

IGCSE

London Examinations IGCSE

Commerce (4340)

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Teacher's Guide

London Examinations IGCSE

**Commerce (4340)**

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Authorised by Elizabeth Blount

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# Introduction

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This guide is intended to support the work of teachers who are entering candidates for the London Examinations IGCSE in Commerce (4340). It should be read in conjunction with the specification for this course (publication code UG014330) and the specimen examination papers (publication code UG014340).

In order to achieve the aim of supporting teachers in the delivery of this specification, this guide provides

- basic advice on entering candidates for the appropriate tier
- a term-by-term planner to show how the all the content can be taught over five terms with time available for candidates to revise
- specimen lesson plans with examples of a variety of class activities
- a wide range of websites which candidates can use to further their knowledge and understanding with real-world examples of commerce
- an additional resources section for teachers which can be used to prepare lessons and as a basis for class assignments. This section also includes an example of how teachers can structure data-response questions around a sample banking information leaflet
- an extended section on coursework, for centres entering candidates for this option.

## Scheme of assessment

Teachers are reminded of the scheme of assessment for this specification.

Paper/ Component	Mode of Assessment	Weighting		Length
		Foundation	Higher	
<b>1F</b>  <b>OR</b>	Examination Paper Foundation Tier Grades C – G	80%	–	1 hour 30 minutes
	Examination Paper Higher Tier Grades A* – D	–	80%	2 hours
<b>AND</b>  <b>3</b>  <b>OR</b>	Examination Paper Common to both tiers Grades A* – G	20%	20%	1 hour
	Coursework Common to both tiers Grades A* – G	20%	20%	–

Candidates are entered at **either** Foundation Tier **or** Higher Tier.

Candidates will be required to take **two** components.

**Foundation Tier** candidates will take Paper 1F and **either** Paper 3 **or** Coursework (Component 4).

**Higher Tier** candidates will take Paper 2H and **either** Paper 3 **or** Coursework (Component 4).

## Summary of specification content

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The specification is made up of five areas of content. They are

<b>Area</b>	<b>Content summary</b>
<b>Production and commercial activity</b>	The nature of trade and the aids to trade; their role in production of goods and services.
<b>Trade</b>	The channels of distribution for goods and services in home and international trade; the role of markets.
<b>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>Business ownership</b>	Private and public ownership of business organisations; control, sources of capital, profits and losses; the results of trading; stock exchanges.
<b>Aids to trade</b>	The role of banks, transport, communications, insurance, advertising and warehousing in making buying and selling safer and simpler.

Full details of the specification content are given in the specification booklet.

# Course Planning

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This plan is offered as a guide for a two-year teaching course.

## Year 1, Term 1

<b>The world at work</b>	1.1	Production
	1.2	Organisation of production
	1.3	Barter and money
	1.4	Kinds of occupations
	1.5	Commercial activity
<b>Types of shops: unit shops, multiple stores, department stores, co-operative stores, supermarkets and hypermarkets</b>	2.2	Retail trade
	2.2.1	Functions
	2.2.2	Types
<b>Types of banks: services to wage-earners and traders</b>	1.5	Commercial activity
	5.1	Banking
	5.1.2	Types of banks (excluding central banks, merchant banks and finance houses)
<b>Advertising: purpose, methods and motives, safeguards</b>	1.5	Commercial activity
	5.5	Advertising
	5.5.1	Purposes
	5.5.3	Methods
	5.5.4	Approaches
	5.5.6	Safeguards
<b>Buying goods and services: cash, credit, raising money for credit</b>	3.1	Buying goods and services
	3.2	Forms of instalment credit
	3.3	Loans
	3.4	Leasing
	3.5	Consumer protection



## Year 1, Term 2

<b>Transport: importance, carriage by land, sea and air, factors influencing choice of method</b>	1.5 5.2 5.2.1 5.2.2	Commercial activity Transport Importance Types
<b>Communications: methods and their importance</b>	1.5 5.3 5.3.1 5.3.2	Commercial activity Communications Importance Types
<b>Insurance: insurable and uninsurable risks, cover against commercial risks, life assurance</b>	1.5 5.4 5.4.1 5.4.2 5.4.3 5.4.5	Commercial activity Insurance Principles Classes Effecting and renewing insurance Documents and calculations

