

COMMERCE

Paper 7100/11
Multiple Choice

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

General comments

The multiple-choice paper consists of 40 4-option questions. There were 7 diagram-based questions, of which only **Q9** required calculation. These diagram-based questions were **Questions 2, 6, 9, 18, 23, 29** and **39**. Questions that required calculations based on the presentation of the numerical data included **9, 14, 31, 35** and **37**. Overall, the mean mark for all candidates was just under 22.

A fair number of questions were answered correctly by over 80 per cent of candidates. These included **Questions 1, 8, 21, 22** and **40**; of these **Q22** was relatively easier as it received 92 per cent correct responses.

There were 3 negative (**not-style**) questions in this exam. These were **Questions 5, 13** and **27**. The data indicates that a considerable number of questions were found challenging by the candidates. These included **Questions 11, 12, 13, 25, 27, 28** and **30**. All of these questions had a correct response rate below 25 per cent. None of these more challenging questions involved calculations. These questions are discussed in the next section.

Comments on specific questions

Question 11

This question was answered correctly by only 24 per cent of candidates. An overwhelming majority chose Option **A** instead of the correct Option **B** *Less storage space is needed*. These candidates may have been attracted by the *cash discount* mentioned in Option **A**, but this would not apply in this scenario. The 68 per cent of candidates who chose the incorrect Option **A** perhaps overlooked the fact that small-scale retailers

do not buy in bulk. The fact that a wholesaler allows small-scale retailers to purchase in small quantities enables these retailers to avoid investment in storage space.

Question 12

Candidates had difficulty answering this question. Options **A** and **C** are pre-order documents. Option **D** is a post-payment document. The correct answer is Option **B** *delivery note*, which is sent when an order is placed.

Question 13

This is a negative question which makes it relatively more challenging. Careful reading of these questions is essential for success. Option **C** *reprinting of catalogues*, was selected by 68 per cent of candidates. This point is an advantage to a seller of using trade discount. Trade discount influences the size of the order, and is determined by goods being sold. Therefore, both Options **A** and **D** apply. However, it is the **cash discount** and not the *trade discount* that *encourages buyers to make prompt payment*. Therefore, Option **B** is correct because it does NOT apply in case of trade discount. Only 19 per cent selected the correct answer.

Question 25

Option **D** *quick unpacking of goods at the dock* was chosen by 48 per cent of the candidates compared to 20 per cent for the correct Option **C** *fast turnaround of ships at ports*. The reason Option **D** is incorrect is because containers are instruments for storage and transshipment, and therefore reducing the need for unpacking goods. However, containers certainly allow quick unloading and therefore quicker movement of ships. It seems that candidates may have been confused between unloading and unpacking.

Question 27

Candidates found this question challenging, perhaps because the answer is hidden in the words within the question. These words are '**contract of carriage**'. The 22 per cent who got the correct answer, Option **D** *delivery note*, had the understanding that delivery note is used only when the sender/seller of goods is using their own transport and not when contracting logistics to a third-party.

Question 28

Only 12 per cent of candidates chose the correct answer, Option **B** *enables goods to be sold in small quantities*. This suggests a lack of understanding of the different types of warehouses and their functions. Option **C** is incorrect because it is the opposite of the key function of a bonded warehouse. Option **D** *stores confiscated goods* was chosen by 51 per cent as the correct answer. However, this is incorrect because storing confiscated goods is a function of a government or a public warehouse, whereas a bonded warehouse is a private warehouse whose main functions are to defer customs duty payment, and sell small samples to explore potential markets.

Question 30

This is an evaluative question, and given the context in the stimulus the most appropriate answer is Option **C** *key person*. Option **B** *employer's liability* is incorrect because a partner is not an employee. Both, Option **A** *professional indemnity* and Option **D** *public liability* are not relevant to the context.

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Paper 7100/12
Multiple Choice

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

General comments

The multiple-choice paper consists of 40 4-option questions, of which 10 were non-numerical questions that presented data in either tabular or diagrammatic format. These were **Questions 1, 7, 18, 19, 23, 24, 25, 26, 30 and 40**. In addition, **Questions 9, 14, 15, 31 and 38** presented numerical data and required calculations. Overall, the performance of candidates was reasonable with mean marks just under 25.

A fair number of questions were answered correctly by over 80 per cent of candidates. These included **Questions 3, 6, 10, 30 and 40**; of these the last question was relatively easier as 90 per cent of candidates answered it correctly.

