

Mark Scheme (Results) November 2009

IGCSE

IGCSE Commerce (4340) Paper 03

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Question Number	Answer	Mark
1	<ul style="list-style-type: none"> • Aid to export • Most useful • General statement re marketing 	(2)

Question Number	Answer	Mark
2(a) (i)	(visible) products made/manufactured	(1)

Question Number	Answer	Mark
2(a) (ii)	To be performed for people (invisibles)	(1)

Question Number	Answer	Mark
2(a) (iii)	Any country or UK goods/services sold to foreigners	(1)

Question Number	Answer	Mark
2(a) (iv)	Goods/services used by British or any country but produced overseas	(1)

Question Number	Answer	Mark
2(b)	<ul style="list-style-type: none"> • Deficit • Worsening • Trade has increased with some comment/numbers 	(2)

Question Number	Answer	Mark
3 (a)	<ul style="list-style-type: none"> • £10 x 80 = 800 rupees (2) • 800 = 1 mark 	(2)

Question Number	Answer	Mark
3 (b) (i)	<p>Currency Fall → imports dearer → costs rise Or Currency Rise → imports cheaper → costs fall</p>	(2)

Question Number	Answer	Mark
3 (b) (ii)	Fall → exports cheaper → sales might increase Or Rise → exports dearer → costs rise	(2)

Question Number	Answer	Mark
4	If general help such as transport, advertising, ER, or trading documents given rather than a specific aid, credit maximum up to 3. Any one-sided answer maximum 4.	
4 (a) (i)	Export subsidies <ul style="list-style-type: none"> • many received → lower costs → prices being lower → competitive advantage • foothold in market → market share • increased scale of production → lower costs <ul style="list-style-type: none"> – become dependent – deters efficiency – Cost to government – Set-up costs • Not available in all countries 	(6)

Question Number	Answer	Mark
4 (a) (ii)	ECGD <ul style="list-style-type: none"> • reduces risk from unreliable customers → less chance of default • Encourages trade/sales • Hidden subsidy (often low cost) <ul style="list-style-type: none"> – Political aspects - Admin costs (re government) 	(6)

Question Number	Answer	Mark
4 (a) (iii)	Overseas agent <ul style="list-style-type: none"> • Useful promotion → higher sales than otherwise • Local knowledge, contacts etc • After sales service easier <ul style="list-style-type: none"> – Commission (cuts into profits) – Lack of control over agents. Trade fairs <ul style="list-style-type: none"> • Many visitors -> profits • Several days, so impact • Competitors products <ul style="list-style-type: none"> - Wage costs - rent of stalls 	(6)

Question Number	Answer	Mark
4 (b)	<ul style="list-style-type: none"> • Decision made re one aid (e.g export subsidy) rather than another with justified reasons. <ul style="list-style-type: none"> ○ E.g cost ○ Setting up ○ Promotion/marketing (Max. 4) • Discussion has to related to 'new' market problems, specifically (2) • Two valid justifications (with comparison) x2 each. Or four points giving advantages. (Max 4) • Criticism of other options (2) 	(8)

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