

# IGCSE

London Examinations IGCSE

Commerce (4340)

For examination in May and November  
2006, 2007, 2008

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delivered locally, recognised globally

Specification

London Examinations IGCSE

# Commerce (4340)

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### *Acknowledgements*

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Authorised by Elizabeth Blount

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# Contents

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<b>Introduction</b>	<b>1</b>
Key features	1
Availability of examination sessions	1
<b>Specification aims and assessment objectives</b>	<b>2</b>
Aims	2
Assessment objectives	2
<b>Scheme of assessment</b>	<b>3</b>
Summary	3
Tiers of entry	3
Weighting of assessment objectives	4
Details of each paper/component	5
<b>Specification content</b>	<b>7</b>
<b>Coursework</b>	<b>16</b>
Content	16
Instructions to centres	16
Coursework assignment titles and guidance	17
Assessment of coursework	19
Assessment criteria	20
<b>Grade descriptions</b>	<b>22</b>
<b>Resources</b>	<b>23</b>
<b>Support and training</b>	<b>24</b>
<b>Appendices</b>	<b>25</b>
Appendix 1: Procedures and contact information	25
Appendix 2: Coursework Record Sheet	27
Appendix 3: Procedures for moderation of coursework	28



# Introduction

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The London Examinations IGCSE in Commerce is designed to provide a sound understanding of commercial activities. It should particularly benefit those who seek employment in commercial occupations, whether in trade or in one of the services ancillary to trade. It will also provide valuable background for students who plan to study GCE Advanced level Business Studies or Economics, and other business or economics courses for examinations set by the professional bodies.

## Key features

- two routes of assessment: 100% examination, or 80% examination and 20% coursework (Edexcel-approved teaching institutions only)
- opportunity in coursework to apply skills to local contexts
- a course for both those in full-time education and those seeking professional development
- accessible questions based on real commercial situations
- the two tiers of entry allow students to be entered at the appropriate level, and the whole ability range to be examined
- a full range of teacher support
- provides a sound foundation for Edexcel AS and Advanced level Business Studies or Economics, or equivalent qualifications.

## Availability of examination sessions

The specification will be examined twice a year, in May and November.

Centres are asked to note that the coursework component of this specification is normally available only to candidates studying at centres that have been recognised by Edexcel International as International Teaching Institutions. For full details, see the section 'Availability of coursework to international centres' in Appendix 1.

# Specification aims and assessment objectives

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## Aims

This specification gives candidates opportunities to

- acquire a knowledge of, and develop an understanding of, the nature and purpose of commercial activities and commercial institutions
- develop an awareness of the context within which commercial activity takes place
- develop an awareness of the nature and significance of innovation and change within the context of commercial activities
- develop skills of numeracy, literacy, inquiry, presentation and interpretation
- increase knowledge and awareness of the dual role of people in everyday life as producers and consumers.

## Assessment objectives

The scheme of assessment will require candidates to

- AO1** demonstrate knowledge and understanding of the specified subject content
- AO2** apply knowledge and understanding using appropriate terminology, concepts, simple theories and methods effectively to address commercial problems and issues
- AO3** select, organise, analyse and interpret information from various sources to analyse commercial problems and issues
- AO4** evaluate evidence, make reasoned judgements and present conclusions accurately and appropriately.

# Scheme of assessment

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## Summary of scheme of assessment

Paper/ component	Mode of assessment	Weighting	Length
1  <b>OR</b>	Examination Paper 1F Grades C – G (Foundation Tier)	80%	1 hour 30 minutes
2  <b>AND</b>	Examination Paper 2H Grades A* – D (Higher Tier)	80%	2 hours
3  <b>OR</b>	Examination Paper 3 Grades A* – G (common to both tiers)	20%	1 hour
4	Coursework component 4 Grades A* – G (common to both tiers)	20%	–

## Tiers of entry

Candidates are entered at **either** Foundation Tier **or** Higher Tier, and are required to take **two** components.

**Foundation Tier** candidates will take Paper 1F, and **either** Paper 3 **or** Component 4 (coursework). Questions in the Foundation Tier paper are targeted at grades in the range C - G. The highest grade which will be awarded at Foundation Tier is grade C.

**Higher Tier** candidates will take Paper 2H, and **either** Paper 3 **or** Component 4 (coursework). Questions in the Higher Tier paper are targeted at grades in the range A\* – D. There is a 'safety net' grade E for candidates who narrowly fail to achieve grade D.

Candidates who fail to achieve grade G on Foundation Tier or Grade E on Higher Tier will be awarded 'Ungraded'.

Some examination questions will be common to both tiers.

## Weighting of assessment objectives

These tables show the overall weighting of the assessment objectives and the expected mark ranges for each assessment objective in each of the examination components.