### Year 1, Term 3

<b>Ownership of a business: sole proprietor, partnership, limited companies, raising capital</b>	4	Business ownership
	4.2	Private sector
	4.3	The results of trading
<b>From producer to retailer: role of wholesalers, wholesale warehouses</b>	2.3	Wholesale trade
	2.3.1	Functions and services
	2.3.2	Organisation
<b>Business records: enquiry, quotation, catalogue, order, dispatch, invoice, credit and debit notes, statement, receipt</b>	2.3.5	Trade documents

**Followed by end of year examinations.**

## Year 2, Term 1

<b>Retailing without shops: markets, doorstep selling, home shopping, mobile shops, vending machines</b>	2.2.3	Techniques and trends
	2.2.4	Developments
<b>Buying and selling abroad</b>	2.4	International trade
	2.4.1	Foreign trade and home trade
	2.4.2	Benefits
	2.4.3	Goods and services
	2.4.4	Balance of trade and balance of payments
	2.4.5	Export orders
	2.4.6	Aids to export
<b>Public ownership</b>	4.1	Private and public ownership
<b>Banks: central bank, merchant banks, finance houses, banking trends</b>	5.1.2	Types of banks
	5.1.3	Trends in banking

## Year 2, Term 2

<b>Markets: nature, types and functions</b>	2.5 2.5.1 2.5.2 2.5.3 2.5.4 5.2.3 4.4 5.4.4	Markets Nature and types of markets Functions of markets Channels of distribution Intermediaries Transport markets Stock exchanges Insurance market
<b>Warehousing</b>	5.6 5.6.1 5.6.2	Warehousing Role of warehousing Types of warehouses
<b>Chain of distribution</b>	2.1 2.3 2.3.3 2.3.4 5.2.4	Trade in goods and services Wholesale trade Role in distribution Recent developments Trends
<b>Functions and types of money</b>	5.1.1	Money
<b>Marketing</b>	5.5.2 5.5.5	Marketing Agencies
<b>Going to work</b>	3.6 3.7 3.8	Wages and salaries Budgeting and saving Payment of taxes

## Year 2, Term 3

### Revision

## Lesson plans

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The subject of Commerce may be taught by teachers who trained in another discipline such as Economics or Business Studies. The following specimen lessons are offered as guidance to those who are new to the subject. Alternatively they may be helpful to teachers who have to take over a Commerce lesson at short notice.

Each lesson is based largely on practical activities and is targeted toward students of average ability. The age range covered is 13 to 16 years.

In each lesson, suggestions are given for an introduction and for the organisation of the various activities. Information for writing on the board is listed clearly, and answer material is provided where required.

### Specimen lesson 1: Consumers and producers

#### Introduction

The purpose of this lesson is to introduce students to the terms 'consumer' and 'producer' and to develop understanding of their meanings.

Begin by stating that every person is a *consumer*. The word describes someone who buys goods and services to use and enjoy.

People who work are *producers* as well as being consumers. Thus miners produce coal, bricklayers help to produce houses and assembly line workers produce cars.

#### Activity 1

Introduce the activity about goods and services by reiterating that each of us is a consumer. We buy food to eat, clothes to wear, compact discs and tapes to listen to and so on. We also buy services. For example, a visit to the hairdresser means paying for some of the services offered, such as cutting, shampooing etc. Point out that those students who travelled to school by paying fares for seats on a bus were paying for the service of transport.

Ask the class to draw up a list with two columns showing (a) goods and (b) services that they have used during the past week.

Allow 5 to 10 minutes, and then ask the students to tick those items listed that they bought for themselves.

Ask for a selection of the lists to be read out. The limited number of ticks will demonstrate to students that most of the goods and services they consume are provided by their families from income received.

## Activity 2

Introduce this activity on why people work by reiterating that people who work are producers as well as being consumers. Ask the class to name jobs done by members of their families and write a list of, say, 10 jobs on the board.