There were no negative (**not-style**) questions in this exam. There were no questions on this paper that were answered correctly by fewer than 20 per cent of candidates. However, there were 3 slightly difficult questions – **Questions 5, 13 and 21** – which candidates found to be relatively more challenging than other questions. None of these involved calculations. These are discussed in the next section.

Comments on specific questions

Question 5

This was a fair and accessible question. However, both Option **B** *bringing buyers and sellers together* and Option **C** *giving advice of goods purchased* received 33 per cent of candidate responses. Option **C** was the correct answer. Option **B** is the function of a market. Option **A** is incorrect as retailers are themselves an intermediary between a wholesaler and consumers. Option **D** is clearly incorrect because trade discount is not offered to consumers.

Question 13

Option **D** *to persuade retailers to pay for purchases immediately* received 40 per cent of candidate response, whereas the correct Option **C** *to encourage prompt payment on credit sales* was selected by only 35 per cent of candidates. These options are similar but there is an important distinction between the two options. Wholesalers normally offer credit to retailers and do not expect **immediate payment**. Therefore, the purpose of cash discount offered by a wholesaler is not to discourage credit purchases but to use it as a service that achieves two purposes: (1) it encourages credit purchases; but also (2) it encourages prompt payment on credit purchases.

Question 21

This question received correct responses from 26 per cent of candidates. The correct answer was Option **D** *there is compensation for loss*. A majority of candidates could not understand that a registered mail is just a paid, normal speed, normal delivery postal service primarily used for sending valuable items and/or documents. This service is unlike the speedy courier or special next day delivery services. For these reasons, Options **A**, **B** and **C** are incorrect. Two key characteristics that differentiate a registered mail from other postal services are: (1) it is signed for service that requires the receiver to acknowledge receipt with signature; and (2) the sender can claim compensation if the mail is either lost or not delivered.

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<p>Paper 7100/21 Written 21</p>

Key messages

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

- Candidates should be reminded that for this O Level Commerce syllabus, it is the quality of the response that determines the level an answer achieves for the three 6-mark questions and the two 8-mark questions, rather than the quantity of correct statements contained within an answer. Quality is determined by progression through the hierarchy of the four assessment objectives set out in the syllabus.
- Note the number of marks awarded on 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. Weaker 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 important words in each question, e.g. command words such as explain or describe and key words such as suitable or best.
- Show working out in any calculation questions.
- Revise all areas of the syllabus.
- Candidates should learn succinct and accurate commercial definitions.

Answers to 6 – 8 mark questions should always 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 receive the marks.

General comments

The paper appeared to be accessible to most candidates who coped well with the demands of the five questions. It discriminated well and there was no evidence of time pressure. The examination showed the importance of a consistent performance across the questions. The paper provides a broad coverage of the specification and therefore a clear understanding of the entire specification is essential for success.

All candidates had difficulty in answering **Questions 1(d)** and **4(e)**, where many candidates found it challenging to gain good marks on the topics of overseas agents and online banking. Apart from this, it was evident to 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 used in the examination paper indicates the Assessment Objective (AO) targeted:

AO1 (Knowledge and understanding) tests candidates on their ability to demonstrate their knowledge and understanding of commercial terms, ideas or principles mentioned in the question. For example, **Question 1(a)(ii)** asked candidates to 'Define *inventory*'. Command words such as 'State', 'Define', 'Describe', 'Give' and 'List' confirm the question is at this level and requires a straightforward response.

AO2 (Application) tests candidates' ability to relate their answer to the context. In this examination, the context to **Question 3** was about a country's Balance of Payments. For example, **Question 3(b)(i)** asked candidates to 'Calculate the Balance of Payments in 2022 for country A.' Command words such as 'How', 'Draw', 'Why', 'Give an example' and 'Calculate' confirm the question is at this level and requires a candidate to make themselves familiar with the context provided.

AO3 (Analysis) requires candidates to select, interpret or otherwise analyse some point presented in the question. For example, **Question 2(c)** asked candidates to 'Explain **two** reasons why small-scale retailers are usually owned by sole traders.' Command words such as 'Identify', 'Compare', 'Explain' and 'Analyse' confirm that the question is at this level.

AO4 (Evaluation) tests candidates' ability to formulate some judgements. For example, **Question 5(b)** asked candidates 'Do you think it is a good idea to have a hand car wash next to the coffee shop?' Command words such as 'Explain why', 'Do you think', 'Discuss', 'Assess' and 'Evaluate' confirm the question is at this level.

