

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

## General Comments

The multiple choice paper consists of 40 4-option items with some questions involving pictorial or diagrammatic data such as **Questions 1, 11, 20 and 28** and some requiring candidates to undertake calculations such as **Questions 14, 16, 18 and 40**.

The mean was 27.661 with a standard deviation of 6.089. There were 1381 candidates. The highest score was 39 marks and no candidate scored below 7 marks. A very good standard of work was exhibited.

## Comments on Specific Questions

Candidates found **Questions 5, 8, 9, 19, 22, 23, 24, 25** and **29** relatively easy. The numerical questions were often accurately answered and are commented upon below. Candidates found only a few of the questions particularly difficult.

In **Question 4** many candidates chose Option D, the supermarket rather than that correct answer, Option A, the department store.

In **Question 16** many candidates chose Option B calculating a 20% deduction from the selling price. The correct answer was Option C. 20% added to the purchase price is  $\$625 + \$125 =$  a selling price of \$750.

For **Question 18** all options attracted many responses indicating an element of guessing. Option C was the correct answer

For **Question 21** Option B proved to be a positive distracter. Option D was the correct answer. Consumers are likely to use a coupon to purchase more in the short-term rather than enter a competition.

In **Question 38** many candidates confused the overdraft with a bank loan. The correct answer was Option B. However, many candidates chose Option C which proved to be a positive distracter.

# COMMERCE

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**Paper 7100/13**  
**Multiple Choice**

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

## General Comments

The multiple choice paper consists of 40 4-option items with some questions involving pictorial or diagrammatic data such as **Questions 1, 6, 18 and 28** and some requiring candidates to undertake calculations such as **Questions 5, 13, 16 and 40**.

The mean was 20.667 with a standard deviation of 5.688. There were 185 candidates for this examination. The highest score was 38 marks and no candidate scored below 7 marks. Unfortunately **Question 3** was discounted as it was considered that both Options B and D were correct.

## Comments on Specific Questions

Candidates found **Questions 2, 6, 8, 11, 21, 23, 24, 27, 29 and 40** relatively easy.

Candidates found **Questions 1, 10, 12, 14, 16, 18, 19, 25, 26, 31, 33, 34 and 38** difficult.

In **Question 1** many candidates chose Option A instead of the correct answer Option B. Aids to trade are part of Commerce, not part of Production.

In **Question 10** there seemed to be an element of guessing. Few candidates identified the correct answer, Option D about risk taking. Many candidates chose Option A which relates only to the manufacturer and Option C which relates only to the retailer.

In **Question 12**, Option C proved to be a positive distracter. Option D was the correct answer. Many candidates chose Option D – the trade discount figure rather than Option B, \$800 less the cash discount of 5% i.e. \$40.

**Question 14** showed that many candidates struggled with their understanding of trade discount. Trade discount is offered when goods are intended for resale so Option B was the correct answer. Many candidates thought that trade discount was offered when goods are bought on credit – Option A.

In **Question 16**, a numerical question, Option B was a positive distracter. Option C was the correct answer.

In **Question 19** all options attracted responses suggesting an element of guessing. A manufacturer of engineering parts is likely to advertise to a specialised market so trade journals aimed at people who might need engineering parts, Option D, was the correct answer.

Options A, B and D all attracted responses in **Question 26**. Customs officials are responsible for collecting customs duties and controlling the movement of prohibited goods. Option D about refuelling ships was the correct answer.

It is possible that insurance principles in **Question 31** are not fully understood as each option attracted some responses. Option B, insurable interest, relates to being unable to insure another person's property as, in order to claim, you must suffer financial loss.

Although many candidates chose Option C correctly in **Question 34**, a large number of candidates thought that Option A was the correct answer. A board of directors elected by shareholders controls a limited company.

# COMMERCE

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Paper 7100/22

Written

## Key Messages

Developing answers in context was the key to obtaining high marks in the 4-mark and 6-mark questions. In addition reasoned answers will always score higher marks than answers that are lists of points. In the 6-mark questions points should be developed that show both sides of the argument.

Candidates should try to use time effectively and the time spent answering a question should be proportional to the marks available for that question.