Point out that many people spend a considerable part of their waking hours at work. Ask the class to suggest reasons why people work. The brief discussion should bring out some of the following ideas:

- 1 Producers earn money (wages/salaries).
- 2 Money is wanted for what it will buy.
- 3 People work in order to earn money for satisfying wants.
- 4 People go to work to avoid boredom.
- 5 People go to work for job satisfaction.

There are three things which are wanted by everyone, namely, food and drink; clothing; and shelter. After people have sufficient food, clothing and house room, they try to satisfy their other wants. For example, some may want motor cycles or cars; others may prefer better houses.

Ask the class to draw up a list of their wants. Allow 5 to 10 minutes and then ask for a selection of the lists to be read out. A comparison of the lists should demonstrate that people's wants differ because individuals have personal tastes and preferences.

The lesson could be drawn together by pointing out if people had no wants, or if wants could be satisfied without any effort, there would be no need to work. People work so that they may consume, that is, buy goods and services with the money earned.

## Follow-up work

Most goods and services bought are obtained from shops. Ask the class to discover ways of obtaining goods from retail outlets other than shops.

Answers should include local retail markets, mail order, vending machines, home shopping by telephone or use of the internet, doorstep selling etc.



Begin the second part of this activity by stating that the law says that no-one may use a vehicle on the road unless insurance cover has been taken out to provide cover against claims which may be made against the driver. Third-party insurance covers damage to other people's property and injuries to other people caused by a driver's carelessness. It does not provide payment for damage to the driver's vehicle, but fire and theft can be covered as an addition to the policy. In addition to compulsory third-party insurance, many vehicle owners like to have a comprehensive insurance which covers damage to the vehicle, theft and fire.

A short discussion should take place on why the cost of vehicle insurance varies. Start by asking the class, 'Why does an owner living in a country village have to pay less than someone living in a large town?' Other points to consider include the following.

- Why do young drivers pay more, or have to contribute to the cost of each accident?
- Why does the owner of a vehicle with a large engine or a 'tuned' engine have to pay more than the owner of a standard model?
- Why does someone with a good driving record pay less for insurance than someone with a history of accidents?

The answers to all of these questions are concerned with the degree of risk involved: the greater the risk, the higher the cost of insurance.

Write on the board the following extract from a motor policy.

<p style="text-align: center;"><b>Mammoth Motor Insurance</b> No-claim discount After one year without a claim, the premium is reduced by 25% After 2 years 40% After 3 years 50% After 4 years 60%</p>
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Ask the class to write briefly about why no-claim discounts are given. (Answer: to discourage claims and reward careful drivers.)



### Activity 3

This activity is concerned with insurance rules. Begin by stating that there are several important rules to observe when taking out insurance.

Write on the board the following.

- 1 You can insure something in which you have a direct interest.  
(For example, your own house or car.)
- 2 You must tell the insurance company the truth.  
(For example, in motor insurance you must tell the company the correct details about your driving experience and record.)
- 3 You cannot make a profit from insurance.  
(For example, in the event of a claim, the insurance company will restore you to the same financial position after the fire or accident, as you were in before. Thus if a carpet is slightly damaged by fire, the insurance company will pay for the carpet to be restored to its condition immediately before the fire.)

A short discussion can take place on the reasons for having insurance rules. The following questions can be put to the class.

- 1 If it were possible to insure property other than your own, what might some people be tempted to do? (There would be a temptation to arrange, say, a fire, in order to collect compensation.)
- 2 Why do insurance companies insist on correct information from people who apply for insurance? (Unless all relevant information is available, the risk cannot be assessed.)
- 3 What is the value of a policy issued as a result of misleading statements? (Worthless)
- 4 An old car worth £700 is damaged in an accident. The garage estimate for repair is £850, but the insurance company will not pay the cost of repair. Why not? How much will it pay and why? (This is application of Rule 3 above. The insurance company will pay only £700 compensation as this is the value of the car.)

# Coursework

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This section is designed to be of help both to teachers new to the task of organising coursework and also to those with previous experience in this area of assessment.

## General

Teachers are reminded that coursework may normally only be offered by centres recognised by Edexcel International as International Teaching Institutions. For full details of this restriction, please refer to Appendix 1 of the specification.