### Foundation tier

	<b>Paper 1F 80 marks (80% weighting)</b>	<b>Paper 3, or component 4 (coursework) 40 marks (20% weighting)</b>	<b>Overall weighting</b>
<b>AO1</b>	25-30 marks	5-10 marks	30-35%
<b>AO2</b>	25-30 marks	5-10 marks	30-35%
<b>AO3</b>	10-15 marks	10-15 marks	15-20%
<b>AO4</b>	10-15 marks	10-15 marks	15-20%

### Higher Tier

	<b>Paper 2H 100 marks (80% weighting)</b>	<b>Paper 3, or component 4 (coursework) 40 marks (20% weighting)</b>	<b>Overall weighting</b>
<b>AO1</b>	20-30 marks	5-10 marks	21-26%
<b>AO2</b>	20-30 marks	5-10 marks	21-26%
<b>AO3</b>	20-30 marks	10-15 marks	24-29%
<b>AO4</b>	20-30 marks	10-15 marks	24-29%



## Details of each paper/component

### Paper 1F (80% weighting)

Foundation Tier, targeted at grades C – G

**1 hour 30 minutes**

**80 marks (80% weighting)**

This paper will consist of compulsory, short-answer structured questions. Questions will be drawn from all areas of the specification content.

There will be some questions common to both papers 1F and 2H to ensure comparability between the two papers.

### Paper 2H (80% weighting)

Higher Tier, targeted at grades A\* - D

**2 hours**

**100 marks (80% weighting)**

This paper will consist of compulsory, structured, data-response and open-ended questions. Questions will be drawn from all areas of the specification content.

There will be some questions common to both papers 1F and 2H to ensure comparability between the two papers.

### Paper 3, alternative to coursework (20% weighting)

Common to both tiers, targeted at grades A\* - G

**1 hour, plus 10 minutes reading time**

**40 marks**

A commercial case study will be supplied with the paper. The case study will consist of data in a variety of formats. On the question paper, a problem will be set, and there will be a series of questions leading to a conclusion. The emphasis will be on analysing and interpreting the information in the sources (AO3), and evaluating the information to arrive at a conclusion (AO4).

The data on which candidates will write their response will be sent to participating centres up to **six weeks** before the examination. Candidates may use this six-week period to familiarise themselves with the data. The problem on which the candidates will write in the examination will not be given to candidates until they sit the examination. Candidates should use the allowed 10 minutes' reading time to study their task and consider how they will attempt it using the pre-released data.

All the pre-released data will be reprinted on the examination paper. Candidates may **not** take the pre-released version of this data, including any notes, ideas or annotations based on it, into the examination.

Candidates may not begin to write their response until after the reading time has elapsed. The beginning and end of this reading time will be signalled by the invigilator of the examination.

The total of 40 marks will be scaled to 20% of the overall assessment.

### **Coursework, alternative to Paper 3 (20% weighting)**

Common to both tiers, targeted at grades A\* - G

#### **40 marks (20% weighting)**

**Centres are reminded to refer to the section 'Availability of coursework to international centres' in Appendix 1.**

Two coursework assignments relating to Commerce are printed in this specification (See Coursework assignment titles and guidance on page 17). Candidates will select **one** of the set coursework assignments. Candidates' work will be assessed by the teacher, and moderated by London Examinations. See the Coursework section on page 16 for full details of this component.

The total of 40 marks will be scaled to 20% of the overall assessment.

# Specification content

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The specification content is the same for both tiers. Candidates may draw on examples from within their own country where a question does not refer specifically to the United Kingdom.

## Summary

There are five areas of content.

<b>Area</b>	<b>Content summary</b>
<b>1. Production and commercial activity</b>	The nature of trade and the aids to trade; their role in production of goods and services.
<b>2. Trade</b>	The channels of distribution for goods and services in home and international trade; the role of markets.
<b>3. Consumers, wage earners and taxpayers</b>	Purchase and payment considerations; sources of finance for purchases of goods and services; methods of protection available to consumers; wages and salaries; savings; payment of taxes.
<b>4. Business ownership</b>	Private and public ownership of business organisations; control, sources of capital, profits and losses; the results of trading; stock exchanges.
<b>5. Aids to trade</b>	The role of banks, transport, communications, insurance, advertising and warehousing in making buying and selling safer and simpler.

## 1. Production and commercial activity

<b>Content</b>	<b>Explanation</b>
<b>1.1 Production</b>	Candidates should be able to Show understanding of the concepts of production and the factors of production as a means of providing goods and services to satisfy human wants Primary, secondary and tertiary activities
<b>1.2 Organisation of production</b>	Explain specialisation, its advantages and disadvantages and how it led to the emergence of commerce and the interdependence of nations
<b>1.3 Barter and money</b>	Show understanding of the concepts of exchange, barter and money

- 1.4 Kinds of occupations** Classify occupations and show the relationship between primary, secondary and tertiary activities
- 1.5 Commercial activity** Describe the principal functions of commerce (trade and the aids to trade) and their importance within production.

## 2. Trade

Content	Explanation
	Candidates should be able to
<b>2.1 Trade in goods and services</b>	define trade and to show understanding of each area of this topic in relation to the producer, retailer and consumer
<b>2.2 Retail trade</b>	
2.2.1 Functions	explain the functions and services of retailers
2.2.2 Types	identify and describe the organisation of large and small types of retailing give reasons for the existence of each type of retailing outline the distinctive features, particularly services offered and comparative prices
2.2.3 Techniques and trends	analyse reasons for the main differences in their features describe selling techniques and trends in retailing: branding and packaging, self-service, after-sales service, franchising, bar-coding, shopping centres, loss leaders, seasonal and other 'sales', special offers, loyalty cards explain the reasons for the use of each selling technique analyse the possible influence of each selling technique on consumer buying and the effects on a retailer's sales
2.2.4 Developments	describe recent developments in retailing and e-retailing such as home shopping (by phone and on the Internet) and explain their likely implications
<b>2.3 Wholesale trade</b>	
2.3.1 Functions and services	describe the functions of a wholesaler explain the services provided by the wholesaler to the retailer and the manufacturer (see also 5.6 Warehousing)
2.3.2 Organisation	describe the organisation of the different types of wholesalers: traditional, cash-and-carry and voluntary chains