The meaning of commercial terms is often assessed and candidates should familiarise themselves with accurate definitions of common commercial terms.

## General Comments

In this paper candidates are required to answer four questions from a choice of eight. The questions are designed to cover many different topics from the syllabus. In this particular paper all questions attracted many responses and the varied responses to each question covered the full range of marks.

Generally the standard of work was very good. Better candidates showed sound commercial knowledge which they were able to apply to the questions and answer in context. Some other candidates however, answered only some parts of their chosen questions, and often wrote only short answers in note form to questions that required more explanation. It should be noted that the command word at the start of the question is important, and should guide the candidate as to the type of answer expected.

Assessment Objective 1 tests candidates on their ability to demonstrate their knowledge and understanding of commercial terms, ideas and concepts. The command words Name, Give, State are often used with this type of question.

Assessment Objective 2 tests candidates on their ability to apply their knowledge in the context of the question. Command words such as Explain, How, Give an Example are seen with this type of question. **Questions 1(c) (ii) and 6(c)** are examples of this type of question.

Assessment Objective 3 requires candidates to analyse a problem or situation that is outlined in a question. Command words such as 'Explain Why' and Compare are often used in this type of question. Candidates are expected to offer reasoned answers. Questions such as **2(c) (ii) and 6(d) (ii)** are examples of this type of question.

Assessment Objective 4 expects candidates to make judgements or recommendations. **Question 3(c) (ii)** asks candidates to assess the impact of certain actions. Command words such as Assess, Discuss or Evaluate are often used in this type of question.

Each question had a part that was marked out of six. Levels of Response method was used to mark these questions. Many candidates wrote well-structured answers to these questions which were usually written to test Assessment Objective 4. It is important to carefully read this type of question in order to understand the type of answer that is required, some questions asked for an opinion, **Question 1(a)**, others for a recommendation, question **2(d)(ii)** and others asked for a choice between options, question **6(d)(i)**. These questions did tend to differentiate between candidates with the better candidates developing their points by saying, for example, why one option would be better than another. The better candidates also looked at both sides of an argument before giving their opinion or recommendation.

### Comments on Specific Questions

#### Question 1

- (a) This was generally well answered with most candidates pointing out the correct reasons why Pashbury was involved in Commerce, although most answers were one-sided.
- (b)(i) The simple 'Turning raw materials into finished goods' was the commonest correct answer.
- (c)(i) Some candidates did not differentiate between multinationals with many branches, and true franchises.
  - (ii) Some candidates answered from the franchisor's viewpoint instead of that of the franchisee.
  - (iii) Many candidates showed a good knowledge of commercial documents.

#### Question 2

- (a) Many good responses were there but some seemed to concentrate on the meaning of added value and the many ways it can be achieved, rather than the specific case of packaging.
- (b) Some good responses were there although many outlined the importance of communication in general without mentioning any specific methods.
- (c)(i) Answers tended to list the advantages of each method of advertising without explaining why the three might work together.
- (d)(i) Most candidates were able to explain the meaning of working capital.
  - (ii) The better answers outlined the advantages and disadvantages of each option and made a recommendation.

#### Question 3

- (a) Overall candidates performed well on this part.
- (b) The reasons why some retailers hold sales were generally well understood, but the reasons why some do not were not often seen. Answers such as goods in constant demand or luxury goods that hold their value were expected.
- (c)(ii) This was one of the more challenging questions on the paper. Some candidates appreciated that supermarkets had widened their appeal by selling goods that had previously only been available in the chain stores. The buying power of the supermarkets, together with the advantages of one-stop shopping, has given the supermarkets the competitive edge.
- (d)(i) The advantages of online shopping were usually understood.
  - (ii) Many candidates were able to provide one reason why it is expensive to sell online.

#### Question 4

- (a) This question was very well answered.
- (b)(ii) A good description of the means of payment was needed for full marks. A banker's draft or banker's cheque was acceptable but a company cheque was not acceptable for an international payment.
  - (iv) A well answered question where the two methods were described well, and a definite recommendation relating to the size of the machinery was given.
- (c) Marks were given for tariffs, quotas and embargos, but not for methods of encouraging home-produced goods through subsidies.

### Question 5

This was the least popular question on the paper.

