

COMMERCE

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Paper 7100/12
Multiple Choice

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

The multiple choice paper consists of 40 4-option items with some questions involving pictorial or diagrammatic data such as **Questions 2, 11, 13, 20** and **35** and some requiring candidates to undertake calculations such as **Questions 9, 16, 28, 32** and **40**.

The mean was 25.819 with a standard deviation of 6.608. There were 1236 candidates. Two candidates achieved full marks and no candidate scored below 7 marks. A good standard of work was shown.

Candidates found the following questions relatively easy and a high facility was achieved – **Questions 2, 4, 6, 7, 12, 22, 23, 24, 25, 26, 28, 31, 34, 35** and **38**. The numerical questions were often accurately answered and achieved a reasonable facility.

Candidates found a few of the questions more difficult than the others on the paper. These achieved a fairly low facility and are commented upon below.

Comments on Specific Questions

In **Question 1**, many candidates chose either Option A or Option B rather than the overall term – production, Option C, for the manufacture of goods and the provision of services.

In **Question 14**, Option B was chosen by a large number of candidates instead of the correct answer, Option D.

Question 15 relating to the abbreviation to be found at the bottom of some commercial documents, also caused some problems. The correct answer was Option B but many candidates chose Option C.

Although the majority of candidates chose Option A in **Question 19**, there seemed to be an element of guessing as both Options C and D attracted many responses. Some candidates may not have considered the negative aspect of the question.

In **Question 20**, Option A was the correct answer as the advertisement referred to the Milk Trade Association advertising a product. However, almost as many candidates chose Option D. Perhaps it could be argued that the line 'and more milk' was somewhat persuasive but the overriding point of the advertisement was to advertise milk on behalf of producers belonging to a trade association.

Although the correct answer to **Question 21** was Option D, a display at check-out, many candidates chose Option A. Point-of-sale promotion relates to any promotion close to where customers are paying for their goods so there was a clue in Option D that it was the correct answer.

Regional distribution centres are large warehouses, often located close to major roads, and are mostly used by large-scale retailers, such as chains of supermarkets, to supply their stores. In **Question 27**, Option C was the correct answer but many candidates chose either Option A or Option B which suggests an element of guessing.

Question 36 called for an element of judgement on the part of candidates. Although each of the options presented a factor that needed to be considered when setting up a business, candidates were asked for the most influential factor in the given scenario of selling books on the internet so Option B was the correct answer.

In **Question 39**, there seemed to be an element of guessing about the main reason for leasing rather than buying delivery vehicles. Option C was the correct answer as the supermarket needs to have up to date and reliable delivery vehicles to conduct its business, but all other options attracted a large number of responses.

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Paper 7100/13
Multiple Choice

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

The multiple choice paper consists of 40 4-option items with some questions involving pictorial or diagrammatic data such as **Questions 1, 12, 14, 18 and 26** and some requiring candidates to undertake calculations such as **Questions 9, 13, 29, 39 and 40**.

The mean was 23.106 with a standard deviation of 5.011. There were 180 candidates for this examination. The highest score was 36 marks and the lowest score was 10 marks.

Candidates found the following questions relatively easy and a high facility was achieved – **Questions 1, 5, 7, 11, 17, 20, 21, 26 and 33**.

Candidates found some of the questions particularly difficult, these achieved a fairly low facility and are commented upon below.

Comments on specific questions

In **Question 10**, many candidates thought that Option A, the claim form was the correct answer however customers would usually be given a credit note, Option B.

Note. As store cards become more widely used, it is possible that a customer may have credit put onto a card, but that is not the normal purpose of a store card.

In **Question 12**, all options attracted many responses suggesting that candidates may have been guessing the answer. Wholesalers and agents in foreign trade is a topic that is not always understood. The difference between the merchant and the other people in the diagram is that the merchant buys the goods from the supplier before selling them. The factor, broker and agent all bring buyers and sellers together but do not own the goods. Therefore Option B was the correct answer.

Although the majority of candidates answered **Question 16** correctly there are still many candidates who think that customs authorities set the rate of customs duty. Option C was the correct answer.

Candidates may have misunderstood the word 'negotiable' in **Question 23**. It means that the document can be sold on to another person. Only the bill of lading is negotiable so Option B was the correct answer.