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 'Explain **two** advantages of using rail transport to deliver raw materials to manufacturers.' Some candidates gave three ways and some gave one way. 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.

Comments on specific questions

Question 1

- (a) (i) The majority of candidates correctly identified the aid to trade in Fig. 1.1.
- (ii) Some candidates generally demonstrated very good knowledge of the term 'inventory' by defining it as 'the stock, such as raw materials held by a business'. Other candidates confused it with a source of finance or thought it was a place where goods were kept.
- (iii) Many candidates gave \$4429 bn as the correct answer. A common error was to multiply the costs of rail and road transport instead of adding them.
- (b) Good answers identified and explained two different advantages of using rail transport to deliver raw materials to manufacturers. Weaker answers often only identified one or two advantages without adequate supporting explanation. A good example is below:
1. *Rail transport is more suitable for bulky raw materials, such as iron, over long distances.*
 2. *Rail transport, with the use of electric trains, results in less pollution caused to the environment compared to sea or air transport.*
- (c) Many candidates were able to circle the correct conclusion to each sentence: one circle for each sentence.
- (e) Many candidates had difficulty answering this question. The best answers produced a well-argued answer, with relevant supporting evidence, on whether or not overseas agents were important to exporters with a developed evaluation. However, many candidates failed to produce relevant evidence and tended to discuss general knowledge points relating to overseas agents, without analysis.

Question 2

- (a) Many candidates were able to correctly identify two examples of small-scale retailers, such as hawkers and peddlers. Incorrect answers gave examples of large-scale retailers such as a supermarket.
- (b) Questions beginning with the command words 'Do you think' or 'Is it a good idea' mean that reasons can be justified on either, or both, sides. The best answers explained either the benefits to the convenience store of offering informal credit to customers such as her ability to increase turnover and boost customer loyalty, or the drawbacks of the risk of bad debts and the need to keep careful records. Weaker answers lacked knowledge of informal credit or did not justify their reasoning. A good example is below:



Yes, I think it would be beneficial for a convenience store to offer informal credit as it will establish customer relationships with local customers who would be more likely to continue shopping there, and increase the store's sales turnover. On the other hand, there is always the problem of customers not returning to the store to pay for the goods, resulting in bad debts to the store owner.

- (c) This question required knowledge and understanding of two reasons why small-scale retailers are usually owned by sole traders. Many candidates could identify relevant ways, such as it is easier to control and manage as well as the preference to keep all profits. Good answers developed these ways by explaining them, while weaker answers tended to write a list of one or two ways without related explanation.
- (d) Good answers identified and explained two suitable ways that small-scale retailers can survive competition from large-scale retailers. These ways included buying in bulk from cash-and-carry warehouses and extending opening hours. Weaker answers often only identified ways without supporting explanation or gave answers on, for example, the use of lower prices and delivery that could equally be applied to large-scale retailers.

Question 3

- (a) Two out of four marks was a frequent score to this question. Marks were lost by answers that did not mention examples of country's A's visible and invisible items given in the information for Fig. 3.1.
- (b)(i) There was a good proportion of correct calculated answers for maximum marks. Weaker answers incorrectly calculated the exports and imports together instead of calculating them separately.
- (ii) The best answers identified a reason and explained why country A might be concerned with the Balance of Payments figures. Weaker answers simply gave a reason without explanation.
- (c) There was a range of interesting and valid negative effects on country A of importing plastic waste. Marks were lost by actions that lacked related explanations.
- (d) The best answers described and analysed the benefits to country A's importers of using communication by email or through videoconference with a judgement made on which option was the most effective to use. Generally, there was better knowledge and understanding of email than of the videoconference option. Weaker answers often simply described email and/or videoconference without any analysis. A good example is below:

Email is a written method of communication that can be sent over long distances cheaply to exporters. The email is stored in an exporter's inbox, providing a permanent record. However, emails may not be immediately read by the exporter. If the message was urgent, this would lead to possible delays in the delivery of goods.

Videoconferencing is a visual and audio method of communication of linking the importer with the exporter. This is cheap for the importer to use compared to travelling to meet with the exporter. The importer will be able to see the exporter's face and body language and judge whether they are committed to trading with them. However, there may be network issues that can delay responses, and time zone differences which may be inconvenient for traders in different time zones.

Overall, I think it would be more effective to use videoconferencing. International trade dealings can be very complex to understand. At least with videoconferencing, it is easier at that moment to ask extra questions to make sure that the importer fully understands what the exporter is communicating.

