

# Mark Scheme (Results) November 2010

IGCSE

## IGCSE Commerce (4340/1F)

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](http://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).

November 2010

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

## General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.

- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, ie if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Question Number	Answer	Mark
1a (i)	primary/extractive	(1)

Question Number	Answer	Mark
1a (ii)	secondary	(1)

Question Number	Answer	Mark
1a (iii)	consumer	(1)

Question Number	Answer	Mark
1b (i)	<b>Valid points could include:</b> eg involves the buying of goods/services - from abroad - into the home country	(2)

Question Number	Answer	Mark
1b (ii)	<b>Valid points could include:</b> eg involves the selling of goods/services - from the homecountry - to abroad	(2)

Question Number	Answer	Mark
1c (i)	<b>Valid points could include:</b> eg payment of duty is postponed - whilst goods are in bond -therefore saving working capital goods can be sold in bond -payment of duty then has to be made by the new buyer whilst in bond the tea can be blended or packed or sorted once duty is paid the goods can be removed	(3)

Question Number	Answer	Mark
1c (ii)	<b>Valid points could include:</b> eg goods can be stored - pending re-export - without the duty being paid. This is known as the entrepot trade - helping importers to save capital	(3)

Question Number	Answer	Mark
1d	<b>Valid points could include:</b> eg from warehouse to wholesaler - by road transport - truck/lorry	(2)

Question Number	Answer	Mark
1e (i)	Valid points could include: eg obtain loan for buying machinery paying workers by bank giro depositing money into a savings account using cheques to pay utility bills obtaining an overdraft to buy stock	(4)

Question Number	Answer	Mark
1e (ii)	Valid points could include: eg to telephone suppliers to use the internet to obtain information to confirm orders by fax to send a quotation by letter to email workers	(3)

Question Number	Answer	Mark
1f (i)	Valid points could include: eg limited liability legal entity has shareholders shareholders are owners no maximum number of shareholders has Ltd after its name must be registered	(3)

Question Number	Answer	Mark
1f (ii)	Valid points could include: eg the owner will be able to use mass production techniques - to increase output. Through greater automation - there will be a reduction of labour - saving wage costs. Overall, the factory will become more efficient - producing more at a lower cost. by continually performing a single task workers become more skilled - output increases. No time is lost - as workers do not have to switch from one job to another. Able to make use of unskilled labour instead of skilled labour.	(3)

Question Number	Answer	Mark
1f (iii)	Valid points could include: eg workers become bored labour might be replaced by machines leads to a decline in craftsmanship all the products made are much the same or standardised interdependence occurs if a worker is missing or one part of the plant breaks down difficult to adapt if market declines	(2)

Question Number	Answer	Mark
2a (i)	<p><b>Valid points could include:</b>            eg self-service stores            floor area of not less than 2000 square feet (186 square metres)            checkout points for payments            use of trolleys/shopping baskets            sells food/household goods            goods displayed in sections            car parking</p>	(3)

Question Number	Answer	Mark
2a (ii)	<p><b>Valid points could include:</b>            eg most of the customers will be living locally - so local customers need to be targeted - local people will be most interested in this new store advertisement can be cut out - and kept for future reference            will be cheaper than advertising in the national press - and detailed information can be provided</p>	(3)

Question Number	Answer	Mark
2a (iii)	<p><b>Valid points could include:</b>            eg customers prefer self-service - able to shop at their own speed - not pressured by sales assistants - shoppers can shop at their own pace - able to choose from a variety of stock - from attractive displays - prices relatively low            customers have facilities - such as restaurants - car parking - able to do a weekly shop</p>	(4)

Question Number	Answer	Mark
2b (i)	<p><b>Valid points could include:</b>            eg loss leaders            buy one get one free            coupons            free gifts            reduced prices at certain times            free draws/competitions</p>	(3)

Question Number	Answer	Mark
2b (ii)	<p><b>Valid points could include:</b>            eg can produce the goods themselves or produced for the supermarket- sold under their own name - form of advertising - helps to promote brand loyalty            own brand goods are popular - as they are displayed alongside competitor brands - which tend to be more expensive</p>	(3)

