

Examiners' Report November 2007

IGCSE

IGCSE Commerce (4340)

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4340/1F-2H: Written Paper (Foundation and Higher)

General Comments

This was the second November Series IGCSE Commerce examination. The overall performance of candidates in this examination continues to be encouraging. The overall marks and level of achievement for papers 1F and 2H were commensurate with those achieved last year. Generally, centres appear to be selecting and entering candidates for the appropriate tier.

Candidates coped well with the use of the question paper as answer book. There were not many occasions where candidates used space in addition to the answer lines, in order to complete their answers. Centres are again encouraged to work with their candidates to ensure that (most) answers are limited to these answer lines, the number of lines being a good indicator of the expected length of answer. The standard of written communication was generally good, and sometimes excellent.

The majority of candidates did not always answer at the appropriate level of skill. IGCSE examinations measure a far wider range of skills than recall.

The Mark Scheme contains much information that is relevant to centres, as follows.

- Each question indicates the level(s) at which it is based:
 - A01 Demonstrate - this Assessment Objective tests candidates on their ability to demonstrate their knowledge and understanding of the commercial term, idea or concept featured in the question. For example, Paper 1F Question 1 (c)(i) asks candidates 'What is meant by barter'. Command words such as 'Define', 'Describe', 'Name', 'List', 'State' and 'What is . . . ?' confirm the question is at this level.
 - A02 Apply - this Assessment Objective tests candidates' ability to relate their answer to the context. In this series, candidates were required to use the information to calculate profit ratios. For example, Paper 1F Question 3 (c)(iii) required candidates to 'calculate the Net Profit Ratio' from given information. Command words such as 'What was', 'Calculate' and 'Give [an example in context]' confirm the question is at this level.
 - A03 Analyse - this Assessment Objective requires candidates to select, interpret or otherwise analyse some issue presented by the question. For example, Paper 2H Question 4 (b)(ii) asked candidates to analyse the advantages to a retailer of trading directly with a manufacturer. Command words such as 'Analyse', 'Compare' and 'Select' confirm the question is at this level.

- AO4 Evaluate - this most demanding Assessment Objective tests candidates on their ability to formulate some judgements. For example, Paper 2H Question 4 (d) expected candidates to evaluate their considered best option for a wholesale business wanting to make changes. Command words such as 'Evaluate', 'Explain why', 'Judge' and 'Suggest' confirm the question is at this level.
- Possible answers are provided as indicators of what is expected. It remains important for Centres to realise that the answers given in the Mark Scheme are **not** meant to be exhaustive. This is confirmed by the use of the statement 'Valid points could include', and by the use of the abbreviation 'eg'.
- The possible answers are structured using dashes and obliques ('slashes'). It remains the practice in this examination to use a dash in order to separate points that are worth **additional** marks, and an oblique to indicate an **alternative** way of making the same point.

Paper 1F

Question 1

- Part (a)(i) was generally very well answered. Many candidates achieved at least three of the four marks available, and many obtaining maximum marks. In part (ii) weaker candidates knew that the main difference between home and foreign trade was that foreign trade concerns other countries but did not mention imports/exports or retail/wholesale.
- Many candidates knew that consumers benefit from cheaper and better quality of goods from having foreign trade to part (b)(i). Part (b)(ii) was also generally satisfactorily answered, although part (iii) was sometimes incorrectly answered by those candidates who thought in terms of physical protection rather the wider benefits to the consumers of, for example, not being sold faulty merchandise.
- Part (c) required candidates to apply their knowledge of the concept of barter. Weaker candidates often could not provide the second mark for parts (i) and (ii). For example, apart from saying that there was the disadvantage of double coincidence of wants they could have expanded upon this by stating that you need to find someone who wants what you want. Candidates should be encouraged to give valid examples to illustrate their answers wherever possible.
- Most candidates obtained only one mark, out of three marks, for the examples to part (d) (i). The second and third marks was lost through candidates giving general commercial activities such as transport rather than occupation examples. It was disappointing to see most candidates unable to identify any trends from the data in the table provided on employment.

Question 2

- The parts (a)(i) and (a)(ii) question focussed on asking candidates to give examples of advertising from the two advertisements provided. Therefore, candidates had to apply their knowledge instead of giving knowledge statements. Despite this, some candidates gave types of advertising media rather than relevant applied examples.
- In part (b) candidates should have been able to score at least five marks out of ten. However, apart from correctly naming types of advertising media, many of the answers lacked accurate application and valid reasons behind the methods chosen.
- The vast majority of candidates to part (c) correctly answered part (ii). However, in part (i) most candidates limited themselves to a narrow range of points.

- Part (d) often generated disappointing answers, with many candidates lacking knowledge and understanding of the concept of 'collective advertising'.

Question 3 (also Question 1 on Paper 2H).

- In part (a) foundation tier candidates found difficulty with part (i) which required candidates to calculate the net wage by identifying the gross wage of £400 and subtracting the £150 deductions to give a net wage of £70. Again, in part (ii) the £180 spending amount had to be deducted from the £250 net wage to give the savings total of £70. Higher tier candidates generally scored maximum marks to parts (i) and (ii). Some interesting and many relevant answers to part (iii) which required candidates to say why you should not keep savings at home. Most candidates, both foundation and higher, knew that income tax is deducted from income but found difficulty in naming another deduction such as national insurance to part (iv). The deductions could have been statutory or voluntary ones.
- Part (b) produced many good answers from both Foundation and Higher Tier candidates, although some Foundation Tier candidates thought that sole traders make profits and not losses, and do not have to pay wages and had limited liability. However, there were many excellent answers from both Tiers of candidates. For example, one excellent answer from a Higher Tier candidate to part (i) said "she does not have to share his profits with anyone (1 mark) and has complete control of decision-making (1 mark)", and then discussed some examples of her decision making.
- There was a general lack of understanding from Foundation Tier candidates on how to calculate profit ratios to part (c). Also, many Foundation Tier candidates thought incorrectly that the net profit ratio might have fallen because of rising sales. Higher Tier candidates generally answered this question well.

