

Examiners' Report November 2008

GCE

IGCSE Commerce (4340)

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

General Comments

This was the third November Series IGCSE Commerce examination. The overall standard for both foundation and higher papers continues to be encouraging. Moreover, centres continue to appear to be selecting and entering candidates for the appropriate paper tier.

The format of the examination paper was the same as in the last two years with no changes to specification content or assessment objectives. The demands made on the candidates was in line with those of previous series.

Candidates continue to cope well with the use of the question paper as answer book. There were very few occasions where candidates used space in addition to the answer lines in order to complete their answers. The standard of written communication was generally very good.

Some candidates continue not to always answer at the appropriate level of skill. In this connection, the command words on the examination paper and the mark scheme are particularly relevant to centres. Each question indicates the level 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 mentioned in the question. For example, paper 1F Question 2(ei) asks candidates to 'Describe what is meant by internet shopping.' Command words such as 'Name', 'Describe', 'Give' and 'State' confirm that the question is at this level.

A02 Apply - this assessment objective tests candidates' ability to relate their answer to the context. In this series, the context to question 1 was about communication. For example, in paper 1F question 1(b) required candidates to say 'what would be the likely method of communication' to be used in a number of commercial situations. Command words such as 'Calculate', 'Give an example in context' and 'What was' confirm the question is at this level.

A03 Analyse - this assessment objective requires candidates to select, interpret or otherwise analyse some point presented in the question. For example, paper 2H question 4(c) asked candidates to 'analyse the implications of each insurance principle'. Command words such as 'Analyse', 'Compare' and 'Select' confirm the question is at this level.

A04 Evaluate - this is the most demanding assessment objective which tests candidates' ability to formulate some judgements. For example, paper 2H question 3(g) expected candidates to 'consider the part played by banks when bills of exchange are used'. Command words such as 'Evaluate', 'Explain why', 'Judge' and 'Consider' confirm the question is at this level.

The published online mark schemes continue to be an invaluable resource to centres for a number of purposes. Possible answers are provided as indicators of what is expected but the answers provided are not meant to be exhaustive. The possible answers are structured using dashes and obliques. It remains the practice 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) was generally well attempted. Most candidates obtained two or more marks out of the four available. Identifying the pager to part (iv) proved the most difficult of all the pictures.

Part (b) proved more difficult than part (a). In this instance, candidates had to apply their knowledge of methods of communications to four different situations. The answer of video conferencing to part (iv) was not generally known. Also, it is not enough to simply put 'computer' as the answer when a specific computer application such as email or the internet is required.

Part (c) was reasonably attempted. Candidates gained marks for the advantages of speed and cost but found difficulty in mentioning other advantages as stated in the mark scheme.

Part (d) was generally very well answered with good candidates mentioning that with the mobile phone it is possible to keep in contact 'anytime, anywhere whilst on the move as the mobile phone can be carried by the sales representative.'

Part (e) tested assessment objective 04 and proved challenging for all candidates. There were many vague and generalised answers that did not score any marks. Better answers looked at the importance of communication in clearing up misunderstandings and making the message being received clearer for everybody.

Part (f) concerned itself with business documents. Parts (i), (ii), and (iii) were generally well answered. However, part (iv) on the credit note and part (v) on the delivery note were poorly answered. With regards to the latter, the delivery note is useful because it provides a written record of the signature of the buyer that is proof that the goods were safely delivered.

Question 2

This question focussed on general retailing and retailing trends.

Part (a) showed a picture of the layout of a small retail shop. It was disappointing that few candidates could state correctly more than one reason for the existence of a small retail shop. Answers, as set out in the mark scheme, such as being convenient to customer's homes, providing a personal service and suitable opening hours were the expected answers.

Again, candidates had difficulty in understanding why newspapers and sweets were positioned where they were in the shop's layout to part (b).

In answering part (c)(i) candidates generally knew what self-service was but had limited knowledge on what the term 'after-sales service' meant. Part (c)(ii) on the importance of packaging was generally well attempted.

Some reasonable answers to part (d). In particular, part (ii) on the advantages of bar coding was generally very well answered. In part (iii) weaker candidates simply said that a brand name helps identification without going on to say that this can increase sales through brand loyalty as goods become widely known.

Part (e) on internet shopping clearly differentiated between those candidates who had up-to-date knowledge of this modern retailing development and those who lacked such knowledge. It is likely that this topic will be appearing more often on future commerce examination papers.

