

COMMERCIAL STUDIES

Paper 7101/11
Elements of Commerce

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 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 key command word in each question.
- Show working out in any calculation questions.
- Candidates should learn succinct and accurate commercial definitions.
- Candidates should develop their answers with examples and/or application.
- Unqualified word comments such as 'easier', 'quicker' and 'cheaper' do not score marks.

General Comments

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.

The majority of candidates had difficulty in the compulsory **Section A Question 5(d)** of the examination paper, on the topic of computer applications.

Some candidates do not always answer at the appropriate level of skill. 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)** asked candidates to 'describe two factors he should consider when choosing a method of saving to use that is offered by the bank.' 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 3** was about a newspaper advertisement. For example, **Question 1(a)(i)** asked candidates to show 'why the producers of branded goods leave out the wholesaler and sell direct to retailers? Command words such as '**How**', '**Draw**', '**Why**', '**Give an example**' and '**Calculate**' confirm the question at this level.

AO3 (Analysis) This assessment objective requires candidates to select, interpret or analyse information presented in the question. For example, **Question 3(a)(ii)** asked candidates to 'identify one example of another type of transport in Fig. 1.' 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 judgements. For example, **Question 6(c)(i)** asked candidates to 'explain why many shopping centres are successful.' Command words such as '**Explain why**', '**Do you consider**', '**Discuss**' and '**Evaluate**' confirm the question is at this level.

Candidates should be reminded to pay close attention to the questions. For example, in **Question 4(c)(i)** candidates were asked to 'explain **two** advantages of using cheques instead of cash'. Some candidates gave one or two advantages and some gave more than three advantages. 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, 3 and 5 were the most popular questions in **Section A**.

Question 1

(a) Candidates generally knew that a producer made goods in the secondary sector of industry. Most candidates accurately defined the term 'human wants', with an appropriate example to part (ii) so as to obtain the maximum two marks. Some answers did not provide examples so were only awarded one mark for each part. Overall, the majority of candidates scored at least one mark, for each part, out of the two marks available.

(b) Many candidates knew that breaking bulk was selling in smaller quantities but had difficulty in developing their answers for the second mark. The functions of warehousing, such as providing storage for seasonal goods, were well known by many candidates.

(c) There was generally good knowledge demonstrated by many candidates to this question about branded and perishable goods. The best candidates included examples and developed their answers with relevant application. One good answer to part (ii) is shown below:

'So that the goods do not perish and go off, making them unsaleable and worthless. They need to remain in good condition and that can only happen if they are delivered quickly to the shops.'

(d) There were four marks available for the two parts to this question. Most candidates scored one mark out of the two marks available to each of the two parts concerning methods of communication. Candidates were expected to identify telephone to part (i) and email to part (ii). However, many candidates lost marks by not giving appropriate reasons for their choices.

(e) This question was not well attempted with a general lack of understanding on the work of overseas agents. Those candidates who had understanding often missed linking their answers to selling the goods themselves, which would mean less responsibility for carrying out tasks such as transport.

Question 2

(a) The two terms of 'public' and 'limited' were generally not well answered. There were many vague statements about the 'public' referring to the general population instead of mentioning that in the context of the question it meant the public buying shares on the stock exchange. Although some candidates recognised that 'limited' was used in connection with limited liability there were few candidates who explained accurately what the concept was.

(b) Candidates who correctly answered part (i) worked out that 50% of retained profit would be \$200 000. Good answers to part (ii) stated that the retained profit could be used for purchase of new machinery to produce new products when required. Weaker answers gave irrelevant points such as buying in large quantities and paying in cash. A minority of candidates thought that the retained profit would be given to shareholders.

(c) There was generally limited knowledge and understanding of why the company would make use of an overdraft. Many of these answers discussed general points about growing the business rather than paying short-term bills.

(d) This proved to be a challenging question for many candidates. In essence, candidates had to define and explain the growth of multinationals in a global economy. Many candidates knew that they were large companies operating in different countries but showed less understanding on their importance mentioning general points about them providing a range of goods and services.

Question 3

Question 3 was a popular choice, with many candidates demonstrating sound commercial knowledge about transport.