Coursework accounts for 20% of each candidate's final grade.

Coursework is an alternative component to Paper 3. Whether candidates complete Paper 3 or Coursework, it is intended that the same knowledge and skills will be assessed, and that therefore the same assessment objectives will be addressed.

## The design of coursework

Teachers should note the following points with regard to their candidates' completion of coursework assignments

- **Length**

As a general rule, the candidate's response should consist of no more than about 800 words. The content and relevance of the work in relation to the specification content and assessment objectives is more important than the length. Evidence of research and originality should be encouraged.

- **Structure**

Structured assignments ensure that a student's response is channelled and targeted. Please refer to the specimen assignments on page 21.

- **Presentation**

Guidelines on the presentation of coursework are given in the specification on page 16. The guidance is repeated for distribution to candidates later in this section, with a suggested structure.

- **Allocation of time**

It is not intended that assignments should be completed under formal examination conditions with specific time constraints. Centres are free, therefore, within the limits of their subject timetable availability, to allow candidates to develop assignment work naturally and spontaneously during normal classwork periods (and/or homework).

Centres are advised to give opportunities for candidates to undertake research into the background work on their chosen assignments and to encourage or arrange field studies either on an individual basis or through organised groups. Appropriate visiting speakers may also assist in the preliminary research. Work experience could also provide a suitable basis in pursuance of material for assignments.

## Assessment of coursework

### Assessing students' work

The IGCSE Commerce coursework record sheet has been designed to be attached to each assessed assignment submitted for moderation.

### Moderation of coursework

Purpose:	To ensure consistency of interpretation: it is not a remarking exercise.
Method:	Inspection of a sample of the centre's work.
Selection of sample:	A sample will be selected by London Examinations (highest and lowest marks must also be sent if these are not requested in the sample).
Mark changes:	If necessary, by the Principal Moderator only.

### Moderation and supporting evidence

The coursework record sheet, which must be completed separately for each candidate and attached to the front of the completed work, is given in Appendix 2 of the specification. An example of a completed coursework record sheet is provided in Appendix 1 of this Teacher's Guide.

For each candidate included in the sample of work selected for moderation, the work provided for inspection by the moderator must support the final mark submitted. The evidence must be presented in a clear and helpful way for the moderator. To this end teachers are required to annotate each piece of assessed coursework to show how the marks have been awarded in relation to each of the assessment criteria. The annotation may take the form of a brief marginal note, e.g. the number of the assessment area, made alongside the relevant evidence during the marking process.

## Guidance on the coursework assignments

The following pages give guidance and advice for candidates on how to complete work for the coursework assignment. This guidance could be distributed to candidates as they work through the various tasks within each assignment. From this guidance, teachers should note in particular that

- the assignment has been broken down into a number of distinct, yet linked activities;
- assistance and guidance are given to students within the plan;
- knowledge of facts alone cannot gain a high grade in coursework and application of knowledge is necessary, together with demonstration of analysis and reasoned judgements.

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

You need to investigate the process you would go through to examine and report on methods of borrowing to finance the purchase of an expensive good or service.

Your main tasks are

1. to investigate methods of borrowing money to assist with the purchase and the terms of borrowing for each method
2. to look at the results of your investigations
3. to decide how you can best finance the purchase.

You should try to

- provide some background theory, e.g. notes from a textbook or class notes
- give details of alternative actions/methods which were open to you
- state your reasons for the decisions that you have made.

Use sources such as notes, textbooks, interviews or the Internet to help with answers but always identify by name your sources of information at the end of the task.

### Make an Action Plan

Your first job is to make an action plan. You need to think about

- what you have to do
- what information will be needed
- where you will get that information from
- what you will do if the information required cannot be found.

You do not need to write a large amount, but provide enough information to show that you know what you are doing and are in control of the situation. Do not forget to include dates. Here is an example of what to do in your action plan

#### Assignment Action Plan

- 1 Check the Commerce specification content area(s) from which the assignment is drawn.
- 2 Study or revise the commercial background to the assignment topic and make notes to familiarise yourself with the appropriate terms, concepts, theories and methods used.
- 3 Decide (a) the information needed for the assignment, and (b) how it should be collected. Record details of alternative actions/methods which were open to you.
- 4 After gathering the information, analyse and interpret it.
- 5 Decide, with reasons, what conclusions can be drawn from the information.
- 6 In the report, present your conclusions accurately, using any appropriate method, e.g. charts, tables, diagrams.
- 7 Identify the sources of your information.