Question 3 (also Question 1 on Paper 2H)

In part (a) foundation tier candidates found difficulty with the calculations to parts (iii) and (iv). Three marks out of six was the general score from foundation tier candidates to this part. On the other hand, higher tier candidates generally scored four marks or more to part (a). Marks were lost by many candidates to the calculations by candidates who gave the correct calculation method but then did not give the correct answer.

Part (b) concentrated on division of labour. There were a wide range of answers from foundation tier candidates who generally knew three factors of production to part (i) but were less confident on advantages and disadvantages of division of labour to parts (ii) and (iii). There were many excellent answers to this part from higher tier candidates. In part (ii) one higher tier candidate gave the advantages of greater efficiency and economy of tools to part (ii) and the disadvantages of boredom and loss of craftsmanship to part (iii) and subsequently gave well-developed explanations of each of these points.

In part (c) foundation tier candidates tended to give one or two points without much development whereas higher tier candidates generally scored the maximum of four marks to this part.

PAPER 2H

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

Question 2

Part (a) required candidates to have sound knowledge on cash-and-carry wholesaling. Although most candidates could describe how cash-and-carry operates to part (i) they had great difficulty in explaining why it was better to trade with such wholesalers than with traditional wholesalers to part (ii). Please refer to the published mark scheme for some of the expected answers required by the examiners.

Answers to part (b) produced a mixture of good and poor answers on the advantages of buying a van to use as a mobile shop. Weaker candidates saw this question as an opportunity to discuss the advantages of becoming a sole trader. Better candidates considered factors such as having own vehicle and own drivers for delivery when required leading to increased customer satisfaction and reduced theft of goods.

The term 'leasing' was often accurately defined to part (c)(i) but the advantages of leasing to part (ii) were less known by most candidates who struggled to obtain three marks out of the six marks available.

Most candidates gave some valid points on the importance of drawing up a Deed of Partnership to part (d). These points tended to concentrate on the terms and conditions without applying it to an example to illustrate the point.

Question 3

In part (a) most candidates could correctly calculate the balance of trade for visible items to part (i) but most candidates could not correctly calculate the balance of payments to part (ii).

Only the better candidates gave a valid reason to part (b).

Better candidates realised that tariffs on imports increase the price of goods to part (c)(i) and that quotas reduce the amount of imports to part (c)(ii).

Candidates' knowledge on identifying the type of import or export to situations given to part (d) was impressive with many maximum marks scored.

The effects on the depreciation of currency to an exporter was not well known to part (e). Instead of saying that your countries goods become cheaper, therefore making them more attractive to sell abroad many candidates imagined that the effect would be to make the goods become more expensive.

Apart from some candidates mentioning 'agents' there was a general lack of knowledge on obtaining export sales to part (f).

There were six marks available to part (g) on Bills of Exchange but candidates found it difficult to score three marks at most. Please refer to the detailed published mark scheme for the answer to this question.

Question 4

On a general level, question 4 was not well answered. Given the importance of insurance to commercial practice, this is disappointing. Centres are therefore encouraged to study carefully this important content area of commerce.

Most candidates knew that the X in the diagram provided referred to the pooling of risks for part (a)(i). In part (a)(ii) the term 'compensation' was generally accurately defined. Again, most candidates knew that a premium consisted of a sum of money paid for an insurance risk to part (a)(iii).

In part (b)(i) very few candidates knew how the insurance company fixes a premium. There was even less understanding by the majority of candidates on why some risks are non-insurable to part (b)(ii).

There were 12 marks available to part (c) which required knowledge of the three insurance principles. Although many candidates could obtain one or two marks to each of the three principles they found it difficult to analyse and develop the initial points made in connection to the claim form. For example, one candidate wrote about Utmost Good Faith that 'you must not give false information' but failed to develop the point that the insurer could declare the policy void and refuse to pay out on the claim made.

4340/03

Question 1

This required candidates to demonstrate basic understanding of the stimulus material, using the scenario. The candidates task was to advise MFI about the options to ensure its survival and most candidates secured at least one of the two marks.

Question 2

Candidates again needed to show understanding of the stimulus material.

In part (a) most recognised the role of The Stock Exchange in the buying and selling of stocks and shares. In part (b) the application of knowledge was sound and most realised the sale and profit implications of the question.

Question 3

In considering the options open to MFI , nearly every-one found something useful to say about each one. There were a lot of competent answers where commercial concepts were well applied. Ideas such as profit, competition, costs and market share were utilised. Occasionally there was some evaluation and often a balance between advantages and disadvantages was given. Nearly all of the candidates tackled all three options.

Question 4

Most candidates came up with a choice justified with a credible reason. However there was very little comparison with the discarded options. Also, as in the past, there was no consideration of the general factors which affect company decision making such as time, changes in markets and company objectives.

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