

Mark Scheme (Results) Summer 2010

IGCSE

IGCSE COMMERCE(4340) Paper 2H

Edexcel is one of the leading examining and awarding bodies in the UK and throughout the world. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers.

Through a network of UK and overseas offices, Edexcel's centres receive the support they need to help them deliver their education and training programmes to learners.

For further information please call our Customer Services on + 44 1204 770 696, or visit our website at www.edexcel.com.

If you have any subject specific questions about the content of this Mark Scheme that require the help of a subject specialist, you may find our **Ask The Expert** email service helpful.

Ask The Expert can be accessed online at the following link:

<http://www.edexcel.com/Aboutus/contact-us/>

Alternatively, you can speak directly to a subject specialist at Edexcel on our dedicated **subject*** telephone line: **0207 190 5329**

(If you are calling from outside the UK please dial + 44 1204 770 696 and state that you would like to speak to the **subject*** subject specialist).

Summer 2010

Publications Code UG024212

All the material in this publication is copyright
© Edexcel Ltd 2010

Question Number	Answer	Mark
1a(i)	$12\% + 7\% (1) = 19\% (1)$ Note: 2 marks for correct answer by itself	(2)

Question Number	Answer	Mark
1a(ii)	$15/100 \times 300 (1) = \$45 \text{ billion} (1)$ Note: 2 marks for correct answer by itself	(2)

Question Number	Answer	Mark
1b	Valid points could include eg Advantages: can take goods before paying easier to buy high-value items saves carrying cash no interest is paid if monthly balance paid off eg Disadvantages: high interest charged if balance not cleared tendency to overspend some credit cards not acceptable everywhere can only buy goods up to credit limit	(4)

Question Number	Answer	Mark
1c(i)	Valid points could include eg loan (AO4) large amount (AO1) long-term (AO1)	(3)

Question Number	Answer	Mark
1c(ii)	Valid points could include eg store card (AO4) credit easier to obtain (AO1) ownership at once (AO1) hire purchase (AO4) large amount for some people (AO1) able to pay back in instalments (AO1)	(3)

Question Number	Answer	Mark
1d	<p>Valid points could include</p> <p>e.g. go back to the trader or telephone trader to complain - say that it not working/not of merchantable quality - ask for the television to be repaired - have receipt/details of purchase available - if still not repaired, go to local standards organisation to gain a refund - or a replacement television</p>	(4)

Question Number	Answer	Mark
1e	<p>Valid points could include</p> <p>e.g. there is an accepted idea in society that we can have/live for today - and then pay for it later - even though it is more expensive, it will be worth it</p> <p>interest rates have been coming down - making it more attractive to borrow - especially if there is inflation</p> <p>increasing advertising of credit - particularly with special offers - making it more attractive to borrow</p> <p>greater worldwide exposure to the internet - leading to more credit card transactions - making it easy to buy online - more people turning to the internet to get goods cheaper - as the costs of living rises</p>	(7)

Question Number	Answer	Mark
2a(i)	<p>Valid points could include</p> <p>eg wages/salaries rent/rates insurance heating/lighting advertising</p>	(2)

Question Number	Answer	Mark
2a(ii)	<p>$\\$75000 \times 25/125$ (1) = $\\$15000$ (1) or two marks for the correct answer</p>	(2)

Question Number	Answer	Mark
2a(iii)	\$75000 - \$15000/10000 (1) = 6 (1) or two marks for the correct answer Note: use of OFR	(2)

Question Number	Answer	Mark
2b	eg for expensive goods the rate will be low - eg high-quality furniture - because goods sell slowly - remain in stock for a long time for inexpensive goods the rate will be high - eg fruit - the retailer will want to sell the goods quickly - as they will not last	(4)

Question Number	Answer	Mark
2c(i)	Valid points could include eg it would appear that sales have increased - but that expenses have increased - such as wages have increased - owing to the employment of extra labour	(3)

Question Number	Answer	Mark
2c(ii)	Valid points could include eg this will be probably due to increased prices charged to customers - there is no need to sell so many - in order to make a profit possibly the nature of goods has changed - so that they become more longer lasting - making less need for the customer to buy new - if the sales price is increased this will result in a larger sales figure.	(3)

Question Number	Answer	Mark

2d	<p>Valid points could include</p> <p>eg Advantages: as all transactions are electronic - this greatly reduces the need for paperwork as orders can be processed more quickly - thus promoting better customer service for the retailer almost unlimited audience for goods - on a global basis helps to keep operation costs down - compete better with larger retailers on price as the number of hits can be monitored - the retailer can see the interest in the website/goods information can be easily changed - eg prices updated by using sound and vision - makes products visually attractive website can be seen 24/7 - no need for limited shop opening hours</p> <p style="text-align: right;">(continued...)</p> <p>eg Disadvantages</p> <p>the website is limited to people being able to access computers - in some countries there is limited access some people are very wary of using the internet - particularly in the light of increasing credit card fraud set-up costs are high - with the need to employ specialised IT support sales and customer service staff have to be involved with queries on a 24 hour a day basis - this can be overwhelming for the retailer and staff with millions of websites it can be difficult to promote products - with so much competition</p>	(9)
Question Number	Answer	Mark

3a(i)	<p>Valid points could include</p> <p style="text-align: center;">eg television music radio stations teenage magazines cinema internet websites poster sites</p>	(3)
-------	--	-----