## Putting the plan into practice

- 1 The chosen assignment title is  
***A study of methods of borrowing money in a local area.***
- 2 The areas of the specification relevant to this topic are:
  - 1.1 Production
  - 1.5 Commercial activity
  - 1.3 Barter and money
  - 3.1 Buying goods and services
  - 3.2 Forms of instalment credit
  - 3.3 Loans
  - 3.4 Leasing
  - 5.1.1 Money
  - 5.1.2 Types of banks
- 3 Use class notes and textbooks to study or revise these areas of the specification. In doing so, particular attention should be paid to
  - commercial terms**, e.g. goods, services, production, consumer, wants, money, exchange, commerce, cash, credit, credit sale, hire purchase, credit card, store card, mail order credit, loan, leasing, overdraft, mortgage
  - commercial concepts**, e.g. production as a means of providing goods and services to satisfy human wants; exchange, barter and money
  - commercial theories**, e.g. functions of money, bank lending
  - commercial methods**, e.g. methods of financing instalment credit; methods of borrowing.
- 4 (a) Choose the expensive good or service for the assignment, e.g. a car; draw up the reasons for considering a purchase, e.g. relative advantages and disadvantages compared to public transport for school travel, work travel and leisure travel.  
  
(b) List the principal ways in which consumers can buy goods and pay later, e.g. borrowing money (i) from retailers or finance companies and repaying by instalments through hire purchase, credit sale or credit card; or alternatively (ii) from banks or finance companies to pay the full cash price immediately. You will need to find out for each form of credit: the cost, the borrowing period(s) available, legal protection, advantages and disadvantages to the buyer, suitability for purchase of the goods (in this case, a car).  
  
Information may be collected by visiting business firms, e.g. car dealers or banks, to obtain details of their credit schemes.  
  
Draft a suitable questionnaire before a pre-arranged visit to a business firm to ensure that you use the time effectively by asking relevant questions. Word-process the questionnaire (if possible), paying attention to presentation and spelling. If someone is too busy to see you or the

interview is interrupted, you could leave the questionnaire with a request for it to be completed. Alternative sources of information might be obtained from websites on the Internet, from booklets published by banks and finance companies.

- (c) Visit the business firms selected.

Record the names and locations of the firms; the range of goods and services offered; the methods of finance for purchasing available to customers; the terms of borrowing for each method; your judgement on the suitability of each in particular circumstances.

- 5 After the information has been collected, analyse it in terms of comparative costs (fees and interest); amount of deposit required; length of loan available; affordability of repayments; legal protection if repayments are missed; security required etc.

Consider also information in relation to the purposes of the purchase. Are there particular benefits from use of a car which make it particularly desirable?

Are those benefits likely to be long term?

If not, should an alternative form of buying such as leasing be considered?

- 6 After analysing and interpreting the information gathered, judge the effectiveness of the methods of borrowing for buying a car in the chosen circumstances and draw up your conclusions.

- 7 Prepare a report, paying attention to the advice on presentation shown on page 20. The report may be word-processed or hand-written.

- 8 The outcome of an assignment may follow any format as long as the presentation is logical and systematic. A suitable structure could be:

- (a) title
- (b) introduction (Action Plan and commentary on Background Work)
- (c) investigation, sorting and analysis of research and observations
- (d) preparation of charts (response to Task 1 in the assignment)
- (e) presentation of conclusion or results (response to Task 2 in the assignment)
- (f) bibliography giving sources of information, e.g. text, electronic, people, organisations.

## How to present your work

Make sure you have covered all the tasks given in the assignment.