Question Number	Answer	Mark
2c	<p><b>Valid points could include:</b>            eg check the sell-by date            take it back to the supermarket with the receipt            ask for a replacement            ask for a refund            buy another one            threaten to report the matter to the local consumer agency            stop using the supermarket</p>	(3)

Question Number	Answer	Mark
2d (i)	<p><b>Valid points could include:</b>            eg customers would like local farmers' produce as it is likely to be fresh - as many people like to buy local goods - likely to be cheaper than well - packaged goods            Should help the supermarket fight competition from the local market stalls - as customers might prefer to buy all of their food in one place - thereby helping one-stop shopping</p>	(3)

Question Number	Answer	Mark
2d (ii)	<p><b>Valid points could include:</b>            eg loyalty cards encourage customers to spend more - by sending out information about goods in the post/email            loyalty reward schemes encourage the shopper to spend more at the supermarket - rather than looking for cheaper alternatives            can be used to find out customer preferences - and thereby proving a very useful marketing tool</p>	(3)

Question Number	Answer	Mark
3a (i)	<p>£420 - £300 (1) = £120 (1)</p> <p>Note: 2 marks for correct answer by itself</p>	(2)

Question Number	Answer	Mark
3a (ii)	<p><b>Valid points could include:</b>            eg The goods are taken home for 21 days - if not satisfied you can return the goods - without charge</p>	(2)

Question Number	Answer	Mark
3b	<p><b>Valid points could include:</b>            eg to increase sales - as people may not be able to pay outright for expensive goods - many people prefer to pay by credit cards            because competitors accept credit cards - could lose out on potential business - to competitors            the firm are guaranteed payment by the credit card company - resulting in less bad debts - and no cash on business premises</p>	(3)

Question Number	Answer	Mark
3c	<p><b>Valid points could include:</b>            eg the firm receives immediate payment - making the transaction instant - without any delays that can be caused by large numbers of credit card transactions - as there is no need to check for stolen credit cards - and credit limits of customers            there is no commission to pay - which is a cost to the business - as well as less records to keep</p>	(4)

Question Number	Answer	Mark
3d (i)	<p><b>Valid points could include:</b>            eg postal orders are usually for small payments - up to £10 - whereas cheques can be for any amount - including large amounts            commission - known as poundage is charged for the use of postal orders - whereas cheques are subject to bank charges - if bank account is overdrawn            postal orders are not negotiable - but may be passed on and cashed through a bank            anyone can purchase a postal order at a post office - but cheques need a current account</p>	(4)

Question Number	Answer	Mark
3d (ii)	<p><b>Valid points could include:</b>            eg does want to receive money quickly - in order to buy more stock - there may be delays in clearing cheques            if any cheques bounce - this leaves the firm with the task of recovering the debt - which could be expensive            there will be no need to go to the bank to pay in cheques - thereby wasting time/money - and reducing clerical work</p>	(3)



Question Number	Answer	Mark
3e	<p><b>Valid points could include:</b></p> <p>eg Advantages</p> <p>enables the customer to use the goods before paying for them - so allowing them to buy better quality goods that they could not initially afford - they become less concerned with low priced goods - leading to greater choice - thereby increasing their standard of living</p> <p>the customer is able to budget for expensive purchases - as payments are usually over a year - they can then use their cash for other things - such as emergencies - assisting their cash flow</p> <p>eg Disadvantages</p> <p>there is the danger of over-commitment by buying too many goods - leading to difficulties in keeping up with the repayments - especially if the buyer becomes ill or unemployed - and goods can then be repossessed</p> <p>hire purchase is expensive - interest rates tend to be high - buyer ends up paying much more than the cash price - at the end of the hire purchase period the goods may not be worth much or may need replacing</p>	(7)

Further copies of this publication are available from  
International Regional Offices at [www.edexcel.com/international](http://www.edexcel.com/international)

For more information on Edexcel qualifications, please visit [www.edexcel.com](http://www.edexcel.com)  
Alternatively, you can contact Customer Services at [www.edexcel.com/ask](http://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