- (a) The correct answer to part (i) was 14%. Some candidates missed marks by not taking away all the four transport percentage figures. There was generally sound application to part (ii) with many candidates providing pipeline or canals as their valid answers. Weaker answers gave the Internet or one of the four main types of transport given in Fig. 1. The best answers to part (iii) were developed and explained reasons for the reduced usage of rail transport to the issues of transshipment, lack of wide train network and the decline of heavy industries.
- (b) Part (ii) was generally answered better than part (i). Marks were sometimes missed on both question parts as candidates didn't give suitable reasons relating to the examples of products already given in the questions.
- (c) Strong answers stated a range of international trade importing benefits such as obtaining goods that are not available due to poor climate, creating jobs so thereby lowering unemployment and increased friendly relations between countries so reducing conflict/wars.
- (d) There was generally sound knowledge demonstrated by many candidates to this question part about the functions of bonded warehouses though few candidates achieved maximum marks. Weaker answers included points relating to the functions of traditional warehouses that were not relevant to this question.

Question 4

- (a) All four parts of this question required candidates to apply their knowledge of bank services to four different sets of circumstances. Many candidates could identify a relevant bank service, such as electronic transfer to part (ii) but the other three question parts were generally poorly answered. Some candidates simply identified bank services without any explanation in their answers.
- (b) The majority of candidates gained some credit for this question with answers focussing on factors such as the rate of interest and the accessibility of money. Stronger answers included points of development in their answers.
- (c) Candidates demonstrated sound subject knowledge and understanding on the topic of comparing the use of cheques instead of cash in part (i) and vice versa in part (ii). Stronger answers developed and explained a number of relevant points. Weaker answers were narrower in terms of points mentioned and less detailed. Please note that unqualified word comments such as 'cheaper', 'faster' and 'more convenient' do not gain any marks unless expanded on.

Question 5

- (a) This question on the applications of computer software differentiated well with a wide spread of marks from 1 to 4 marks. The best answers identified applications such as word processing and spreadsheets, giving relevant explanation of their uses. Weaker answers were more generalised and made vague statements.
- (b) Parts (i) and (ii) were concerned with two types of insurance risks. There were very few very good answers to this question. Some candidates lost marks by confusing employer's liability with life assurance on your employer to part (i) and products failing to work properly to part (ii) relating to product liability insurance.
- (c) This question differentiated well, with a wide spread of marks from 1-4 marks. The best answers recognised that fire is an insurable risk whereas the risk of loss of profits is an uninsurable risk. Weaker answers did not include any development and therefore insufficient detail to gain full marks.
- (d) It was surprising that candidates did not often mention the importance of the principle of utmost good faith in their answers concerning the purposes of the proposal form. Weaker answers usually identified one or two points without explanation.

- (e) Both parts to this question were not well answered. Although many candidates realised that there was over-insurance to part (i) few candidates then commented that it would result in the insured only receiving \$10 000. Part (ii) concerned itself with the principle of contribution and meant that each insurance company would pay out a proportion of the loss, which was \$25 000 each in this case.

Question 6

- (a) It was pleasing to note that the majority of candidates were able to apply correctly their answers to the source data provided in Fig. 2. for parts (i) and (ii). For part (iii) many candidates gained one of the two marks available as they did not develop their answers sufficiently to gain a second development mark. Fitting and cleaning carpets were often given as valid after-sales services to part (iv).
- (b) There was a range of answers to this question. Stronger candidates identified the Internet and email as the methods of communication shown in Fig. 2 and then analysed why the Internet website is preferred for communication over email. Weaker answers did not apply their answers to the context of Fig. 2 and simply discussed two other methods of communication.
- (c) Strong answers to part (i) explained various features of shopping centres that accounted for their growth such as consumers wanting one-stop shopping, increased car ownership and the wide range of facilities available. Other answers gave less detailed points or explained the growth in terms of population growth and general living standards. Part (ii) was often characterised by a valid identified disadvantage, such as congestion in car parks, but without associated relevant development.

Question 7

- (a) For parts (i) and (ii) the majority of candidates scored the maximum marks in these parts. The correct answer to part (ii) was £264. Some candidates missed marks to part (iii) by naming a commercial document that would be sent by the buyer, instead of the seller, such as a cheque. There were many relevant answers provided to part (iv).
- (b) Answers to this part that developed their initial point about trade discount being given to traders for bulk buying. There were some reasonable answers to this question.
- (c) Candidates generally knew more about the benefits of paying by credit card than of paying by debit card.
- (d) Strong answers explained various advantages of buying at home instead of spending money and time visiting shops, and disadvantages such as delays in receiving the goods and possible credit card fraud. Other candidates missed marks by giving inappropriate points or insufficient explanations of valid advantages and disadvantages. The best answers gave a balanced set of evidence comprising both advantages and disadvantages. Some candidates concentrated on one or the other.