In **Question 24**, Option B about maintaining dry docks proved to be a positive distractor. The port authority would not collect customs duties. That is the work of a customs authority.

Question 28 concerning insurance principles showed that candidates did not fully understand the significance of each insurance principle. All options attracted many responses. Indemnity, Option A, stops the insured from making a profit from a loss e.g. by over-insuring a property and so was the correct answer. Insurable interest relates to having a financial interest in the insured risk. Subrogation relates to the insurance company assuming ownership for a risk on which it has paid out. Utmost good faith relates to telling the truth and giving all relevant facts when applying for insurance or making a claim.

In **Question 30**, most candidates chose the correct answer, Option C, but there is still confusion about which method of payment to use in particular situations which meant that Options B and D also attracted many responses.

Option C in **Question 34** proved to be a positive distractor. Candidates did not understand the term 'public utility corporation' and so failed to choose Option D, water. Public utilities are the services that most people need, such as water, electricity, gas, etc. and these are often provided by a state-owned organisation i.e. a public utility corporation.

In **Question 37**, most candidates chose Option D, the correct answer, but a significant proportion thought that debenture holders were paid dividends, Option A.

In **Question 38**, there seemed to be an element of guessing about the main reason for leasing rather than buying delivery vehicles. Option C was the correct answer as the supermarket needs to have up to date and reliable delivery vehicles to conduct its business, but all other options attracted a large number of responses.

In **Question 40**, a numerical question, many candidates chose Option C instead of Option A, the correct answer. Net profit is gross profit less expenses. It is not calculated by deducting gross profit and expenses from turnover.

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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.

Note 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 words in each question, e.g. 'Describe...the most...', 'Explain... the least...'

Show working in any calculation questions.

Candidates should learn succinct and accurate commercial definitions.

Answers should be developed with examples and/or application.

Unqualified single words, such as 'easier', 'quicker' and 'cheaper' do not score marks – these should be explained to get the marks.

General comments

All candidates had difficulty in answering **Question 4** of the examination paper, where the vast majority of candidates found it difficult to gain good marks on parts **(b)(iii)** and **(c)** questions on the topics of methods of payments and communications. Notwithstanding this, it was evident to the Examiners that all Centres had prepared their candidates well by providing wide coverage of the syllabus content, with candidates possessing generally sound knowledge and understanding of commercial vocabulary.

The command words on the examination paper are particularly relevant to Centres and candidates. Each question indicates the level at which it is based:

AO1 (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 4(b)(i)** asked candidates to 'List three difficulties likely to be faced by H Ltd when exporting its components.' Command words such as 'List', 'Name', 'Describe', 'Give' and 'State' confirm that the question is at this level.

AO2 (Application) This assessment objective tests candidates' ability to relate their answer to the context. In this examination, the context to **Question 1** was about an invoice. For example, **Question 1(c)(i)** asked candidates to 'calculate the total amount paid by M Retail if it pays the invoice within 30 days' based on the information supplied in the question. Command words such as 'How', 'What', 'Why', 'Give an example' and 'Calculate' often confirm the question at this level.

AO3 (Analysis) This assessment objective requires candidates to select, interpret or otherwise analyse some point presented in the question. For example, **Question 3(b)** asked candidates to 'Compare the financial position of Y Shops Ltd and C Retail Ltd.' Command words such as 'Identify', 'Compare' and 'Analyse' confirm the question is at this level.

AO4 (Evaluation) This assessment objective tests candidates' ability to formulate some judgements. For example, **Question 2(e)** asked candidates to 'Discuss two sources of finance and recommend which one might be better for O Ltd. Give reasons for your answer.' Command words such as 'Explain why', 'Do you consider', 'Discuss', 'Assess' and 'Evaluate' confirm the question is at this level, as well as when the question contains the statement 'Give reasons for your answer.'

Candidates should be reminded to make sure they give the number of responses required by the question. For example, in **Question 5(a)(ii)** candidates were asked to 'State four actions T Ltd might take'. Some candidates gave one to three actions and some gave more than four actions. It should be emphasised to candidates that including less than the question asks for will reduce the maximum marks that a candidate can score; likewise, including more than the prescribed number does not gain any more marks and may waste valuable examination time that could be used elsewhere on the paper to score marks.