- |       |                      |   |
|-------|----------------------|---|
| 2.3.3 | Role in distribution | give reasoned arguments for the abolition of or the retention of the wholesaler as part of the chain of distribution  |
| 2.3.4 | Recent developments  | describe recent developments in wholesaling and their possible effects on the consumer  |
| 2.3.5 | Trade documents      | <p>explain the purpose and the use of the following documents in the purchase and the sale of goods in home trade:</p> <p>enquiry, quotation, order, advice, delivery note, invoice (including Value Added Tax (VAT)), debit note, credit note, statement of account, receipt</p> <p>compile and complete any of these documents from information given including use of cash and trade discounts</p> |

## **2.4 International trade**

- |       |  |  |
|-------|--|--|
| 2.4.1 | Foreign trade and home trade             | explain how international trade differs from home trade  |
| 2.4.2 | Benefits                                 | describe the advantages of international trade   |
| 2.4.3 | Goods and services                       | distinguish between imports and exports; visible and invisible trade   |
| 2.4.4 | Balance of trade and balance of payments | <p>give the meaning of and the distinction between the balance of trade and the balance of payments, and the effect of exchange rates</p> <p>calculate the balance of trade and the balance of payments from given figures and be able to recognise whether and why each is favourable or unfavourable</p> |
| 2.4.5 | Export orders                            | outline the ways of obtaining orders for exports   |
| 2.4.6 | Aids to export                           | <p>outline the sources of commercial information available to exporters such as government departments, chambers of commerce, banks, trade organisations, overseas agents</p> <p>describe government services available to exporters including credit guarantees, trade fairs, consular services</p>       |
| 2.4.7 | Duties                                   | differentiate between customs and excise duties and between tariffs and quotas   |

## 2.5 Markets

2.5.1	Nature and types of markets	define a market distinguish between financial, commodity and consumer goods markets
2.5.2	Functions of markets	explain the functions of retail markets explain the functions of wholesale and produce markets and their role in the collection and distribution of home produce and imported foodstuffs and raw materials explain the functions of commodity markets or exchanges and the ranges of goods with which they deal
2.5.3	Channels of distribution	describe distribution of manufactured goods, agricultural commodities, and raw materials
2.5.4	Intermediaries	describe the functions and services to the producer and manufacturer of intermediaries such as factors, agents, brokers, merchants, forwarding agents.

## 3. Consumers, wage earners and taxpayers

Content	Explanation
3.1 <b>Buying goods and services</b>	Candidates should be able to outline purchase and payment considerations: e.g. decisions on what is needed and what can be afforded, paying by cash or through credit
3.2 <b>Forms of instalment credit</b>	describe the following credit facilities available to consumers: credit sale, hire purchase, mail order, store cards, credit cards outline the methods of financing such facilities suggest a suitable method of credit in certain circumstances and to give reasons for the choice
3.3 <b>Loans</b>	describe borrowing from banks, finance companies, building societies, credit unions suggest a suitable method of borrowing in certain circumstances and give reasons for the choice
3.4 <b>Leasing</b>	define leasing analyse its advantages and disadvantages

<b>3.5 Consumer protection</b>	show an understanding of the need for protection recognise the part played by government and local authorities (a) through legislation and (b) in disseminating information
<b>3.6 Wages and salaries</b>	distinguish between wages and salaries describe compulsory and voluntary deductions from wages and salaries
<b>3.7 Budgeting and saving</b>	understand personal budgets, necessities and luxuries understand reasons for saving describe forms of saving e.g. government facilities; see also 5.1.2(a)
<b>3.8 Payment of taxes</b>	distinguish between direct and indirect taxes understand the objects of national taxation understand the purpose of a government budget understand the objects of local taxation.

## **4. Business ownership**

<b>Content</b>	<b>Explanation</b>
<b>4.1 Private and public ownership</b>	Candidates should be able to show understanding of the character of a mixed economy with its public and private sectors and outline the economic and social advantages and disadvantages
<b>4.2 Private sector</b>	describe and compare the organisation of sole proprietors partnerships limited companies (private and public) consumer/producer co-operatives friendly societies e.g. building societies  in terms of (a) business formation (b) raising of capital (long-term and short-term finance) (c) ownership and control (d) distribution of profits and responsibility for losses (e) suitability of each organisation to a given situation

- 4.3 The results of trading** describe and explain the elementary financial aspects of a business in relation to:  
 capital, assets and liabilities, balance sheets  
 turnover and rate of turnover  
 profits, trading and profit and loss accounts, mark-up  
 comparison of profits with turnover and capital costs  
 making calculations from given information
- 4.4 Stock exchanges** understand the functions of stock exchanges  
 describe the organisation of stock exchanges  
 explain the ways in which stock exchanges facilitate investment in both new and existing companies  
 demonstrate knowledge and show understanding of the following terms in appropriate situations:  
 investors, equities, interest, dividend, yield, speculation.