COMMERCIAL STUDIES

Paper 7101/12
Elements of Commerce

Key Messages

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

- Revise all sections of the syllabus.
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- 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 key command words in each question.
- Show working out in any calculation questions.
- Candidates should learn succinct and accurate commercial definitions.
- Candidates should develop their answers with examples and/or application.
- Unqualified word comments such as 'easier', 'quicker' and 'cheaper' do not score marks.

General Comments

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.

Many candidates had difficulty in the compulsory **Section B Question 6(c)(i) – (iii)** of the examination paper, on the effects to a country of introducing trade restrictions.

Some candidates do not answer at the appropriate level of skill. 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 5(b)** asked candidates to 'State three features of a public limited company.' 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 3** was about two people wanting to set up a partnership business. For example, **Question 3(c)** asked candidates to show 'Why is the principal of insurable interest important to a company buying motor insurance?' based on information supplied in the question stem. Command words such as '**How**', '**Draw**', '**Why**', '**Give an example**' and '**Calculate**' 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 7(d)(ii)** asked candidates to 'Identify two documents that the exporter must present if required to by the letter of credit.' 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(c)(ii)** asked candidates to 'Discuss the actions Sam might take to survive the

competition from the supermarket.’ Command words such as ‘**Explain why**’, ‘**Do you consider**’, ‘**Discuss**’ and ‘**Evaluate**’ confirm the question is at this level.

Candidates should be reminded to pay close attention to the questions. For example, in **Question 3(e)** candidates were asked to ‘Explain **two** other factors that would be considered when choosing a method of transport for goods’. Some candidates gave three or more factors. It should be emphasised to candidates that including more than the prescribed number do 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

- (a) Most candidates showed some understanding of the two terms ‘home trade’ and ‘international trade’ but found difficulty in obtaining the second explanation mark allocated to each of these terms. The best answers to part (a) developed their explanations to include wholesale or retail for home trade, and import or export for international trade.
- (b) The majority of candidates identified and explained two commercial documents to part (i). However, some candidates referring to documents sent before the order, such as a quotation, which was not given a mark. There was some confusion between an advice note and a delivery note in some candidates’ explanations. The best answers to part (ii) described electronic methods of communication rather than stating advantages. Television was not accepted as a valid electronic communication method.
- (c) There were stronger answers to part (ii) of this question where candidates gave valid answers such as keeping statistics of imports and exports for the government. Part (i), which concerned comparing air waybills and bills of lading, proved challenging for all candidates.

Question 2

- (a) Most candidates correctly identified two features of a sole trader.
- (b) Many candidates gave relevant reasons why people buy from street market stalls, such as fresher goods and the chance of bargains, but then didn’t develop their answers.
- (c) There were many satisfactory answers to part (i) where relevant problems such as the likelihood of falling sales and greater competition were often stated and explained. In part (ii) some candidates scored four to five marks or the maximum of six marks. The best answers discussed two or three actions that Sam might take. Weaker answers were characterised by a lack of evaluative skills and insufficient detail to gain development marks.
- (d) Many candidates gained two out of the four marks for explaining what informative and persuasive advertising meant but did not develop these further.

Question 3

Question 3 was the least popular question in **Section A**, and was generally not well answered.

- (a) The difference between a premium and compensation was generally well known. Some candidates simply repeated the information in Fig. 1, which did not score any marks.
- (b) The correct answer of \$400 000 was often provided to part (i). Relevant factors to be considered in calculating a premium for motor vehicle insurance, to part (ii), such as the past record of the driver and the value of the vehicle were often given.
- (c) The insurance concept of insurable interest was generally not well known. The best answers included points such as the need to have ownership of the vehicle and to suffer loss if an accident does occur.
- (d) Some candidates recognised that the car owner would try to find any witnesses, inform the police and complete a claim form in good faith if an accident occurs.

- (e) Strong answers explained various factors such as cost, nature of goods and the need for speed. These answers were often well supported with appropriate examples. Weaker answers described types of transport without linking them to a factor.