- If you can, use a computer to word-process your work. If this isn't possible, make sure that your work is neatly hand-written.
- When you use diagrams, charts or tables, make sure that they are relevant to your work and that you have linked them into your work clearly.
- Do not copy work from your class notes or from books, either partially or as a whole.
- Carefully select the work that you use. Items that you collect as a part of your research, for instance leaflets or booklets, **must not** be included with the assignment.
- When you use other people's work (such as articles or television or radio programmes), you **must** clearly identify and acknowledge the source. You will lose marks if you do not clearly identify and acknowledge the work of other people that you use. **Always remember** to identify the sources of your information.

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

You need to investigate the process you would go through to examine and report on the value of advertising to a local business and its customers.

Your main tasks are

1. to select a business and investigate its use of advertising
2. to look at the results of your investigation
3. to decide the value of advertising to the business and its customers.

You should try to

- provide some background theory, e.g. notes from a textbook or class notes
- give details of alternative actions/methods which were open to you
- state your reasons for the decisions that you have made.

Use sources such as notes, textbooks, interviews or the Internet to help with answers but always identify by name your sources of information at the end of the task.

### Make an Action Plan

Your first job is to make an action plan. You need to think about

- what you have to do
- what information will be needed
- where you will get that information from
- what you will do if the information required cannot be found.

You do not need to write a large amount, but provide enough information to show that you know what you are doing and are in control of the situation. Do not forget to include dates. Here is an example of what to do in your action plan.

#### Assignment Action Plan

- 1 Check the Commerce specification content area(s) from which the assignment is drawn.
- 2 Study or revise the commercial background to the assignment topic and make notes to familiarise yourself with the appropriate terms, concepts, theories and methods used.
- 3 Decide (a) the information needed for the assignment, and (b) how it should be collected. Record details of alternative actions/methods which were open to you.
- 4 After gathering the information, analyse and interpret it.
- 5 Decide, with reasons, what conclusions can be drawn from the information.
- 6 In the report, present your conclusions accurately, using any appropriate method, e.g. charts, tables, diagrams.
- 7 Identify the sources of your information.



## Putting the Plan into practice

- 1 The chosen title is  
***A study of the use of advertising by a local business.***
- 2 The areas of the specification relevant to this topic are:
  - 1.1 Production
  - 1.5 Commercial activity
    - 1.1 Trade in goods and services
  - 2.5.1 Nature and types of markets
    - 4.1 Private and public ownership
    - 4.2 Private sector
  - 5.5.1 Purposes of advertising
  - 5.5.3 Methods of advertising
  - 5.5.4 Approaches to advertising
  - 5.5.5 Safeguards
- 3 Use class notes and textbooks to study or revise these areas of the specification. In doing so, particular attention should be paid to
  - commercial terms**, e.g. goods, services, production, consumer, wants, exchange, commerce, markets, advertising, sole proprietors, partnerships, limited companies, co-operatives, friendly societies
  - commercial concepts**, e.g. production as a means of providing goods and services to satisfy human wants; exchange
  - commercial theories**, e.g. purposes of advertising; approaches to advertising
  - commercial methods**, e.g. methods of advertising; methods of distribution.
- 4
  - (a) Choose a business which operates in your area.
  - (b) List the information you require about the business (i) the type of ownership (ii) the main products or services sold (iii) the advertising methods used (iv) the reasons for the choice of methods.
  - (c) Information may be obtained by visiting the firm. Draft a questionnaire before the pre-arranged visit to ensure that you use the time effectively by asking relevant questions. Word-process the questions (if possible), paying attention to presentation and spelling. If someone is too busy to see you or the interview is interrupted, you could leave the questionnaire with a request for it to be completed. Alternative sources of information might be obtained from websites on the Internet; from trade directories; from the reference section of a local library.
  - (d) Visit the business firm selected.  
Record the form of business ownership; the main products or services sold; the methods of advertising used; the reasons for the choice of methods; your judgement on the suitability of these methods.