Question Number	Answer	Mark
3a(ii)	<p>Valid points could include</p> <p>eg romance appeal - trying to link the characters' success in romance with the use of the product -</p>	(3)

	for example happy attractive young men and women together celebrity appeal - trying to identify with famous people eg Beckham	
--	--	--

Question Number	Answer	Mark
3a(iii)	Valid points could include eg make a memorable name - distinguish from competitors - make consumers buy their goods instead of other brands establish brand loyalty - known quality of product - consumers trust the goods to buy them	(3)

Question Number	Answer	Mark
3b	Valid points could include eg informative advertising is aimed at increasing customer awareness of a good or service - it is normally reserved for advertising of technical details or events - such as a school fete - whereas persuasive advertising is trying to persuade customers to buy goods or services rather than a competitor's - such as a manufacturer of detergents - who will say that their goods have some special qualities - that is not found in competitor products - as such, this form of advertising is the main type of non-price competition between manufacturers. One could say it is wasteful - whereas informative advertising is used to help consumers to make a better choice.	(6)

Question Number	Answer	Mark
3c	Valid points could include eg may lead to higher prices - to cover advertising costs - this cost could have been invested in improving the product may lead to consumers buying goods that they do not want - the product they have works fine - by the use of subtle advertising techniques - and the desire to have the latest model may lead to over-spending - buying goods that	(6)

	consumers cannot afford may exploit consumers - use of example such as buying over-priced goods misleading advertisements - consumers being 'ripped-off'	
--	--	--

Question Number	Answer	Mark
3d	Valid points could include eg it is a set of rules - for example, medical claims should be backed by trials - which is intended to encourage good practice in advertising - requiring the advertisement to be legal/decent/honest/true - the advertiser will need to adhere to the code - or the cosmetics advertisement could be banned - and the advertiser fined - and expelled from being a member	(4)

Question Number	Answer	Mark
4a(i)	$\$8.25 + \$40.10 + \$19.90 + \$6.30 + \$13.00 + \5.45 (1) = \$93.00 m (1) or two marks for the correct answer	(2)

Question Number	Answer	Mark
4a(ii)	$\$9.00 - \19.75 (1) = -\$10.75 (1) or two marks for the correct answer	(2)

Question Number	Answer	Mark
4b	Valid points could include eg imports more services than exported services - 10.75 more reliant on manufacturing industry - as 60% of manufactured goods of total has to import more raw materials than it has - to maintain manufacturing industry	(2)

Question Number	Answer	Mark
4c(i)	Valid points could include eg to provide foreign currency - so as to pay	(3)

	<p>for imports - and to pay off foreign debts to create employment - thereby increasing standard of living - less social welfare benefits to pay for comparative advantage argument - producing goods that the country is most efficient at - with the associated benefits of specialising</p>	
--	--	--

Question Number	Answer	Mark
4c(ii)	<p>Valid points could include</p> <p>eg some raw materials do not occur naturally - thereby need to import - to carry out the production of certain goods cheaper for other countries to produce - as well as better quality - such as Japanese electronics</p>	(3)

Question Number	Answer	Mark
4d(i)	<p>Valid points could include</p> <p>eg stores dutiable goods - payment of duty is postponed - saves on working capital only released from bond - when payment of duty is made - if rules are broken a large fine - controlled by Customs and Excise goods can be sold in bond - payment will be made by the buyer goods for re-export can be kept - refund of duty possible - customs drawback While in bond goods can be processed - bottled/blended/packaged or graded - but cannot be manufactured</p>	(5)

Question Number	Answer	Mark
4d(ii)	<p>eg showcase for a company's goods - usually on an annual basis - in order to increase sales in an existing export market - or to break into a</p>	(3)

	new export market will be able to return with a list of potential contacts/key purchasers - meet with potential partners - and a greater understanding of the marketplace	
--	---	--

Question Number	Answer	Mark
4e	Valid points could include eg this would cause the price of a company' exports to rise - and the price of imports to fall - this will be good for a company which mainly imports goods cheaper to import goods than before - leading to increasing profit margins - or the ability to sell greater volumes by offering lower prices. However, if the company is a main exporter it will be more difficult to compete on price in export markets - leading to lower profit margins.	(5)

HIGHER PAPER

Content Coverage

	Content area 1	Content area 2	Content area 3	Content area 4	Content area 5
Question		2d/4a/4b/4cii	1a/b/c/d/e	2a/b/c	3a/b/c/d 4ci/4d
Marks	0	24	25	16	35

Coverage of Assessment Objectives

Question	A01	A02	A03	A04	Total
1a		4			4
1b	4				4
1c	4			2	6
1d			4		4
1e				7	7
2a	2	4			6
2b		4			4
2c			6		6

2d			9		9
3a	3	6			9
3b			6		6
3c				6	6
3d	4				4
4a		4			4
4b				6	6
4c			2		2
4d	8				8
Total	25	22	27	21	100

Further copies of this publication are available from
International Regional Offices at www.edexcel.com/international

For more information on Edexcel qualifications, please visit www.edexcel.com
Alternatively, you can contact Customer Services at www.edexcel.com/ask or on + 44 1204 770 696

Edexcel Limited. Registered in England and Wales no.4496750
Registered Office: One90 High Holborn, London, WC1V 7BH