Question 4

- (a) Many candidates answered in terms of traditional wholesalers instead of cash and carry wholesalers.
- (b) Strong answers explained reasons such as the ease and speed of delivering goods compared to delivering to congested town centres. Weaker answers described the location or types of transport without linking them to reasons.
- (c) Most candidates could describe at least one function of a warehouse, with many maximum scores of four marks. One good answer is shown below:
- ‘Warehouses provide the storage of goods until they are demanded by customers. The goods can be processed in the warehouse, with branding and packaging taking place. Some warehouses, known as cold storage warehouses, provide temperature controlled conditions for certain goods such as ice cream. Finally, warehouses can be used as a place for the display and sale of goods.’
- (d) To part (i) many candidates correctly calculated trade discount but often had difficulty in calculating the cash discount figure. In part (ii) many candidates recognised that they might not have enough money to take advantage of the cash discount offered but often did not develop their answers.

Question 5

Question 5 was a frequent choice, with many candidates demonstrating sound commercial knowledge about public limited companies and sources of finance.

- (a) There were many excellent answers on reasons why food needs to be packaged. Valid reasons given included the protection of goods, for recognition, and to make the goods look attractive.
- (b) Strong answers stated three valid features of a public limited company. Weaker answers gave advantages rather than features.
- (c) The best answers to part (i) recognised that more shareholders could provide more capital for expansion, and the ability to take advantage of economies of scale, such as national advertising. Vague generalised points such as ‘continuity’ and ‘more profits’ were not accepted as creditworthy. Also, limited liability was not accepted as a valid point as this feature is already present in private limited companies. Many answers mentioned general management problems to part (ii) without explaining these problems in terms of size or bureaucracy. Better answers recognised that there was a greater threat of a takeover and that registration was expensive and time-consuming.
- (d) Answers to part (i) were vague. Many candidates did not identify valid factors that would affect their choice of finance, such as interest rates and how quickly you could obtain the finance. Instead, many candidates made general comments about the machinery without referring to the factors. Many candidates did score better marks on part (ii) by realising that overdrafts are used primarily for short-term finance, for paying bills and not for expensive, long-term projects.

Question 6

- (a) For part (i) a number of candidates did not identify Country 2 as the correct answer. There were more correct answers to parts (ii)-(iv).
- (b) 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. 2.
- (c) Although some candidates did know what tariffs, quotas and embargoes were, most candidates gained few marks for the effects of these trade restrictions.

- (d) Strong answers stated a range of international trade exporting 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. Weaker answers gave less points or less explanation in their answers.

Question 7

- (a) To part (i), some candidates gave the correct answer of the National Bank but some candidates gave other names mentioned on Fig. 3. Many candidates gave the incorrect answer to part (ii) by not multiplying their answer by 12 months. There were many vague answers to part (iii) such as referring to receipts or bank messages instead of looking at the bank statement.
- (b) Part (i) answers were generally poor, with no clear commercial reasoning. Part (ii) produced better responses.
- (c) Some candidates confused credit transfers with credit cards to part (i) and direct debits with debit cards. Better answers gave appropriate examples, with relevant supporting information.
- (d) The topic of letters of credit proved challenging for all candidates with very few marks scored by the majority of candidates.

COMMERCIAL STUDIES

Paper 7101/21
Arithmetic

Key Messages

Candidates need to read the questions carefully and be sure that they understand the information they are given.

General Comments

The level of this paper was such that candidates were able to demonstrate their knowledge and ability. Whilst no candidates achieved full marks, all but one candidate scored over 60 marks.

There was no evidence that candidates were short of time and a small number of candidates attempted more than the minimum of two questions in **Section B**.

Overall, performance on this paper was very good, showing a good knowledge of the commercial basis and of the mathematical processes needed.

Comments on Specific Questions

Section A

Question 1

This was very well answered by the majority of candidates.

- (a) Mostly correct answers, and incorrect answers were rounded correctly.
- (b) Some errors seen as a result of using 3.3 or 3.33 instead of $3\frac{1}{3}$.
- (c) A good understanding of order of operations was shown.

Answers: (a) 0.5385 (b) 26 (c) 56.5

Question 2

Part (a) was very well answered; there were a few difficulties with part (b).