## 5. The aids to trade

### Content

### Explanation

Candidates should be able to

#### 5.1 Banking

##### 5.1.1 Money

outline the functions of money (as a medium of exchange, measure of value, store of value, standard for deferred payments) and the role of money in a developed economy, including the concept of legal tender  
 identify and explain reasons for the use of the different types of money: notes and coins, bank deposits



- 5.1.2 Types of banks describe the main features and evaluate the use of the following services provided for businesses and consumers by the commercial banks, and other organisations such as post offices:
- (a) accepting deposits: current, deposit and savings accounts, night safes
  - (b) money transfer services: cheques, standing orders, bank giro (credit transfers), direct debits, bank drafts, debit cards, electronic transfers, postal orders, registered post, cash on delivery
  - (c) money-lending services: loans, overdrafts, leasing, factoring, mortgages, bills of exchange
  - (d) other important services: e.g. financial, investment and taxation advice, insurance service, provision and exchange of foreign currencies, provision of cash for wages, cash dispensers (ATMs), credit cards, safekeeping of documents, information about foreign markets, bank references
- outline the main functions of a central bank
- outline the main purposes of merchant banks and finance houses

- 5.1.3 Trends in banking describe recent developments e.g. telephone banking, Internet banking, and analyse their likely implications

## 5.2 Transport

- 5.2.1 Importance show understanding of the importance of transportation in the chain of distribution
- 5.2.2 Types State, and show knowledge of, the different forms of transportation available to commerce: road, rail, sea, air, inland waterway, pipelines
- evaluate benefits to a business of having its own transport
- evaluate the efficiency of the various forms of transport in relation to cost (including social costs), speed, reliability and safety, situation, convenience, distance
- 5.2.3 Transport Markets describe the work of the Baltic Exchange
- 5.2.4 Trends describe modern trends in the distribution of goods e.g. growth of air freight

## 5.3 Communications

- 5.3.1 Importance demonstrate the importance of effective communication in business
- 5.3.2 Types identify the main methods of communication in common use:  
 written: postal communications, telex, fax, e-mail, teletext, websites  
 spoken: telephone, pager, radio, television, video and telephone conferencing  
 compare these main methods with reference to speed, cost, convenience to customers, security
- 5.4 Insurance**
- 5.4.1 Principles show understanding of the statistical basis of insurance in terms of the pooling of risks, forecasting losses, fixing premiums and compensating for loss, including reference to the work of actuaries and assessors  
 explain why some risks are non-insurable  
 define and analyse the implications of: utmost good faith; indemnity; insurable interest; contribution; subrogation
- 5.4.2 Classes identify and explain the main insurance business risks: accident, theft, vehicles, marine, fire and consequential loss, employers' liability and public liability, fidelity guarantee, credit insurance, plate glass  
 define the characteristics of the chief forms of life cover  
 give suitable examples of personal and business insurance in these classes
- 5.4.3 Effecting and renewing insurance outline procedures in effecting and renewing  
 recognise the importance of the proposal as part of a legal contract  
 state reasons for the inclusion of clauses in a policy relating to the insured, the property or life, and the cover required  
 explain the terms: endorsement, cover note
- 5.4.4 Insurance market describe how to arrange insurance with commercial companies, mutual societies and Lloyd's  
 understand the roles of underwriters, brokers and syndicates  
 the use of agents and brokers
- 5.4.5 Documents and calculations calculate simple premiums when value and rate are given  
 show what indemnity would be given in simple cases

**5.5 Advertising**

5.5.1	Purposes	show understanding of how advertising assists trade
5.5.2	Marketing	explain the relationship between market research, test marketing, sales promotion and advertising
5.5.3	Methods	describe the different methods of advertising and the reasons for their use  circulars, posters, national and local press, radio and television, cinemas, free gifts and samples, magazines (general and specialised), fairs and exhibitions, point of sale (e.g. carrier bags, wrappers), catalogues, leaflets, sponsorship
5.5.4	Approaches	recognise and give examples of the various approaches to advertising (a) persuasive (b) informative (c) competitive (d) collective  recognise devices and methods of appeal: associative (soft sell) and direct (hard sell)  explain the importance in advertising of trade names/marks, branding, packaging
5.5.5	Agencies	explain the functions of advertising agencies
5.5.6	Safeguards	state and evaluate the dangers, criticisms and advantages of advertising to consumers  describe how consumers are protected against misleading advertising by statute, by codes of advertising practice, and by independent organisations
<b>5.6 Warehousing</b>		
5.6.1	Role of warehousing	show understanding of the importance of warehousing to trade, e.g. seasonal production, price stability
5.6.2	Types of warehouses	describe different forms of storage: bonded warehouses, cold storage, manufacturers' and retailers' warehouses  outline the main features of each type of warehouse  evaluate the importance of each in trade.

# Coursework

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## Total mark: 40

Centres are asked to note that only those centres which have been approved to enter specifications with a coursework component may enter for component 4.

## Content

Candidates will select **one** coursework assignment from the two assignments on pages 17 and 18. The assignments will be valid for the May and November examination sessions in 2006, 2007 and 2008.

## Instructions to Centres

The coursework assignment consists of two tasks. Task 1 requires candidates to prepare charts. Task 2 requires candidates to write a report.

In Task 1, the term 'chart' is taken to mean any diagrammatic representation of information. Examples would be pie charts, bar charts, flow charts and tables.