This is even more important if the matter is urgent and a speedy reply is needed.

Question 4

- (a) Many candidates knew that current account was the only correct answer.
- (b) This question was answered well by most candidates, but a small minority of candidates were not able to give a valid example of a direct debit method of payment.

- (c) There were many acceptable advantages given why Zane would make payment by direct debit.
- (d)(i) This question was well answered by those candidates who linked the two terms in the question. Unfortunately, many candidates did not link the terms or simply thought this question was about online advertising.
- (ii) This question proved challenging for many candidates. Many candidates supplied answers that could refer to any advertisement, it was only a minority of candidates that recognised that they needed to focus their answers on the advertisement given in Fig. 4.1. A good example is below:
- The advertisement in Fig. 4.1 shows a picture of someone using mobile banking, giving the idea that it is easy to use. This makes the advertisement a persuasive one. However, it is not very informative as there are no details of the steps needed to use this service or where it can be obtained from.*
- (e) Candidates found this question difficult to score good marks. For example, many candidates could identify one or two implications of online banking for banks but often found difficulty in analysing and then evaluating the implications. A small minority of candidates gave implications for customers which was not required from the wording of the question.

Question 5

- (a)(i) A large proportion of candidates were not able to identify the type of tertiary activity carried out by the architect to Louis in Fig. 4.1. Many candidates thought incorrectly that it was an indirect service or a personal service.
- (b) Many answers to this question balanced positive and negative points which generally worked well.
- (c) This True and False question on credit produced a range of marks from zero to three with the third statement being the least well answered.
- (d) The strongest answers explained and analysed both options, namely retained earnings and loans, to finance the hand car wash facility with a justified recommendation based on the context and arguments presented. Weaker answers described one or two of the options without analysis or a justified recommendation. A good example is below:

Retained earnings is a readily available source of finance as it is Louis's own money. It can be used for investment in a business, with Louis having complete control on how it should be used. An important point is that it does not have to be repaid and is cheaper than using other sources as there is no interest charged. However, \$100 000 is a large amount and Louis might not have sufficient retained earnings for this purpose.

A bank loan provides long-term finance which would mean that Louis could spread the monthly repayments, making it easier for to pay. Louis would be able to obtain a large amount of money, as long as the business is creditworthy, which would be enough to buy the hand car wash facility. However, there are interest rates to be paid over the fixed period lent, so Louis will end up paying more than the \$100 000 for the facility.

In conclusion, a loan is recommended as this business needs the finance for a specific purpose, that is, the fixed asset of the hand car wash facility. This means that Louis, if the retained earnings are insufficient, will be able to access the total cost of the facility and can pay it back over a longer period of time at a fixed interest rate taking pressure off the business.

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Paper 7100/22
Written 22

Key messages

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

- Candidates should be reminded that for this O Level Commerce syllabus, it is the quality of the response that determines the level an answer achieves for the three 6-mark questions and the two 8-mark questions, rather than the quantity of correct statements contained within an answer. Quality is determined by progression through the hierarchy of the four assessment objectives set out in the syllabus.
- Note the number of marks awarded on 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 important words in each question, e.g. command words such as explain or describe and key words such as suitable or best.
- Show working out in any calculation questions.
- Revise all areas of the syllabus.
- Candidates should learn succinct and accurate commercial definitions.
- Answers to 6 and 8 mark questions should always be developed with examples and/or application. Candidates should note **AO4** on these questions account for 2 marks, therefore, the absence of a conclusion/evaluative judgement restricts the maximum mark they can achieve on these questions. Unqualified single words, such as 'easier', 'quicker' and 'cheaper' do not score marks – these should be explained to receive the marks.

General comments

The paper appeared to be accessible to most students who coped well with the demands of the five questions. It discriminated well and there was no evidence of time pressure. The examination showed the importance of a consistent performance across the questions. The paper provides a broad coverage of the specification and therefore a clear understanding of the entire specification is essential for success.

All candidates had difficulty in answering **Questions 2(c)** and **5(f)**, where many candidates found it difficult to gain good marks on the topics of insurance principles and credit cards. Apart from this, it was evident to 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 used in the examination paper indicates the Assessment Objective (**AO**) targeted:

AO1 (Knowledge and understanding) tests candidates on their ability to demonstrate their knowledge and understanding of commercial terms, ideas or principles mentioned in the question. For example, **Question 5(b)** asked candidates to 'Define *debit card*.' Command words such as 'State', 'Name', 'Describe', 'Give' and 'Define' confirm the question is at this level and requires a straightforward response.