- 5 After the information has been collected, analyse it in terms of how the firm's advertising assists the sale of goods or services. Examine the methods used. What is the purpose of each method? Compare the methods for their effectiveness. Is the advertising successful? How is success in advertising measured?
- Consider also how customers are affected by the firm's advertising. Is information given which helps them to make sensible choices when purchasing? Is the advertising misleading? Does it exploit by appealing to customers' emotions? Does the advertising encourage competition? If so, is it likely that customers gain from lower prices and better quality products? If advertising is not successful, does it cause higher prices?
- 6 After analysing and interpreting the information gathered, judge the value of advertising to both the business and its customers.
- 7 Prepare a report, paying attention to the advice on presentation below. The report may be word-processed or hand-written.
- 8 The outcome of an assignment may follow any format as long as the presentation is logical and systematic. A suitable structure could be:
- (a) title
  - (b) introduction (Action Plan and commentary on Background Work)
  - (c) investigation, sorting and analysis of research and observations
  - (d) preparation of charts (response to Task 1 in the assignment)
  - (e) presentation of conclusion or results (response to Task 2 in the assignment)
  - (f) bibliography giving sources of information, e.g. text, electronic, people, organisations.

### How to present your work

Make sure you have covered all the tasks given in the assignment.

- 1 If you can, use a computer to word-process your work. If this isn't possible, make sure that your work is neatly hand-written.
- 2 When you use diagrams, charts or tables, make sure that they are relevant to your work and that you have linked them in to your work clearly.
- 3 Do not copy work from your class notes or from books, either partially or as a whole.
- 4 Carefully select the work that you use. Items that you collect as a part of your research, for instance leaflets or booklets, **must not** be included with the assignment.
- 5 When you use other people's work (such as articles or television or radio programmes), you **must** clearly identify and acknowledge the source. You will lose marks if you do not clearly identify and acknowledge the work of other people that you use. **Always remember** to identify the sources of your information.

# Resources

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## Resources for students

Commerce is a dynamic area of study where there is a need to keep up-to-date. For this reason, textbooks alone cannot be relied upon to provide current information. There is a need to supplement them with resources such as newspapers and the Internet. Below is a list of websites that may be useful for this specification. The list is a selection of the many sites that are available.

London Stock Exchange	<a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a>
Lloyd's insurance market	<a href="http://www.lloyds.com">www.lloyds.com</a>
Baltic Exchange	<a href="http://www.balticexchange.co.uk">www.balticexchange.co.uk</a>
Bank of England	<a href="http://www.bankofengland.co.uk">www.bankofengland.co.uk</a>
Office of Fair Trading	<a href="http://www.offt.gov.uk">www.offt.gov.uk</a>
Department of Trade and Industry	<a href="http://www.dti.gov.uk">www.dti.gov.uk</a>
Companies House	<a href="http://www.companieshouse.gov.uk">www.companieshouse.gov.uk</a>
Advertising Standards Authority	<a href="http://www.asa.org.uk">www.asa.org.uk</a>
British Standards Institution	<a href="http://www.bsi-global.com">www.bsi-global.com</a>
The Association of British Insurers	<a href="http://www.abi.org.uk">www.abi.org.uk</a>
British Bankers Association	<a href="http://www.bba.org.uk">www.bba.org.uk</a>

Students may keep in touch with the ceaseless flow of events in commercial life through a *Commerce Diary*. It provides a useful means of compiling up-to-date material. Cuttings from newspapers and written summaries of relevant news items can be kept in a special exercise book or loose-leaf file.

The use of a Commerce Diary also enables a record to be kept of *local* commercial news and events. Educational visits to business firms, factories and exhibitions assist students to explore their local environment and reports on these events can form a useful addition to the Diary.

## Resources for teachers

Sources of information include the following:

- Websites. The Internet provides a vast amount of information from a wide range of sources including businesses, trade associations and government. The websites listed on page 23 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)
- Newspaper and magazine articles
- Booklets from banks, insurance companies, and other commercial institutions
- Business documents from commercial organisations such as retailers, wholesalers, banks, insurance companies
- Examples of advertising from a range of sources including the press and television
- Commercial information published by government and other public bodies such as the Department of Trade and Industry and the Office of Fair Trading
- Information from private sector organisations such as The London Stock Exchange and the Advertising Standards Association (ASA)
- Talks by people who work in commerce such as shop managers or bank representatives

### Data Response Questions

In classroom teaching, the use of data response questions 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. An example is shown on the next page. The teacher used an advertisement from a newspaper to formulate the questions which follow it.