Task 2 of each assignment, the written report, should be about 800 words in length, but there is no penalty for falling below or exceeding this guideline.

As far as the subject timetable permits, centres are free to allow candidates to develop assignment work naturally and spontaneously during normal classwork periods and/or homework.

Centres must also note the following regulations regarding coursework

- Work may be word-processed or hand-written.
- Illustrative material (e.g. diagrams, charts, tables, extracts from published articles) must be relevant and form an integral part of the whole piece of work.
- Notes wholly or largely copied from books or class notes are not acceptable.
- Assignments should demonstrate a careful selection of appropriate content. Evidence collected during research such as leaflets or booklets **must not** be included with the assignment.
- Sources used in a candidate's research must be clearly identified and acknowledged (e.g. material from published articles, television and radio programmes)
- The Coursework Record Sheet on page 27 must be copied and completed for each candidate, and attached to the front of each coursework assignment.
- Evidence collected during research, such as leaflets or booklets, must not be included with the assignment.
- **Details about the submission of coursework marks and the moderation of coursework are in Appendix 3.**

## Coursework assignment titles and guidance

### Assignment 1 – A study of methods of borrowing money in a local area

#### Background Work

- (a) Select **ONE** example of an expensive good (e.g. a house or car) or an expensive service (e.g. a season ticket), and the reasons for purchase (e.g. for a car: convenience; use for work and leisure).
- (b) Investigate locally at least **FIVE** methods of borrowing a sum of money to assist with buying the good or service and the terms of borrowing for each method.

Use the information obtained from your background work to carry out the following tasks.

#### Task 1

- (a) Prepare a chart which shows (i) the good or service chosen and the reasons for purchase, and (ii) the methods of financing its purchase.
- (b) Prepare another chart which compares the terms of borrowing for each method.

#### Task 2

As a result of your own local investigations, prepare a report on the conclusions to be drawn from your survey.

**(40 marks)**

Full guidance on the teaching of this coursework assignment is in the Teacher's Guide.

## **Assignment 2 – A study of the use of advertising by a local business**

### **Background Work**

- (a) Select a business which operates in your area.
- (b) Investigate
  - (i) the type of business ownership
  - (ii) the main products or services sold
  - (iii) the methods of advertising used
  - (iv) the reasons for the choice of methods.

Use the information obtained from your background work to carry out the following tasks.

### **Task 1**

Prepare charts which

- (a) show the types of business ownership and the main products sold
- (b) show the methods of advertising used.

### **Task 2**

As a result of your own local investigations, prepare a report of about 800 words which assesses the value of advertising to

- (a) this local business and
- (b) the customers of this local business.

**(40 marks)**

Full guidance on the teaching of this coursework assignment is in the Teacher's Guide.

## Assessment of coursework

The assessment objectives for coursework are

- AO1** Demonstrate knowledge and understanding of the specified subject content
- AO2** Apply knowledge and understanding using appropriate terms, concepts, theories and methods effectively to address commercial problems and issues
- AO3** Select, organise, analyse and interpret information from various sources to analyse commercial problems and issues
- AO4** Evaluate evidence, make reasoned judgements and present conclusions accurately and appropriately.

The four assessment areas on the following pages relate to the assessment objectives. Teachers should award a mark for each assessment area according to the assessment criteria. The four marks should be recorded on the Coursework Record Sheet, along with a total mark out of 40.

Teachers must sign each Coursework Record Sheet to certify that the coursework is the candidate's own work.

Where there is more than one teacher for the subject in the centre, internal standardisation of coursework assessment must take place.

See Appendix 3 for details about the sending of coursework marks to London Examinations and the moderation of centre marking by the London Examinations' moderator.

## Assessment criteria

The coursework will be internally assessed by the centre in accordance with the following criteria.

### Assessment area 1: Knowledge and understanding

Candidates are required to show knowledge and understanding of the area of the report and of appropriate commercial knowledge.

#### Level 3

Candidates are able to show that they have gathered appropriate and sufficient information from their studies and have made good use of relevant commercial knowledge. There is good evidence that they understand the material.

7-8 marks

#### Level 2

Candidates have gathered some appropriate information and made some use of relevant commercial knowledge, although some of this may have been copied. The material is sufficient to provide a basis for answering the question or testing the hypothesis. There is evidence that they understand the material.

4-6 marks

#### Level 1

Candidates have gathered some information, but this may not be appropriate, or it is insufficient to provide a basis for answering the question or testing the hypothesis, and may largely be copied. Understanding is limited.

1-3 marks

### Assessment area 2: Application of appropriate commercial concepts, terms, theories and methods

Candidates are required to show that they can apply their commercial ideas and use suitable commercial methods.

#### Level 3

Candidates are able to make very good use of at least three relevant commercial concepts and theories in the investigation. They should demonstrate precise use of commercial terminology. Good use should be made of commercial methods.

7-8 marks

#### Level 2

Candidates are able to make good use of at least two relevant commercial concepts and theories. They should demonstrate good use of commercial terminology. Appropriate use is made of commercial methods.

4-6 marks

#### Level 1

Candidates make some attempt to apply at least one commercial concept or theory. They demonstrate some use of commercial terminology. There is some evidence of commercial methods, but, also, many unsupported statements.