Comments on specific questions

Question 1

Questions 1, 2 and 7 were the most popular questions answered.

- (a) Most candidates identified one type of transport that S Wholesalers might use to deliver goods.
- (b) (i) The key to answering this question part was to appreciate that the focus of the question was on the *advantages to the retailer* that are provided by a wholesaler.
- (b) (ii) There were a range of answers; some answers recommending that the wholesalers should open its own retail shop whereas other answers were against the idea. Strong answers in favour of opening the shop explained various reasons such as the potential for increased sales and a bigger mark-up on goods sold. Other answers were concerned with the increased costs and the need for employees to have new selling skills. These answers were often well supported with appropriate development. Weaker answers stated one reason without making a judgement.
- (c) (i) Many candidates calculated correctly by taking \$4.50 away from \$90 to have the answer of \$85.50. Weaker answers only gained one of the three marks by simply calculating the amount of the cash discount, that is, \$4.50.
- (c) (ii) Most candidates thought it was a good idea to offer the cash discount as it encourage buyers to pay promptly, although a minority of candidates also thought that it was not such a good idea as it was reducing their profit on the sale. Both views were valid.
- (d) This proved to be a testing question for many candidates. Candidates needed to point out that the growth of large-scale retailers and online selling had made it difficult for wholesalers to compete. At the same time, candidates needed to indicate that wholesalers are still vital by discussing the services that they provide for the small-scale retailer. The best answers discussed both viewpoints, the weaker answers concentrated on one viewpoint.

Question 2

- (a) Most candidates knew the correct answer of secondary production.
- (b) Those candidates who knew the meaning of the term 'added value' gave suitable examples such as gluing the wood, varnishing and polishing the furniture. Other candidates who thought that added value was concerned with increasing the price of furniture did not receive any credit.
- (c) The disadvantages of specialisation, such as boredom of workers, were more well-known than the advantages.
- (d) The question was answered very well by those candidates who were able to link their answers directly to the context of building a factory in a remote forested area and recognised that the new factory would be near the necessary raw materials. Weaker answers were more generalised and made vague statements without applying the context.

- (e) (i) Some good comment was made on the advantages to a customer of using hire purchase, such as being able to spread payments and usually with a lower interest rate. However, some weaker answers thought that there was no interest charged on hire purchase. The arguments for using loans were sometimes less well-developed.
- (e) (ii) The most obvious answer to this question - that the business may not have any retained profits - was surprisingly missed by many candidates.

Question 3

- (a) (i) Many candidates could state one example of a long-term liability.
- (a) (ii) It was surprising to find many candidates did not give the formula for working capital in their answers as that would have been sufficient to gain the two marks available. Some candidates lost marks by confusing working capital with owner's capital.
- (a) (iii) Many candidates recognised that working capital was important for paying bills, but often then failed to develop their answers with relevant material.
- (b) This question required candidates to analyse the financial trading figures of two companies. The best answers referred to net profit ratios and the return on capital employed. Weaker answers simply subtracted trading items between each company.
- (c) Those candidates who recognised that this question was concerned with economies of scale generally scored high marks.
- (d) A large proportion of candidates explained valid actions that the retailer could take to survive the competition, including improving customer service and offering special services such as delivery.

Question 4

- (a) The vast majority of candidates accurately defined the term *exports*.
- (b) (i) Many candidates knew two difficulties of exporting, but had difficulty in listing a third difficulty.
- (b) (ii) Bills of lading and air waybill were frequent types of export documents identified.
- (b) (iii) There was generally a lack of knowledge on overseas methods of payment as many answers referred to home methods of payment such as cheques.
- (c) The focus of this question was on why it is important to have rapid and accurate methods of communication. Stronger answers developed and explained a number of relevant points and focused on the *rapid and accurate* application required by the question. For example, this would enable customers to check if their delivery was going to arrive on time. However, many answers were generalised using vague statements that did not score marks.
- (d) Candidates generally demonstrated weak subject knowledge and understanding on the topic of communications. The best answers looked at both oral and written communications. Weaker answers were narrower in terms of points mentioned and less detailed.

Question 5

This was the least popular question.

