

Mark Scheme with Examiners' Report GCE O Level Commerce (7100)

June 2005

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Mark Scheme with Examiners' Report

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COMMERCE 7100, MARK SCHEME

Section A

1. (a) Tertiary (or service) (1)
(b) Public (or government/state) (1)
(c) Fax (or facsimile/email/teleprinter/telex/telefax) (1)
(d) Cash (1)

2. Banking (Finance), Insurance, Warehousing (Storage), Transport, Communications, Advertising (Marketing)
1 mark for each of 2 ancillaries. (2)

3. Warehouse - place where goods are stored/kept
Cash - no credit given (immediate cash payments)
Carry - no delivery (buyer takes goods away)
1 mark for each of 3 points of explanation. (3)

4. To sell surplus (too great a quantity produced)
To improve employment (need to maintain jobs for population)
To pay for imports (need to earn to pay for imports)
To gain foreign currency (strengthen home currency)
To improve balance of payments (reduce deficit)
To establish good relations with other countries (political)
To expand markets (improve economic growth/develop own product)
1 mark for each of 2 reasons. (2)

5. + £600 million
Only 1 mark for correct figure if + not shown or if - shown. (2)

6. Cheque book provided (1 mark)
Direct debit facility available (1 mark) (2)

7. Guaranteed delivery by 0900/1200/1300 the day after posting (24 hrs)
Compensation (insurance) if letter/package is lost (£500/£250+)
Refund of postage if not delivered on time
Signature on delivery
Article tracked until delivered
1 mark for each of 2 reasons. (2)

8. Indicate the amount which is owed (indebtedness)
 Show the date from which it is owed (how long to pay)
 Can be considered as a request for payment
 Can be used as evidence if no payment made (contract)
 Provide a record of VAT owed to Excise
 Show terms of payment
 Allow sales to be tracked
 Provide proof of delivery
 Show total price/quantities sent
- 1 mark for each point explaining the purpose.* (3)
9. (a) Plc = public limited company
- 1 mark for 2 correct words, 2 marks for 3 correct words.* (2)
- (b) No fixed dividend - fixed dividend
 Voting rights - limited voting rights
 Last to receive profit distribution - first to receive profits
 Last to receive payment on liquidation - first after creditors
 Greater investment risk - less risk of dividend/capital loss
- 1 mark per difference of ordinary or preference shares.* (3)
- (c) Ordinary shareholders are owners of company - each owns part in proportion to holding
 Proportion determined by number held - divided by total issued
 Have voting rights to decide what happens to company - in proportion to percentage of shares held
 Power/right to choose directors - at AGM
- 1 mark for each point of explanation plus 1 mark for development (2 x 1 + 1 or 3 x 1).* (3)
- (d) Investors ready to buy - because can sell easily
 Easier to raise finance - from additional public share issues
 Value of shares higher - because of 'saleability'
 Market price of shares - known on daily basis
 More potential investors - more finance attracted
 Boosts public image - known by more investors
- 1 mark per point plus 1 mark for development of each.* (4)
- (e) 250 shares x £3.00 each = £750.00 (1)
 $£750 \times \frac{2}{100}$ (or 1) = £15 (1)
 £750 - £15 (1) = £735
- 4 marks for correct answer with up to 3 marks for correct workings only.* (4)

$$(f) \quad 25p \times \frac{2}{100} (1) = 5p (1) \quad \text{OR} \quad 250 \times \frac{20}{100} (1) = 50 (1)$$

$$5p \times 250 (1) = \text{£}12.50 \quad \quad \quad 50 \times 25p (1) = \text{£}12.50$$

4 marks for correct answer with up to 3 marks for correct workings only. (4)

Total 20 marks

10. (a) Orders for goods placed through the post
(mail/letter/telephone/internet)
Payments can be made similarly
Catalogues/brochures provided for potential buyers
Part-time agents may be used
Credit facilities provided
Goods returnable without question within period
No shops, only warehouses
Buyers do not visit seller's premises
- 1 mark per point.* (2)
- (b) More staff (drivers), cost of vehicles to buy, fuel costs, maintenance costs, road vehicle licence (excise duty), insurance, driver training, road tolls, garaging (and any other valid cost)
- 1 mark for each of 2 extra costs.* (2)
- (c) (i) Goods damaged during delivery
Goods not collected/delivered on time
Drivers not customer friendly
Goods going missing - theft/loss
Goods delivered to wrong address
Getting haulier when needed/time factor
- 1 mark for each of 2 problems.* (2)
- (ii) Own staff more careful - trained in handling/delivery
Goods sent on time from warehouse
Direct monitoring of delivery time
Own staff more concerned about company image - ownership
Proper instructions given to staff - eg, about locations
Own staff directly responsible - caring for goods
Company generally more in control - quality assurance
- 1 mark for each of two points plus 1 mark for development of each.* (4)
- (d) Web site open 24 hours per day - telephone limited times
No direct cost of access for customer - telephone charges per call
Written/detailed information provided - less detail by telephone
Pictures - telephone only oral
Fewer staff needed - call-centre staff for telephone
Less chance of error - telephone not textual
- 1 mark per point plus 1 mark for development (maximum 2 points).* (4)