1-3 marks



### **Assessment area 3: Select, organise, interpret and analyse information**

Candidates are expected to select what is relevant from the information they have gathered (both primary and secondary sources), present it in an appropriate manner and analyse and explain how it could answer the question or test the hypothesis.

#### **Level 3**

Candidates are able to select and present their information in an effective manner. There is clear evidence of analysis of all the source material, showing good understanding of its relevance.

9-12 marks

#### **Level 2**

Candidates are able to select and present their information so as to aid analysis. There is clear evidence of some relevant analysis.

5-8 marks

#### **Level 1**

Candidates have made some attempt to select and present the information. There may be some limited analysis, together with transposition of the information.

1-4 marks

### **Assessment area 4: Evaluate, make judgements and draw conclusions**

Candidates evaluate their analysis and make judgements of the material that will allow them to draw conclusions.

#### **Level 3**

Candidates are able to evaluate the evidence clearly and to make judgements using appropriate commercial knowledge. A conclusion is reached which is clearly supported by the evidence.

9-12 marks

#### **Level 2**

Candidates are able to offer some evaluation and to make some judgements using commercial knowledge. A conclusion is reached which is supported by limited evidence.

5-8 marks

#### **Level 1**

Candidates may make some attempt at evaluation and judgement. A conclusion is reached, but it will have either very limited or no supporting evidence.

1-4 marks

## Grade descriptions

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The following sample grade descriptions indicate the level of attainment characteristic of the given grade at IGCSE. They give a general indication of the required learning outcome at key grades. The descriptions should be interpreted in relation to the content outlined in the specification; they are not designed to define the content. The grade awarded will depend in practice on the extent to which the candidate has met the assessment objective overall. Shortcomings in some aspects of the examination may be balanced by better performance in others.

### Grade F

Candidates will be able to

- demonstrate knowledge and understanding of some of the specification content
- apply this knowledge and understanding, using some terms, principles and methods
- show some ability to recognise, select, organise and interpret simple information
- make judgements and present limited conclusions that are sometimes supported by evidence.

### Grade C

Candidates will be able to

- demonstrate knowledge and understanding of most aspects of the specification content
- apply this knowledge and understanding, using terms, principles and methods appropriately
- recognise, select, organise and interpret information with some accuracy
- make some reasoned judgements and present conclusions that are supported by evidence.

### Grade A

Candidates will be able to

- demonstrate knowledge and critical understanding of the specification content
- apply this knowledge and critical understanding, using terms, principles and methods effectively
- recognise, select, organise and interpret information with a high degree of accuracy
- make reasoned judgements and present valid conclusions that are supported by appropriate evidence.

# Resources

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Useful sources of information include the following.

1. Websites.

The Internet provides a vast amount of information from a wide range of sources including businesses, trade associations and government. The websites listed in the accompanying Teacher's Guide will be useful to both students and teachers. They are, however, only examples of the large number available. Search engines such as Google ([www.google.com](http://www.google.com)) and Ask Jeeves ([www.ask.com](http://www.ask.com)) provide good search facilities. Some useful links to other business education subjects can be found at [www.bized.ac.uk](http://www.bized.ac.uk)

2. Newspaper and magazine articles.

3. Booklets from banks, insurance companies, and other commercial institutions.

4. Business documents from commercial organisations such as retailers, wholesalers, banks, insurance companies.

5. Examples of advertising from a range of sources, including the press and television.

6. Commercial information published by government and other public bodies such as the Department of Trade and Industry and the Office of Fair Trading.

7. Information from private-sector organisations such as the London Stock Exchange and the Advertising Standards Association (ASA).

8. Talks by people who work in commerce such as shop managers or bank representatives.

In classroom teaching, the use of data response questions (where candidates answer questions on data presented to them) can contribute to keeping up-to-date in terms of current trends. Thus use may be made of magazine articles, newspaper cuttings, advertisements and other low-cost or 'free' stimuli to encourage students to use 'live' data and to develop analytical skills.

# Support and training

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## Training

A programme of INSET courses covering various aspects of the specifications and assessment will be arranged by London Examinations on a regular basis. Full details may be obtained from

International Customer Relations Unit  
Edexcel International  
190 High Holborn  
London  
WC1V 7BE  
UK

Tel: +44 (0) 190 884 7750  
E-mail: [international@edexcel.org.uk](mailto:international@edexcel.org.uk)

## Edexcel publications

Support materials and further copies of this specification can be obtained from

Edexcel Publications  
Adamsway  
Mansfield  
Notts NG18 4LN  
UK

Tel: +44 (0) 1623 450 781  
Fax: +44 (0) 1623 450 481  
E-mail: [intpublications@linneydirect.com](mailto:intpublications@linneydirect.com)

The following support materials will be available from 2004

Specimen papers and mark schemes (Publication code: UG014340)

Teacher's Guide (Publication code: UG014350)

Teachers should check the Edexcel International website where mark schemes and examiners' reports will be posted after each examination session.

# Appendices

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## Appendix 1 – Procedures and contact information

### Awarding and reporting

The grading, awarding and certification of this specification will comply with the requirements of the IGCSE for courses for first examination in 2006.

Assessment of this specification will be in English only. All written work for examination must be submitted in English.

Candidates who fail to achieve grade G on Foundation Tier or Grade E on Higher Tier will be awarded 'Ungraded'.