- (a) (i) The term *saleable quality* was generally not well known.
- (a) (ii) The best answers applied to the fact that the customer was returning a vase. Answers such as fixing the vase were not creditworthy. Please refer to the published mark scheme for a comprehensive list of actions.
- (b) The work of a trade association requires attention from all Centres as there were many disappointing answers to this question.

- (c) This proved to be a challenging question for many candidates. Candidates had to recognise that a fall in profits is a non-insurable risk and therefore T Ltd would not be able to obtain insurance.
- (d) The best answers were balanced, with both benefits and disadvantages of trading with countries outside of a trading bloc. Weaker answers focused on trading bloc benefits and lacked analysis in their answers.

Question 6

- (a) (i) Many candidates knew three functions of a warehouse. The best answers identified three clear warehouse functions such as storage, to meet unexpected demand and to enable production ahead of demand. Weaker answers were more generalised and made vague statements.
- (a) (ii) Apart from some candidates pointing out that having two warehouses could assist with reducing delivery times to the closer retailers, few candidates mentioned any other relevant reasons.
- (b) (i) The topic of bonded warehouses differentiated well with a wide spread of marks from 1 to 4 marks.
- (b) (ii) Lifting gear and security were frequent acceptable answers.
- (c) (i) The public sector was the only correct answer because it is being modernised by the government.
- (c) (ii) The best answers were balanced, with both benefits and disadvantages of using rail. Weaker answers focused on benefits and lacked development in their answers.

Question 7

- (a) (i) Many candidates gained two out of the three marks for their knowledge and understanding of the concept of limited liability, but found it difficult to gain the third mark.
- (a) (ii) Some of the other features suggested of a private limited company were sometimes features of a public limited company instead. Notwithstanding this, there were many relevant features given by candidates.
- (b) (i) This question was extremely well answered by most candidates.
- (b) (ii) The question was answered very well by those candidates who were able to apply their answers directly to the context of university students who would probably use smartphones and social media much more than newspapers. Weaker answers lacked any link to the context.
- (b) (iii) Many candidates answered with examples of advertising media and not that of advertising *devices*.
- (c) Many candidates gave, and explained, relevant ways that the business could take to survive increasing competition, such as increased advertising and developing a website to take online bookings. Weaker answers did not sufficiently develop the actions identified.

Question 8

- (a) (i) This produced a range of mixed answers. A key element of public liability insurance is that there should be negligence by the business. Too often candidates did not include this feature in their answers.
- (a) (ii) Strong answers on the pooling of risk referred to premiums being paid into a pool where compensation is paid from. These answers were often well supported with appropriate explanation. Weaker answers clearly lacked knowledge of this concept.
- (b) (i) The question asked not only to state an advantage to Tom of having a current account but to explain it as well. Many candidates lost marks by not explaining their answer.
- (b) (ii) Most candidates gained one mark by stating that you were able to check your balance as one of two purposes. Some candidates had difficulty in stating a second purpose.

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- (c) To gain three marks, this question required more than a simple yes or no. As stated in the question, candidates needed to explain reasons to justify their choice.
- (d) Candidates were expected to comment on both running a franchise and an independent business. The former was generally well answered with many valid points whereas the reasons for running your own business were either not provided or lacked detail. This gives a clear indication that candidates do not spend sufficient time reading, and understanding, what is required from a question.

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Paper 7100/23
Written

Key Messages

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

Revise all sections of the syllabus.

Note 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 words in each question, e.g. 'Describe...the most...', 'Explain... the least...'

Show working in any calculation questions.

Candidates should learn succinct and accurate commercial definitions.

Answers should be developed with examples and/or application.

Unqualified single words, such as 'easier', 'quicker' and 'cheaper' do not score marks – these should be explained to get the marks.

General Comments

All candidates had difficulty in answering **Question 8** of the examination paper, where the vast majority of candidates found it difficult to gain good marks on parts **(b) and (c)(i)(ii)** questions on the topics of location and department stores. Notwithstanding this, it was evident to the Examiners that all Centres had prepared their candidates well by providing wide coverage of the syllabus content, with candidates possessing generally sound knowledge and understanding of commercial vocabulary.

The command words on the examination paper are particularly relevant to Centres and candidates. Each question indicates the level at which it is based:

AO1 (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 7(b)** asked candidates to 'State two services provided by a port authority to enable ships to operate in the port.' Command words such as 'Name', 'Describe', 'Give' and 'State' confirm that the question is at this level.