- (a) Mostly correct; a small number of candidates multiplied the contents by the cost e.g. 200×5.78 .
- (b) Some candidates did not take into account all of the elements of the total weight (e.g packaging); some used one unit (300 g) of the packaging instead of eight (2400 g). There were a few instances of using 450 g (weight of glass jars) rather than 650 g (jars plus coffee). All candidates correctly converted grams into kilograms.

Answers: (a) £0.46 or 46 p (b) 127.2

Question 3

Parts (a) and (b)(i) were very well answered. There were misunderstandings in part (b)(ii).

- (a) All answers to this part were correct apart from one minor arithmetic error.

- (b)(i)** Very well answered; with only a very few misunderstandings.
- (ii)** Not as well answered as parts **(a)** and **(b)(i)**. Nearly 64% of the candidates choose the middle 'bar' of the chart, i.e. 14501 to 18000.

Answers: **(a)** 3.5 **(b)(i)** 45 **(b)(ii)** 11001 – 14500

Question 4

Part **(a)** was generally well answered but part **(b)** highlighted a variety of errors and misunderstandings.

- (a)** Converting tonnes into kilograms was quite often wrong; typically multiplying by 10 000.
- (b)** While some errors arose from an incorrect part **(a)**, many mixed the cost price per tonne with the selling price per bag.

Answers: **(a)** 188 **(b)** 6.14

Question 5

Part **(a)** was less well answered than part **(b)**.

- (a)** Most subtracted 33 000 from 47 500 (14 500). For some this was their final answer; others found $6\frac{1}{4}\%$ of this or of some other value.
- (b)** Mostly correct, a few divided by 3.8.

Answers: **(a)** 232000 **(b)** 295.64

Question 6

- (a)** Answered correctly by nearly all candidates; incorrect answers came from using 180 rather than 108.
- (b)** All but one correct: 79.2 in working but 79 on answer line.
- (c)** Many correct but a number calculated $\frac{5}{10}$ of 4400 (=2200).
- (d)** Mostly correct, a few arithmetic or partial misunderstandings.

Answers: **(a)** 30 **(b)** 79.2 **(c)** 11000 **(d)** 1858

Question 7

This was a very well answered question with the majority of candidates showing a good understanding of the commercial topics.

- (a)** Candidates attempted this part in a very organised way with well set out and clear working. The majority of errors were arithmetical. In Option A, a few candidates did not add the calculated interest to the principal to obtain the total cost and occasionally 30 (months) was used instead of $2\frac{1}{2}$ for the time.
- (b)** Nearly all candidates achieved a correct answer to this part.

Answers: **(a)** Option A, 1737.50 **(b)** 28220

Question 8

- (a)(i)** Nearly all candidates answered this part correctly.
- (ii)** The majority of candidates answered this correctly; there were no common errors.

- (b) This part of the question was not well answered. The majority were able to demonstrate some knowledge of how to answer the question, but managing time formats was often poorly understood. Most divided 286 by 65 to give a result of 4.4. However, this was interpreted in different ways; some tried $12.06 - 4.4$ (a mixture of formats), others tried $12.06 - 4.40$ (i.e. subtracting 4 hrs and 40 mins).

Answers: (a)(i) 58.32 (a)(ii) 189 (b) (0)7:42

Section B

Question 9

Around 50% of the candidates attempted this question.

- (a) Only five candidates arrived at a correct answer. Errors were varied, arithmetic errors were uncommon, nearly all errors stemmed from inaccurate reading of the question part or from misunderstanding the implications of the information in the question.
- (b) Most candidates had a reasonable understanding of the requirements of this part; including Saturday in the working hours was the most common error.

Answers: (a) 62 (b) 273.75

Question 10

Around 70% of the candidates attempted this question.

- (a) Virtually all candidates gave a correct answer to this question.
- (b) This was quite well answered. All candidates correctly converted the 76500 Euros into 102000 dollars. However, many then multiplied 76500 by 0.720 to do the second conversion. Some rounded 4.17 to 4.2.

Answers: (a) 0.728(4) (b) 4.17

Question 11

No candidates attempted this question.

Answers: (a) 4.6 (b) Correct ruled straight line from (0, 0) to (400, their 1680) (c) 5.2(0)

Question 12

This question was attempted by just over 90% of the candidates.

- (a) All answers to this part were correct.
- (b) Candidates had a good understanding of compound interest calculations. Marks were lost either by omitting to divide by 48 or by incorrect rounding of their answer.
- (c) Candidates had a good basic understanding of mode but some gave answers which were either the quantity (500000) or white together with 500000.