### Students with particular requirements

Regulations and guidance relating to students with special requirements are published annually by the Joint Council for General Qualifications and are circulated to examination officers. Further copies of guidance documentation may be obtained by contacting the International Customer Relations Unit (contact details below).

London Examinations will assess whether or not special consideration or concessions can be made for candidates with particular requirements. Requests should be addressed to the International Customer Relations Unit (contact details below).

### Availability of coursework to international centres

Centres are asked to note that the coursework component of this specification is normally available only to candidates studying at centres that have been recognised by Edexcel International as International Teaching Institutions. Candidates studying on their own or at centres recognised as Private Centres are not normally permitted to enter for the coursework component of the specification.

Private Centres may not undertake school-based assessment without the written approval of Edexcel International. This will only be given to centres that satisfy Edexcel International's requirements concerning resources/facilities and moderation. Teachers at these centres will be required to undertake special training in assessment before entering candidates. Edexcel International offers centres in-service training in the form of courses and distance-learning materials. Private centres that would like to receive more information on school-based assessment should, in the first instance, contact the International Customer Relations Unit (contact details below).

## **Contact details of the International Customer Relations Unit (ICRU)**

**Address:** International Customer Relations Unit (ICRU)  
Edexcel International  
190 High Holborn  
London  
WC1V 7BE  
UK

**Telephone:** +44 (0) 190 884 7750  
**Email:** [international@edexcel.org.uk](mailto:international@edexcel.org.uk)  
**Website:** [www.edexcel-international.org](http://www.edexcel-international.org)

## Appendix 2 – IGCSE Commerce (4340) Coursework Record Sheet

- This Coursework Record Sheet must be completed individually for each candidate. Photocopies should be made as necessary.
- The teacher must enter the mark for each Assessment area in the boxes below. The teacher must indicate the cumulative total (maximum mark 40).
- The teacher must enter a brief comment to justify a particular mark to the moderator. Further comments on the work overall may be entered in the appropriate space below to bring other issues to the attention of the moderator.

<b>Centre number:</b>	<b>Centre name:</b>		
<b>Candidate number:</b>	<b>Candidate name:</b>		
<b>Name of teacher:</b>		<b>Examination session:</b> May / November 20__	

Title of coursework:				
Assessment area	Teacher's mark	Teacher's comments	Moderator's mark	Moderator's comments
Assessment area 1 (max. mark 8)				
Assessment area 2 (max. mark 8)				
Assessment area 3 (max. mark 12)				
Assessment area 4 (max. mark 12)				
<b>Teacher's total (max. mark 40)</b>		Moderator's total (max. mark 40)		
<b>Teacher's overall comments (optional)</b>				

**Signature of teacher:** \_\_\_\_\_

**Date:** \_\_\_\_\_

*Note: By signing, I confirm that the work submitted for assessment has been carried out without assistance other than that which is acceptable under the regulations of the specification.*

## Appendix 3 – Procedures for moderation of coursework

### Overview

Coursework (component 4) is marked in the first instance by teachers within the centre. The marks given by the teacher(s) for all candidates are reported to London Examinations on forms called OPTEMS – Optically-Read Teacher-Examiner Mark Sheets. These are sent to the centre by London Examinations. London Examinations selects a random sample of candidates and the work that they produce is then submitted to London Examinations for moderation. The candidates selected in this random sample will have an asterisk (\*) printed next to their names on the OPTEMS.

In the moderation process, London Examinations judges whether the marks which the teacher in the centre has awarded are appropriate and in line with the year-on-year and 'global' standards across all centres. Where it is found that a centre has marked leniently or harshly, London Examinations will adjust the marks for *all* candidates in that centre, based on the evidence of marking presented in the sample submitted. London Examinations may also require a second sample of candidates' work, or may require the work of all candidates to be submitted.

### Which candidates will be selected for moderation?

The candidates selected for moderation are selected at random by computer. **Where the pre-printed OPTEMS is asterisked**, indicating the candidates whose work is to be sampled, this work, together with the second copy of the OPTEMS, should be posted to reach the moderator by 1 May for candidates in the May series, by 1 November for candidates in the November series. The name and address of the moderator will either be printed on the OPTEMS or supplied separately.

**In addition**, the centre must send the work of the candidate awarded the **highest** mark and the work of the candidate awarded the **lowest** mark, if these are not already included within the initial samples selected. The centre should indicate the additional samples by means of a tick (✓) in the left-hand column against the names of each of the candidates concerned.

For all sampled work the associated record sheet must be attached to each candidate's work.

If the pre-selected sample does NOT adequately represent ALL parts of the entire mark range for the centre, additional samples in the range(s) not covered should also be sent to the moderator. As above, additional samples should be indicated by means of a tick (✓).

### Internal marking and internal standardisation

Centres are reminded that it is their responsibility to ensure that where more than one teacher-examiner has marked the work in a centre, effective internal standardisation has been carried out. This procedure ensures that the work of all candidates at the centre is marked to the same standard. The statement confirming this on the OPTEMS form **must** be signed.



**It is not possible for external moderation by London Examinations to take place if effective internal standardisation has not been carried out. It is also not possible to moderate work unless the centre has carried out the initial marking, and OPTEMS for each component have been completed correctly.**

Once internal standardisation has been carried out, teachers must indicate the final mark awarded (out of 40) to each student on the OPTEMS.