- (a) (i) Some candidates mixed up the proposal form with the quotation which is received as a result of the proposal.
- (iii) The good answers pointed out the high risks associated with motor racing and the use of previous statistics regarding these risks. Weaker answers sometimes appreciated the risks but did not develop the point.
- (b) Most candidates knew the details of internal finance and scored well on both parts.
- (c) Many candidates were able to score well on this part.

### Question 6

- (a) Most candidates were able to answer this part.
- (b) Candidates who did not try to convert billions into zeros, generally found the calculation easier.
- (c) The advantages of having factories in many different countries for a product with a high weight to value ratio were not often seen, but many general answers without context did score well.
- (d) (i) The advantages of agents were well understood, but the advantages and disadvantages of setting up of a factory in Germany was not so well answered. The advantage of Germany being in the EU was, however, widely noted.
- (ii) Most candidates knew there was a great distance between Canada and Australia and some knew of the difficult time difference. Not many appreciated that the high weight to value ratio of the product would make air freight prohibitively expensive.

### Question 7

- (a)– (b) Were usually answered well.
- (c) Many candidates were ready to exchange the computer or refund the money. However fewer were ready to examine the computer to find the fault.
- (d) Candidates performed reasonably well on this part.
- (e) This was well answered with the advantages of both channels of distribution to Salima being described. A firm recommendation was not always seen.

### Question 8

- (a) Some candidates did not relate to international trade and gave a general description of the importance of transport.
- (b) Most candidates were able to identify the required services.
- (c) The advantages of using Gupta were outlined by most candidates but the costs of a firm having its own transport were not so often seen.
- (d) (i) Like many questions involving online methods, this was answered well.
- (ii) Most candidates were able to provide an advantage and a disadvantage of accepting credit card payments.
- (e) Many one-sided arguments in favour of having a warehouse were seen. Higher scores were achieved by those who gave both sides of the argument.

# COMMERCE

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Paper 7100/23

Written

## Key Messages

Developing answers in context was the key to obtaining high marks in the 4-mark and 6-mark questions. In addition reasoned answers will always score higher marks than answers that are lists of points. In the 6-mark questions points should be developed that show both sides of the argument.

Candidates should try to use time effectively and the time spent answering a question should be proportional to the marks available for that question.

The meaning of commercial terms is often tested, and candidates should spend time learning succinct and accurate definitions of common commercial terms.

## General Comments

In this paper candidates are required to answer four questions from a choice of eight. The questions are designed to cover many different topics from the syllabus, and each question covered more than one topic. In this particular paper all questions attracted many responses and the varied responses to each question covered the full range of marks.

The standard of work was variable, with a wide range of marks being achieved. The better candidates showed good commercial knowledge and developed their answer in context. However some candidates wrote only brief answers, sometimes in note or list form, and often omitted parts of the question they had chosen to answer.

Assessment Objective 1 tests candidates on their ability to demonstrate their knowledge and understanding of commercial terms, ideas and concepts. The command words Name, Give, State are often used with this type of question. **Questions 1(b) (i) and 7(c) (i)** are examples of this type of question.

Assessment Objective 2 tests candidates on their ability to apply their knowledge in the context of the question. Command words such as Explain, How, Give an Example are seen with this type of question. **Questions 1(d) and 3(a)** are examples of this type of question.

Assessment Objective 3 requires candidates to analyse a problem or situation that is outlined in a question. Command words such as 'Explain Why' and Compare are often used in this type of question. Candidates are expected to offer reasoned answers. **Question 6(c)** is an example of this type of question.

Assessment Objective 4 expects candidates to make judgements or recommendations. Command words such as Assess, Discuss or Evaluate are often used in this type of question. **Questions 2(e) and 6(d)** are examples of this type of question.

Each question had a part that was marked out of six and the Levels of Response method was used to mark these questions. Some candidates wrote well-structured answers to these questions which were usually written to test Assessment Objective 4. It is important to carefully read this type of question in order to understand the type of answer that is required, some questions asked for an opinion, **Question 1(e)**, others for a recommendation, **Question 2(e)** and others asked for a choice between options, **Question 5(c)**. The better candidates developed their points by saying, for example, why one option would be better than another and also looked at both sides of an argument before giving their opinion or recommendation.