Paper 2H

For comments on Higher Tier Question 1, see comments on Foundation Tier Question 3 above.

Question 2

- Part (a)(i) was reasonably well attempted, with many candidates scoring two marks from the three marks available. A third document was generally not well known or candidates gave 'order' or 'receipt' which were outside the confines of the question. The descriptions for the documents to part (a)(ii) were generally valid ones. In part (iii) candidates could have either mentioned the cost savings of not having high street outlets or considered the visual impact of catalogues to obtain the marks.
- Answers to part (b) contained a mixture of strong and weak answers. Candidates needed to unpack the details in the question scenario and apply good commercial customer service techniques to the situation. The stronger responses focussed on helping the customer so as to maintain goodwill and hopefully future sales.
- Part (c) was generally weakly answered. Some candidates obtained one mark for stating that the factor acted as an agent but then failed to develop their answers with any more valid points.
- Many limited and weak answers on bonded warehousing to part (d). The topic is an important feature of international trade and requires due coverage in all centres. Whilst some candidates commented on some of the important aspects of storing goods in any general warehouse, this question demanded the international application so as to gain reasonable marks. It was only the grade A candidates that produced high marks. It is strongly recommended to centres that they pay greater attention to the teaching of this concept.

Question 3

- Candidates were expected to use the skills of analysis and evaluation in this Paper when answering part (c).
- Part (a)(i), (ii) and (iii) were generally very well answered. Most candidates correctly calculated the total amount paid in premiums to part (ii). In part (iv) it was disappointing to find many Higher Tier candidates not knowing any valid uninsurable business risks. Due to this lack of knowledge, candidates found it extremely difficult to answer part (v) which required an explanation of why the risks were uninsurable.
- The process of taking out an insurance policy through Lloyds had clearly been well taught in some centres with good understanding of the necessary steps demonstrated. Weaker candidates knew that they needed the services of a Lloyds broker but failed to mention other Mark Scheme points to part (b).

- Part (c) was generally well answered by the majority of candidates, with many comprehensive answers to both insurance principles. It was pleasing to see that candidates did not mix up the two concepts or confuse them with the principle of insurable interest.

Question 4

- In part (a)(i) most candidates could correctly state at least two suitable reasons of using road transport. Incidentally, 'cheaper' or 'quicker' are not valid reasons unless qualified. In part (ii) the definition for the term leasing was not generally known. Some candidates correctly pointed out the need for renting in their definitions but then failed to explain the point further.
- In part (b)(i) it was disappointing that so many candidates were not able to score at least three out of six marks on the benefits of small retailers using wholesalers. I would ask centres to refer to the published Mark Scheme for further guidance. However, it was surprising to find many candidates achieving better marks to the usually more difficult part (ii) type question on the benefits of retailers trading with manufacturers.
- In part (c) candidates were asked through the command word 'evaluate' to put forward points for and points against their chosen option with a conclusion/recommendation. This question differentiated well. Weaker candidates either concentrated on points for or limited their answers to simple undeveloped points. Stronger answers looked at both options in a developed way and submitted a justified conclusion/recommendation based on their analysis.

4340/03 - Written Alternative

General comments

There were just 11 candidates, with 6 being from one centre. The scores ranged from 6 to 26 , with no really strong scripts.

Question 1

This required candidates to demonstrate basic understanding, using the scenario. The candidates' task was to advise Tesco about the different methods of expansion and most answers secured at least one of the two marks.

Question 2

Candidates again needed to show understanding of the stimulus material. The requirement to give facts rather than assertions prevented some candidates from achieving the maximum of 4 marks in part (a). However, nearly all answers could provide 3 indicators of success.

In part (b) several candidates gave concerns that Tesco's might have (such as a resurgent Sainsburys) rather than the criticisms of Tesco's business behaviour, which were illustrated in the introductory scenario. Typically answers scored 2 marks or none.

Question 3

In considering the methods of expansion for Tesco, the stronger answers chose from the sources provided and were able to apply commercial ideas and analyse the alternatives. However, there tended to be no real evaluation skills shown and so the top marks were not accessed. Some candidates looked at the impact of overseas expansion from the view point of the host nation rather than in the context of Tesco's expansion. A few chose from outside of the options given and these answers were given credit where appropriate arguments and ideas occurred.

Noticeable weaknesses were:

- (a) Failure to name a method and then to make general points, whilst ignoring the context.
- (b) Choosing a method to expand sales generally, eg advertising, thereby taking no notice of the source material.
- (c) Looking at the financial alternatives.

Question 4

This required comparisons to be made (AO3) between the methods outlined in Question 3 and a reasoned judgement (AO4). Most were able to make the latter but only one attempted a comparative analysis. The result was that 4 marks tended to be the most achieved on this question.

There are several general considerations which can be applied to most 'discussions of the best form/method/option'- type questions which facilitate evaluation. Some are given below:

- Short and long term considerations
- Company/decision maker priorities
- The role of the government or other agencies
- Assumptions made in the question
- The commercial/economic circumstances.

4340 - Statistics

Option 1 - Foundation tier paper (1F) and paper 3

Grade	Max Mark	C	D	E	F	G
Grade boundaries	100	55	46	37	29	21

Option 3 - Higher tier paper (2H) and paper 3

Grade	Max Mark	A*	A	B	C	D	E
Grade boundaries	100	82	72	62	52	39	32

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