## **How to complete the OPTEMS**

In March (for the May examination session) or October (for the November examination session) all centres will receive Optically-Read Teacher-Examiner Mark Sheets (OPTEMS). Centres will submit their marks to London Examinations by recording marks on the OPTEMS. They will be pre-printed on three-part stationery with specification code, paper number, centre details and candidate names in candidate number order. The teacher should carefully check all the pre-printed details as soon as the OPTEMS are received. A number of blank OPTEMS for candidates not listed will also be supplied.

The OPTEMS should be completed **using an HB pencil**. Please ensure that you work on a firm flat surface and that figures written in the 'Marks' box go through to the second and third copies.

Encode the mark on the right-hand side by filling in the circles on the appropriate marks as indicated on the OPTEMS. Please ensure that the HB pencil marks do not extend outside the circles. Take care to remember the trailing zeros for candidates scoring 10, 20, etc and the leading zero for single figures.

If you make a mistake, rub out the incorrect marks completely. Amend the number in the 'Marks' box and in the encoded section, but **please remember to amend separately the second and third copies to ensure that the correct mark is clear.**

Every candidate listed on the OPTEMS must have either a mark or one of the following codes in the 'Marks' box.

- 0 (zero marks) should be entered only if work submitted has been found to be worthless. It should **not** be used where candidates have failed to submit work.
- ABS in the marks box and an A in the encoded section for any candidate who has been absent or has failed to submit any work, even if an aegrotat award has been requested.
- W should be entered in the marks box and the encoded section where the candidate has been withdrawn.

The authentication and internal standardisation statement on the OPTEMS must be signed. Centres are reminded that it is their responsibility to ensure that internal standardisation of the marking has been carried out.

## Exemplar

Candidate name	Number	Marks	Encoded section											
			( <del>0</del> )	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)	(100)	(200)
NEW ALAN* SP	3200	0	( <del>0</del> )	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)	(100)	(200)
OTHER AMY* SP	3201	15	(0)	( <del>10</del> )	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)	(100)	(200)
SMITH JOHN AW	3202	37	(0)	(10)	(20)	( <del>30</del> )	(40)	(50)	(60)	(70)	(80)	(90)	(100)	(200)
WATTS MARK* SP	3203	ABS	(0)	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)	(100)	(200)
STEVEN JANE AW	3204	26	(0)	(10)	( <del>20</del> )	(30)	(40)	(50)	(60)	(70)	(80)	(90)	(100)	(200)
JONES ANN* AW	3205	20	(0)	(10)	( <del>20</del> )	(30)	(40)	(50)	(60)	(70)	(80)	(90)	(100)	(200)
PATEL RAJ* AW	3206	17	(0)	( <del>10</del> )	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)	(100)	(200)
WEST SARA SP	3207	W	(0)	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)	(100)	(200)

Where there is more than one teacher in the centre, the teacher of each candidate listed on the OPTEMS should be indicated by initials next to or underneath the candidate's name (see AW and SP in the example above).

### The top copy of the OPTEMS

The **top copy** of the completed OPTEMS for each component must be sent to London Examinations no later than 1 May or 1 November, as appropriate for the examination session. The address will be printed on the side of the OPTEMS as well as on the envelope provided.

### The second copy of the OPTEMS

At the same time, centres will send the **second copy** of the OPTEMS, together with the Candidate Assessment Sheets and the sampled coursework, to the moderator. The name and address of the moderator will be either printed on the OPTEMS or supplied separately.

### The third copy of the OPTEMS

The third copy of the OPTEMS should be securely retained by the centre. It can be used for reference and as a reserve copy if needed.

### Additional candidates (late entries)

Candidates are listed according to the latest entry information received from your centre at the time of printing. Additional candidates should not be added to the form without

first receiving confirmation from London Examinations that late entries have been received and accepted. If such confirmation has been received, candidate details should be entered in the blank spaces at the bottom of the form (if applicable) or on a blank form (supplied). If a blank OPTEMS is used the correct specification code, paper number, centre details and candidates' names and candidates' numbers must be added accurately. It is only acceptable to notify London Examinations of marks in this way if confirmation of the entry has been received; the addition of candidate details to existing documents such as the OPTEMS will **not** generate an entry or a result.

The top copy is designed so that the marks can be read directly by an Optical Mark Reader. It is important therefore to complete the OPTEMS carefully in accordance with the instructions below. **Please do not fold or crease the sheets.**

## **Amendments**

If marks that have already been submitted require amendment, the **OPTEMS Amendment Form** should be used. Any mark written on the OPTEMS Amendment Form will supersede any mark previously submitted. Attempts to amend marks by any other method will not be accepted. Please see the Examinations Officer at your centre for OPTEMS Amendment forms.

## **Sending the coursework**

Centres must send the selected coursework to the Moderator. The address for this will be given on the OPTEMs. It will be the same address as that for the second copy of the OPTEMs, but **centres must send the coursework in a separate package to the second copy of the OPTEMs.**

The parcel should be clearly labelled 'IGCSE Commerce'. The parcel should be clearly marked on the outside with the centre name, centre number and specification number.

Each candidate's coursework in the sample must have the completed Coursework Record Sheet securely attached to the front.

*Note: Each examination session, please check communications from London Examinations in case of amendments to procedures for coursework and OPTEMS forms.*

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