### Comments on Specific Questions

#### Question 1

- (a) Many candidates gave a good example from their country but their explanation of specialisation was not as good.
- (b)(ii) Despite the help given by the diagram in the question, there were few good answers.
- (c) This was probably the best answered question on the whole paper with the majority of candidates gaining full marks.
- (e) Many candidates realised that the buying of raw materials and the selling of the final product, the car, meant that the car manufacturer was involved in trade.

#### Question 2

- (a) The need for capital and good selling skills were the answers most commonly seen.
- (b)(ii) Some good answers were seen but many gave answers such as 'sell more goods' which would answer a question about improving profitability not finance.
- (c) This part was commonly not attempted. Some candidates realised that too much stock tied up cash, and too little stock risked losing sales.
- (d) Most candidates realised that television advertising would probably be too expensive for a local shop and that flyers and a window display may be far more effective.
- (e) Many discussed both options with a recommendation but the weaker candidates only described the advantages of one option.

#### Question 3

This was not a popular question, but where it was answered many candidates only achieved a low mark.

- (a) This was reasonably answered with candidates realising that surpluses in one product could be sold to obtain money for use in buying products the country could not produce.
- (b) The term 'trading bloc' was widely misunderstood and therefore this question was poorly answered.
- (d)(i) The use of bonded warehouses was often understood but the role of the Customs Authority was in many cases not understood.
- (e) The different documents, such as a bill of lading in foreign trade were described but many candidates had difficulty in carrying on to form a reasoned opinion.

#### Question 4

- (a)(ii) Many candidates thought that Head Office would carry out functions such as storage and distribution that are carried out by Regional Distribution Centres. In this type of organisation Head Office would be setting policies and carrying out other senior management functions.
- (b) Some candidates described various types of storage that are particularly excluded in the question.
- (c) Many candidates outlined the problems that small-scale retailers have in competing with the large stores due to the bulk buying power of the large stores. The advantage of a location close to their customers and a personal service that the small store can offer were also recognised. In many responses, good descriptions were often followed by no decision.
- (d) These questions were generally answered well. This was a feature of the answers to most questions involving the use of the internet.

### Question 5

- (b)(i) The three risks had to be insurable risks.
- (ii) Contact the insurance company and inform the police were commonly seen but other actions such as looking for witnesses were not commonly seen.
- (iii) Very few candidates knew anything about the concept of pooling of risk.
- (c) Very descriptive answers were seen with both informative and persuasive advertising being described, but fewer answers examined why they might be used.

### Question 6

- (b)(i) Many candidates knew that interest would not have to be paid on their own money, but not as many realised that there would be no formalities and no collateral needed.
- (ii) The advantages of raising capital by increasing equity rather by loans were not well understood.
- (c) While the need for a large company to have insurance was realised by most candidates, fewer linked this need to the high risk mining business.
- (d) Many candidates outlined the advantages of providing employment and investment. Fewer outlined the disadvantages of pollution and the fact that, as a multinational, profit would be moved out of the country.

### Question 7

- (a) Some candidates did not realise the impracticality of an internet-based company accepting cash.
- (b) Most candidates concentrated on the safety and speed of air transport. One factor that was not mentioned often was the high value to weight ratio of jewellery, which makes air freight very practical.
- (d) The first action should be to check if the product should have been solid gold, and then ask for the product to be returned in order to check whether it is gold plate as claimed. Many candidates missed this step and went straight to replacement or refund.
- (e) Too many candidates just gave a list of banking services available which only scored at Level 1. The better candidates explained why particular banking services would be useful to the business.

### Question 8

- (a)(i) Many candidates thought this document was an invoice instead of a delivery note.
- (ii) Where candidates had given an incorrect answer in a (i) this was allowed for in a (ii) under the 'own figure rule'.
- (b) Some good answers but some candidates did not realise there was help in the question from the phrase 'to help it choose a supplier'.
- (c) Trade credit was often not understood and was confused with consumer credit to the final purchaser.
- (d) Like other questions involving online procedures this was generally well answered although some failed to reach a conclusion which is requested by the command word 'assess'.