AO2 (Application) tests candidates' ability to relate their answer to the context. In this examination, the context to **Question 1** was about the chain of distribution for bananas. For example, **Question 1(c)** asked candidates to 'calculate the tariffs paid on a consignment of bananas costing \$400 000.' Command words such as 'How', 'Draw', 'Why', 'Give an example' and 'Calculate' confirm the question is at this level and requires a candidate to make themselves familiar with the context provided.

AO3 (Analysis) requires candidates to select, interpret or otherwise analyse some point presented in the question. For example, **Question 3(a)(ii)** asked candidates to 'Identify **two** ways in which the store layout is helpful to staff.' Command words such as 'Identify', 'Compare', 'Explain' and 'Analyse' confirm that the question is at this level.

AO4 (Evaluation) tests candidates' ability to formulate some judgements. For example, **Question 2(c)** asked candidates to 'Evaluate the importance to the private limited company of the insurance principle of indemnity when making its claim.' Command words such as 'Explain why', 'Do you think', 'Discuss', 'Assess' and 'Evaluate' confirm the question is at this level.

Candidates should be reminded to make sure they give the number of responses required by the question. For example, in **Question 3(b)**, candidates were asked to 'State **two** actions that the store owners could take to resolve this problem' Some candidates gave one or 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.

Comments on specific questions

Question 1

- (a) (i) The term 'producer' was often soundly defined, although some candidates confused it with being a retailer.
- (ii) The correct answer of \$0.34 was frequently chosen.
- (b) This question required knowledge of an example of an overseas intermediary rather than a home market intermediary which some candidates incorrectly gave as their answer.
- (c) There was a good proportion of correctly calculated answers. Weaker answers used the correct workings but gave an incorrect final answer. This emphasises the importance of showing workings for every calculation.
- (d) Good answers identified and explained two different reasons why a country imports bananas. Weaker answers often only identified one or two reasons without adequate supporting explanation.

A good example is below:

- 1 *Many countries do not have the right tropical climate to grow bananas so need to import them to satisfy a country's consumer needs.*
- 2 *Some countries do not have the land or resources to produce bananas so need to rely on other countries who have these factors of production.*

- (e) Many candidates were able to circle the correct conclusion to each sentence: one circle for each sentence.
- (f) This question was not answered as well as expected. It asked for a consideration of two factors, apart from cost, that banana producers should consider when deciding to use sea transport. Consideration of factors such as cold storage and distance, for example, were expected with supporting analysis and evaluation to produce a good answer. Although many candidates could identify two relevant factors, they often found difficulty in clearly analysing or applying these factors to the context. Moreover, many answers did not supply an evaluation of the two factors in order to make a judgement on which factor was the most important. This prevented them from being able to access Level 3 in the level mark bands.

Question 2

- (a) This question required answers on explaining two features of a private limited company. Good answers did identify two clear features of a private limited company such as limited liability and the restriction of share ownership. Good answers developed these features, while weaker answers tended to write a list of features without related explanation. Other candidates lacked knowledge

and understanding of the term private limited company, often confusing the organisation with a public limited company.

- (b) Candidates were asked to state two risks, apart from fire, that a factory should be insured against, for example, buildings and flood. Weaker responses stated general insurance risks that affect private individuals such as motor and life assurance.
- (c) This proved to be a challenging question for most candidates. The best answers described and analysed the insurance principle of indemnity and then made a judgement on its importance in the context of making a claim of \$70 000 to the insurance company. They explained that under the principle of indemnity that they should be compensated for a loss, not to make a profit and then gave supported analysis with an evaluation of the importance of the principle when making insurance claims. Weaker answers had limited knowledge and understanding of indemnity or discussed other insurance principles such as utmost good faith. A good example is below:

Indemnity is an insurance principle which is used to restore a person to the position they were before the event took place. In this case, the factory owner has made an insurance claim to request compensation of \$70 000. With this principle, compensation is given only up to the limit set by the insurance policy. So, in this example, if the factory if has a policy stating a limit of £50 000, they would be making \$20 000 profit if they obtained the full \$70 000 compensation. Making a profit from insurance is against the principle of indemnity. Also, they would have saved money by paying lower premiums.

Yes – the principle of indemnity is very important when making a claim so that the factory can be rebuilt. However, the factory owners need to make sure that they have not under-insured as they could find themselves having their insurance claim reduced. They would then have to borrow money for the rest of the repairs.