Answers: (a) 25000 (b) 1987.53 (c) White

COMMERCIAL STUDIES

7101/22

Arithmetic

Key Messages

- Candidates must show the arithmetic operations that they are carrying out if credit is to be given when their answer is incorrect. They must avoid writing statements which have no mathematical meaning such as

$$\begin{array}{r} 1250 \\ \times \quad 172 \\ \hline \end{array} \quad \begin{array}{r} 160 \\ 172 \end{array}$$

and write a correct mathematical statement $x = (1250 \times 172)/160$

- Candidates should be aware that all the commercial terms contained in the syllabus may be used on this paper. Many seemed to be unsure of balance of trade.
- Candidates need to be clear about their use of percentage signs and 7% should be written as $\frac{7}{100}$ in calculations.
- Large numbers of candidates did not round their answers as instructed in the question.

General Comments

The level of the paper was such that all candidates were able to demonstrate their knowledge and ability. The paper was challenging for the most able with only one or two candidates scoring full marks. However, it was pleasing to see that less than 10% of the candidates scored below 20 marks.

There was no evidence at all that any candidates were short of time as some even attempted 3 questions in Section B.

Examiners reported candidates using log tables again this year. Log tables will cause accuracy problems as they will not deal with all the significant figures involved in, for example, **Question 5**.

The general level of performance was good and there were very few candidates choosing unsuitable questions in **Section B**.

Comments on Individual Questions

Question 1

Part (a) was very well done. Candidates seemed to find this format easier to deal with than being asked to evaluate an expression.

In part (b) many candidates did not round parts (i) and (iii) correctly, whilst in part (ii) a large number of candidates ignored the % sign and 13 800 was a common incorrect answer.

(a) (i) $20 - (5 - 4)$

(ii) $6 + 3 \times (2 + 7)$

(b) (i) 0.455

(ii) 138

(iii) 6.86

Question 2

Part (a) was well done. Those candidates getting a wrong answer generally started with 240/1000.

In part (b) many candidates used 8.6 in the denominator instead of 8.

In part (c) many candidates were not clear about what the letters P and I stood for in the simple interest formula and 8000, 80 000 and even 88 000 all featured in the wrong place in the formula.

(a) $\frac{12}{5}$

(b) 7.5

(c) 2.5

Question 3

Most of the candidates knew exactly what to do in part (a) of this question. Those who did not score full marks divided instead of multiplying by 0.82 or else multiplied the total cost by 3.

In part (b) most candidates did not round their answer to the nearest euro. A number of candidates missed subtracting the commission despite the hint in the question.

(a) 49200

(b) 74216

Question 4

Less than a quarter of the candidates correctly answered part (a) with 9½ or Wednesday being very common wrong answers. However, most candidates scored full marks on part (b).

(a) 7¼

Question 5

This question was only answered correctly by the most able candidates. Almost all candidates seemed to know the correct formula and how to use it but then often didn't understand what was required by the question. Many candidates found the value of the 60 000 after one year but then did not go on to use this in order to continue with the remaining 3 years, reverting to the 60 000 for the second year. Other candidates applied one interest rate to all 4 years, whilst some added the interest rates together and used that on 60 000.

67464

Question 6

This question proved challenging for all candidates. In part (a) a large number of candidates multiplied the figures and found 20% of that. Very few understood the significance of the units involved or realised that the tax had to be deducted. In part (b) most candidates missed that this was a reverse percentage question and that division by 102.25 was required.

(a) 624

(b) 8000

Question 7

Statements relating to how the two premiums are calculated were not understood and it was not unusual to see the insurance premium being more than the value of the house. Many candidates were able to extract the 290 from the table but not all realised that this was the actual premium. Very few realised that the buildings premium was just 0.32% of 350 000.

1339.50

Question 8

Part (a) was reasonably well done though quite a number of candidates missed that they had to relate the 45 kg to the 21.8 tonnes. In part (b) many candidates did not read the question carefully and found the percentage of space left in the container and 12 was a common wrong answer.

(a) 484

(b) 88

Question 9

Part (a) was well done by most candidates. Part (b), however, was not well done with most candidates not understanding the concept of overtime and it was quite common for examiners to see $38.5 \times 1\frac{1}{4} \times 8.80$. In part (c) most missed subtracting the basic salary from the earnings to find the value of the commission before they went on to find the rate.