AO2 (Application) This assessment objective tests candidates' ability to relate their answer to the context. In this examination, the context to **Question 5** was about a sole trader's trading figures. For example, **Question 5(a)(i)** asked candidates to 'calculate the total expenses of the business' based on information supplied in the question. Command words such as 'How', 'What', 'Why', 'Give an example' and 'Calculate' often confirm the question at this level.

AO3 (Analysis) This assessment objective requires candidates to select, interpret or otherwise analyse some point presented in the question. For example, **Question 8(a)** asked candidates to 'Identify a suitable channel of distribution for this jewellery.' Command words such as 'Identify', 'Compare' and 'Analyse' confirm the question is at this level.

AO4 (Evaluation) This assessment objective tests candidates' ability to formulate some judgements. For example, **Question 6(c)** asked candidates to 'Discuss whether or not Jenni should open a cash and carry warehouse or not. Give reason for your answer.' Command words such as 'Explain why', 'Do you consider', 'Discuss', 'Assess' and 'Evaluate' confirm the question is at this level, as well as when the question contains the statement 'Give reasons for your answer.'

Candidates should be reminded to make sure they give the number of responses required by the question. For example, in **Question 1(b)** candidates were asked to 'State three actions Jane can take'. Some candidates gave two actions and some gave more than three actions. It should be emphasised to candidates that including less than the question asks for will reduce the maximum marks that a candidate can score; likewise, including more than the prescribed number does not gain any more marks and may waste valuable examination time that could be used elsewhere on the paper to score marks.

Comments on Specific Questions

Questions 1, 2 and 5 were the most popular questions answered.

Question 1

- (a) (i) Marks were lost by those candidates who thought that *credit* was another term for a credit card.
- (ii) Many candidates were able to state advantages of buying on credit, such as the payment can be slowly paid off, but often failed to develop their answers with further description of an advantage.
- (iii) The best answers developed their responses by making linked relevant development points to their initial point. For example, a candidate might have made the initial point that there is a risk of bad debts by offering credit. A relevant development point would have been that the risk of bad debts will be due to late or non-payment.
- (b) The question was answered very well by those candidates who linked their answers directly to the context of a customer who needed specific consumer protection actions to be carried out by the garage owner. Single words, such as warranty, were not considered to be creditworthy.
- (c) (i) This question required more than a simple yes or no – 'Justify your answer.' – indicates that candidates should give a reason to justify their choice.
- (ii) Strong answers identified and explained two different sources of long-term finance, such as loans and a mortgage. Weaker answers often gave short-term sources of finance and therefore did not gain marks as they were not answering the question set.

Question 2

- (a) (i) Most candidates knew that a manufacturer changes raw materials into finished goods.
- (ii) Many candidates correctly related their answers to survival and need of having camping equipment to cook food. Weaker answers confused the two terms by thinking a need was a want.
- (b) It was only the stronger answers that included relevant application to transport in their answers.
- (c) (i) There was good understanding demonstrated on the difference between sales promotion and advertising.
- (ii) This proved to be a challenging question for the majority of candidates. Examiners were looking for examples such as, goods at the end of expiry date or end of season, but often candidates gave irrelevant answers such as profit and online selling.
- (d) Candidates were expected to comment on both the advantages of selling online and the disadvantages. The former was generally well answered with many valid points whereas the disadvantages often lacked detail.

Question 3

- (a) (i) This question was concerned with the reasons why businesses should take insurance, such as providing financial protection and business confidence. Weaker answers either duplicated the same reason or did not explain their reasons.
- (ii) Strong answers on the pooling of risk referred to premiums being paid into a pool where compensation is paid from. These answers were often well supported with appropriate explanation. Weaker answers clearly lacked knowledge of this concept.
- (b) Many candidates calculated correctly by taking \$320 000 away from \$240 000. Weaker answers gained one of the three marks by only calculating the amount of premiums, that is, \$320 000.
- (c) (i) The majority of candidates knew that a cheque or a credit transfer would be used to pay wages to employees.
- (ii) The question asked not only to state a means of payment but to explain it as well. Many candidates could not gain full marks because they did not explain their answer.
- (iii) Strong answers discussed a range of internet banking benefits and disadvantages, such as increasing access to 24/7 but also having to consider the vulnerability to fraud that is involved. Weaker answers were usually one-sided, gave less points or less explanation in their answers.