Question 3

- (a) (i) Many candidates recognised that the position of the sale items in Fig. 3.1. was to encourage impulse buying.
- (ii) The best answers applied two clear ways of showing how the floor plan was helpful to staff. Some answers lost marks by saying how it was helpful to customers. A good example is given below:
- 1 *The stockroom is near the changing rooms so staff can easily carry any clothes there if required.*
 - 2 *By having identified sections for each clothes category it is helpful to staff when restocking clothes in their right sections.*
- (b) There were many acceptable actions given to resolve the problem of the long queue at the checkout, such as obtaining another checkout terminal and hiring more checkout staff.
- (c) Centres should note that a question beginning with the command words ‘Should this’, ‘Do you think’ or ‘Do you agree’ means that the reasoning can be on either side as long as it is justified. The best answers recognised that there would be pros and cons to fashion stores locating near to other fashion stores. Weaker answers did not apply their answers to the context of the question.
- (d) The strongest answers explained and analysed both options, namely sponsorship and offering discount coupons, to launch a new store’s marketing campaign with a justified recommendation based on the context and arguments presented. The strongest answers evaluated that sponsorship might raise brand awareness but would not necessarily lead to increased revenue whereas giving discount coupons could be more targeted to specific customers who might be more interested in buying their clothes. Weaker answers described one or two of the options without analysis or a justified recommendation.

Question 4

- (a) (i) Most candidates were able to suggest a method of written communication such as email.
- (ii) The best answers explained either the benefits and/or the drawbacks of using telephone to place orders with the wholesaler. Weaker answers lacked limited knowledge of telephone benefits and drawbacks or did not justify their reasoning. A good example answer is below:
- It is beneficial for Celine to phone her wholesaler as she can have direct oral communication where a quick confirmation on her orders can take place and she can see whether the goods are in stock. At the same time, she needs to be aware that there could be the problem of no record or proof of the conversation. This might result in the wholesaler mishearing what was said, which could lead to the wrong orders being delivered.*
- (b) Many attempted explanations of the term '5% 30 days' lacked precision. Many candidates recognised that the 5% was a discount but some thought it was given for a payment after, instead of within, the 30 days.
- (c) Good answers identified and explained two clearly different disadvantages to the wholesaler of offering trade discount to Celine. Weaker answers often only identified disadvantages without supporting explanation or gave general answers on disadvantages, such as fraud, to the wholesaler.
- (d) The best answers described and analysed why Celine should set up a website for her baby clothes business. Many candidates used the words 'discuss the importance', given in the question, to provide a justified evaluative response in their conclusions. Weaker answers simply described advantages of selling online without analysing them, so were unable to access the 3–6 mark levels.

Question 5

- (a) This question proved to be more difficult for many candidates than was expected. Incorrect answers often gave answers of payment methods, such as cash, that were already named in Fig. 5.1.
- (b) Many attempted definitions of the term 'debit card' lacked precision.
- (c) Very well answered by most candidates who gave one valid reason for the popularity of mobile wallets. The greater use of smartphones and online shopping were frequently supplied valid answers.
- (d) The best answers recognised that there would be advantages and disadvantages of having a cashless society. Weaker answers simply gave one or two points without explanation or justification. A good example is below:
- A cashless society is where electronic methods of payments replace cash. Yes, it is preferable to have a cashless society as it is more convenient and safer than carrying cash for consumers. However, for retailers it adds to their costs as they require secure IT systems to collect electronic payments. At the end of the day, if consumers do not want to live in a cashless society, as they prefer paying in cash, retailers will still need to accept cash payments.
- (e) This True and False question on internet banking produced a range of marks from zero to three with the first statement being the least well answered.
- (f) This question proved challenging for many candidates. Many answers could only describe one or two advantages of credit cards and did not analyse or evaluate which was the important advantage. A good example answer is below:

Credit cards have many advantages when buying goods. Two advantages are:

- 1 *There is free credit that can be obtained for at least a month. This means that you can use the goods without paying for it immediately, helping your cashflow for that month.*

- 2 *Credit cards can be used all over the world. So if you are travelling you do not have to worry about changing your foreign currency when buying a good as you can use a credit card which adds to your convenience.*

Overall, the more important advantage is the first one. Allowing you to spend money on goods that you cannot afford with immediate cash gives you the ability to own goods that you want sooner, rather than later, before the prices have increased.