# Money from the MaineStreet Bank

## *Loans*

From 1-20 years, divided into short, medium or long-term periods. Generally, the longer the working life of the asset, the longer the loan period.

## *Equipment finance*

Equipment finance is possible through leasing and lease purchase, depending on your tax position. With lease purchase, you claim available tax allowances directly. With leasing you can make use of any allowances in the form of reduced rentals.

## *Overdrafts*

Still the best and most flexible method of smoothing out cash flow.

## *Equity Finance*

Here we can provide capital for expansion, for management buy-outs or for start-ups, by subscribing for new shares. We can also release personal capital for shareholders by purchasing existing shares. The amounts involved can be as little as £5,000 or as large as £2,000,000. In all cases we take only a minority stake so that control will remain with you – the existing owner of the company.

## *Factoring*

Helps to bridge the gap between selling your goods and collecting your money by converting trade credit into cash. Factoring also takes over the problems of sales ledger administration and credit control and even provides you with protection against bad debts.

## *Come and talk*

The MaineStreet bank is always ready to back up a sound business idea with the right kind of finance. Some different ways in which a business customer can raise money through the MaineStreet or MaineStreet group are shown on this page. We have a full range of modern payment services which offer greater efficiency both in the UK and internationally. So come and talk to us. Your branch manager will be pleased to listen to you.

## **Classwork**

Refer to the MaineStreet Bank plc advertisement and answer the following questions.

- 1 (a) Name the three periods into which bank loans are divided.  
(b) State which of these periods is most relevant to a loan for the purchase of (i) an office computer, (ii) protective clothing for employees, (iii) an extension to a factory.
- 2 (a) What is an overdraft?  
(b) Suggest a reason why the owner of a small retail business might need an overdraft.
- 3 (a) What amounts of finance might the bank provide for purchasing a company's shares?  
(b) State two reasons why the bank might purchase a company's shares.
- 4 What is the advantage to a company in obtaining equipment through leasing?
- 5 (a) Why should a restaurant owner rarely need to use a bank's factoring service?  
(b) What other problems can be dealt with by a bank's factoring service?
- 6 Name and describe three payment services (other than cheques) which banks provide for customers.

## **A Commerce Diary**

Regular discussions on material collected by students who use a Commerce Diary offer an up-to-date supplement to textbooks.

## **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 (ICRU)  
Edexcel International  
190 High Holborn  
London  
WC1V 7BE  
United Kingdom

Tel: +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)

### **Edexcel publications**

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

Edexcel Publications  
Adamsway  
Mansfield  
Notts NG18 4LN  
United Kingdom

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

Other materials available in 2004 include

Specification (Publication Code: UG014330)

Specimen papers and mark schemes (Publication Code: UG014340)

## **Appendices**

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### **Appendix 1 – IGCSE Commerce (4340) coursework record sheet**

An example of a completed IGCSE Commerce coursework record sheet is given on the opposite page.



## Appendix 1 – 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.

Centre number: <i>9xxxx</i>	Centre name: <i>British International School</i>	
Candidate number: <i>7711</i>	Candidate name: <i>Kulvir Lidder</i>	
Name of teacher: <i>Dr D. Thomas</i>		Examination session: May / <del>November</del> 20 <i>05</i>

Title of coursework: <i>A study of the use of advertising by a local business</i>				
Assessment area	Teacher's mark	Teacher's comments	Moderator's mark	Moderator's comments
Assessment area 1 (max. mark 8)	<i>6</i>	<i>Good knowledge shown but some areas overlooked.</i>		
Assessment area 2 (max. mark 8)	<i>7</i>	<i>Good use of terminology and three concepts used - see annotation on work</i>		
Assessment area 3 (max. mark 12)	<i>9</i>	<i>Good use of graphs to analyse data gathered</i>		
Assessment area 4 (max. mark 12)	<i>9</i>	<i>Fair and balanced evaluation based on evidence gathered.</i>		
<b>Teacher's total (max. mark 40)</b>	<b><i>31</i></b>	Moderator's total (max. mark 40)		
Teacher's overall comments (optional)				

Signature of teacher: *D. J. Thomas*

Date: *20/04/05*

**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.

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