abide by particular consumer protection laws and ensure that the customer receives goods that perform the tasks claimed and do not harm consumers. Weaker answers gave less relevant detail.

(d)(i) Providing information and home delivery were frequent valid after-sales services answers.

(ii) Most candidates concentrated on the possibility of increasing sales without developing their explanation or exploring some of the other reasons for offering after-sales service such as giving the retailer a competitive edge over other retailers.

(e) Strong answers gave a recommendation after discussing both the pros and cons of using overdrafts and retained profits, and usually in the context of the purchase of computers. The weaker answers were characterised by a lack of evaluative skills and the inability to develop their answers in sufficient detail to gain development marks.

Question 8

(a)(i) The phrase trade and aids to trade was often given as the accurate definition of commerce.

(ii) Many candidates could identify two aids to trade.

(iii) Strong answers explained various banking services such as payments, receipts and finance. These answers were often well supported with appropriate examples. Weaker answers contained limited points.

(b)(i) Very few candidates knew the meaning of the term 'trade credit'. It was often confused with payment by credit card.

(ii) This question was poorly answered as many candidates lacked knowledge on trade credit.

(c) Strong answers to this question knew the principles of insurance and were able to explain, using examples, their importance when making an insurance claim. Weaker answers mentioned one insurance principle or focussed more generally on discussing insurance risks.