Question 4

- (a) (i) In answering this question, candidates needed to carefully read the scenario which was focused on domestic trade. Therefore, international documents such as a bill of lading were not valid.
- (ii) Most candidates correctly stated two advantages of road transport, but basic unqualified answers such as road transport being cheaper or quicker did not gain credit.
- (b) Some answers to this question lacked detail or missed the focus of the question by concentrating on sources of finance to purchase the trucks. Moreover, the context of the KTL's cash flow was often missing from responses with most candidates not appreciating that if KTL is a large business then buying their own trucks would probably work out cheaper in the long run than leasing them.
- (c) The better answers centred their attention on containers and not generally about rail transport. Candidates were expected to give reasons for their answers which they did not always do.
- (d) (i) Good understanding was generally demonstrated on the benefits of using email over telephone when dealing with an enquiry over delivery.
- (ii) Many candidates were able to state two benefits of using a website, such as it is a global communication medium which is available 24 hours a day, but then often failed to develop their answers with explanation of the *benefit to KTL*. This is an example of candidates not gaining marks for AO2 because they did not read the question sufficiently carefully.

Question 5

- (a) (i) Most candidates calculated the correct answer for total expenses, although a minority of candidates thought incorrectly that you should deduct gross profit from sales turnover to do so.
- (ii) Insurance and rent were often valid examples of expenses given.
- (iii) Many candidates recognised that increasing advertising and reducing prices would normally lead to an increase in sales turnover. Weaker answers suggested reducing costs, which may not be easy for a sole trader, and selling fixed assets which would not affect sales turnover.
- (b) The best answers applied their answers to the context of Peter buying and selling fruit for a profit.

- (c) (i) The best answers were balanced, with both benefits and disadvantages of forming a partnership. Weaker answers focussed only on benefits and lacked development in their answers.
- (ii) There were many disappointing answers to this question. Centres should refer to the published mark scheme for a range of relevant points.

Question 6

- (a) (i) Most candidates could accurately describe a warehouse as a building to store goods.
- (ii) Most candidates knew the features of an ordinary warehouse, but were generally less knowledgeable on features of bonded warehouses.
- (iii) Enforcing quotas and embargoes were often given as relevant answers.
- (b) (i) There were very few good answers to this question. Answers could either have been positive or negative, but there needed to be strong reasoning to gain the maximum marks.
- (ii) The majority of candidates calculated the correct answer of \$200.
- (c) This six-mark question proved to be testing for most candidates. Many candidates answered from the point of view of the customer, rather than that from Jenni's perspective. It was only the stronger answers that discussed both sides of the argument from the owner's perspective and made a justified recommendation.

Question 7

- (a) The majority of candidates gave the furniture factory as a valid answer.
- (b) Some candidates lost marks by confusing a port authority with a customs authority.
- (c) (i) The better answers recognised that wood was a heavy commodity and would need to be transported by sea rather than by air.
- (ii) It was evident that those candidates who had taken time to study the map in Fig. 3 carefully achieved higher marks. They were able to give valid explanations, such as the roads having access to the nearby towns enabling workers to travel to work at the sawmill as well as to the furniture factory for transporting goods.
- (d) It was only the stronger answers that included applicable explanation of the relevant benefits of multinationals locating in the country.
- (e) This question differentiated well with a wide range of answers. The better answers identified and explained three government actions. Weaker answers often identified one or two actions with limited explanation.

Question 8

- (a) Maximum mark answers clearly identified at least two elements applicable to the channel of distribution for jewellery. Lesser answers only supplied one element.
- (b) In answering this question, candidates needed to see the connection with the importing of valuable though lightweight jewellery and the need for speed and security by air.
- (c) (i) Many candidates incorrectly confused department stores with multiple chain stores so could not gain marks.
- (ii) A receipt and an invoice were frequent and incorrect answers. This suggests that candidates did not read the question sufficiently carefully.
- (iii) The correct calculation of \$350 was completed successfully by many candidates.

- (d) The best answers applied their answers to the scenario, considering both benefits and disadvantages of trading through overseas manufacturers. Weaker answers focussed just on the benefits and lacked development in their answers.