(a) 38

(b) 346.50

(c) 7.5

Question 10

Part (a) was well done by most candidates. Many candidates were unable to demonstrate their knowledge of how to apply a discount. Many chose the wrong discount; some added all the percentages together whilst others found the discount and did not subtract it. The most common error in part (b) was confusion between 840 and 740 or not using 740 as the denominator.

(a) 606.06

(b) 22.10

Question 11

About three quarters of the candidates did very well on this question. The common error in both parts was to use a denominator of 13 instead of 7. In part (b) many missed the connection with part (a) and started again with the same error.

(a) 4600

(b) 14 950

SECTION B

Question 12

About half of the candidates attempted this question but often stopped after part **(a),(i)** which they almost all answered correctly. Most candidates thought that part **(ii)** was a ratio question and missed that the gradient of the graph was required. In part **(b)** most candidates were able to deal with average speed correctly but there were large numbers who were unable to add or subtract time correctly. Many wrongly assumed there were 100 minutes in an hour and this was the cause of most errors.

(a) (i) 24 000

(ii) 25

(b) (i) 4h 45m

(ii) 12:20

(iii) 60

Question 13

This was the most popular question in this section, however, at least half the candidates read the vertical scale incorrectly which meant that parts **(a)** and **(b)** were usually incorrect. It was pleasing to see part **(c)** well done by so many candidates. Whilst almost all the candidates knew how to do part **(d)**, the frequent assumption of 100 minutes in an hour was the cause of many errors.

(a) 3200

(b) 42.9

(c) 1343.75

(d) $45\frac{1}{4}$

Question 14

This question was generally well done but full marks were not very common as there were two concepts that were not fully understood. Balance of trade was one of them and the final part was the other. Only the most able scored good marks on these two parts.

(a) 4bn deficit

(b) 3.3

(c) (i) 79.2

(ii) 2.31

Question 15

This was not a popular question but was reasonably well done. The weaker candidates did not demonstrate knowledge of the correct methods. In part **(a)**, large numbers of candidates only found the net profit or the tax on the net profit. In part **(b)** the reverse percentage division by 112 was rarely seen. Part **(c)** was well done; the most common error was to find the mean.

(a) 6300

(b) 18 750

(c) 530

COMMERCIAL STUDIES

Paper 7101/31
Text Processing

General Comments

Overall candidates produced all documents to a very good standard. This was very noticeable in the letter composition which was excellent. Candidates used fully blocked/open punctuation and used consistent spacing between parts of the letter. Overall a very good percentage of composed letters were mailable (ready for posting). This made it possible for candidates to gain extra marks thus increasing their chances of obtaining a higher grade. All Centres have worked very hard with candidates on this particular aspect of the examination and are to be commended. It was very pleasing to note that good marks for abbreviation and printer correction signs were awarded across all tasks. On a few occasions candidates omitted a complete sentence from a task. In future this could be improved by the use of a ruler on the working document. Accuracy was good.

Question 1

A good number of candidates produced the accuracy test in the time allocated. Some candidates narrowly missed completing, resulting in a loss of accuracy marks.

Question 2

Overall candidates displayed a very effective newsletter. All instructions were followed and candidates showed an extremely sound knowledge of abbreviations and printer correction signs. Unfortunately some candidates lost accuracy marks but this did not prevent them from obtaining good marks for the task.

Common errors – Some candidates emphasised/emboldened the handwritten parts of the newsletter which resulted in the loss of an accuracy mark.

Question 3

All candidates received very good marks for accuracy, tone, punctuation and grammar. Reference was made to all bullet points and presented with a good understanding of the theme of the letter.

Common errors – Inconsistent spacing between parts of letter, incorrect salutation and corresponding complimentary close and omitting Enc.

Question 4

Candidates proved they were familiar with the layout and presentation of Minutes and this was evident from the marks awarded. It was pleasing to note that all instructions were followed correctly. Candidates displayed an excellent understanding of abbreviations and correction signs. Some candidates inserted extra wording in the main heading which resulted in loss of accuracy marks.

Question 5(b)

It was obvious that candidates enjoy the challenge of ruled tabulation. All instructions were carried out competently. Footnotes proved to be a problem for some candidates but this did not prevent them from achieving good marks for the task. Excellent marks were achieved across all Centres.

COMMERCIAL STUDIES

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