- (e) Vehicles driven around many parts of UK - seen by many people
Repetitive sighting - people remember the name/drawings/pictures
on vehicles

1 mark per point plus 1 mark for development of each. (2)

- (f) Containers are large - contain large 'single' deliveries
Sent to one main location - rather than many different addresses
Goods do not have to be transferred - between different forms of
transport
Goods delivered directly each day - not left overnight or for several
days
(NB Allow 'reverse' points - only non-container more appropriate)

1 mark per point plus 1 mark for development of each. (4)

Total 20 marks

Section B

11. (a) To provide repayment - if loan not paid off
To allow security to be sold - to recover cash
To have first right to an asset - of value

*1 mark per point of explanation plus 1 mark for development
(2 x 1 + 1 or 3 x 1).* (3)

- (b) £1 million $\times \frac{8}{100} \times 5$ (1) = £400,000 interest (1)
£1 million + £400 000 = $\frac{£1,400,000}{5}$ (1) = $\frac{£280,000}{12}$ (1)
= £23,333.33 per month

OR

£1 million $\times \frac{8}{100} = £80,000$ (1) $\times 5 = £400,000$ (1) - then as above
(NB Correct interest monthly only - £6,666.66 - 3 marks)
6 marks for correct answer; up to 5 marks for correct workings only. (6)

- (c) If existing factory destroyed - no asset value
If loan not repaid - bank would not be able to recover debt by sale of factory
Bank would suffer loss - bad debt
If insured, compensation paid - buildings restored
(NB Points made can be expressed negatively or positively)

Examples (2)

- Fire burns down factory
- Subsidence requires rebuild
- Explosion destroys structure
- Flooding undermines foundations

1 mark per point plus 1 mark for development, including 2 marks for 2 examples of relevant risk. (5)

- (d) Damage to buildings could stop production - loss of output
Fall in turnover would cause lower profits
Would need to find money to rebuild - capital/interest
Injury/death of employees - could cause large claims
Injury/death of public - could cause large claims
Expenses of business would rise - profit would fall
If losses large, company could become insolvent - have to close down

But

Insurance reduces possible loss - but premiums have to be paid
Premium payments are a cost - reduces level of profits

*1 mark per point plus 1 mark for development of each.
Maximum 4 marks if no reference to possible insolvency and closure.
Maximum 4 marks if no reference to counterpoints, eg insurance cost.* (6)

Total 20 marks

12. (a) Turnover - value of (net) sales
Gross profit - turnover (sales) less cost of goods sold
Net profit - gross profit less the operating expenses

1 mark for each correct definition. (3)

(b) (i) $\frac{£100,000 - £80,000}{£100,000} \times 100 = \frac{£20,000}{£100,000} \times 100$ (1) (or formula)
= 20% (3 marks)

(ii) $\frac{£15,000 - £5,000}{£15,000} \times 100 = \frac{£10,000}{£15,000} \times 100$ (1) (or formula)
= 66.66% (3 marks)

3 marks for each correct answer; maximum 2 marks for correct workings in each case. (6)

- (c) Superstore selling at lower prices - taking away customers/turnover
Superstore can buy in bulk at lower prices and maintain gross profit margins
Much wider choice/variety in superstore - customers more likely to obtain what they want
Easy parking (free) - good location/access to store
More finance - for expansion, design
More marketing - wider advertising/promotion
Economies of scale - example
Loyalty cards - benefits
Specialist buyers/merchandisers - better value/quality
More facilities - plus an example

1 mark per point plus 1 mark for development of each. (5)

- (d) (i) Find a cheaper supplier of goods
More advertising locally
Providing specific customer demands (niche markets)
Introduce self-service
Cut selling prices (if justified in (ii))
Change opening hours
Provide home delivery
Provide credit facilities
Change opening hours
Join voluntary chain/co-operative
Use a cash and carry wholesaler
Extend premises

(NB Points must be realistic in the context)

1 mark for each of 2 appropriate recommendations. (2)

- (ii) Lower buying-in costs - will help to maintain gross profit margins
- Self-service - will reduce staff costs and lower expenses
- Lower prices will reduce margins - but higher sales will compensate
- Cash and carry will give discount - and remove delivery costs
- Larger premises=greater variety - more customers/more per customer

(NB Points must relate back to the recommendations in part (i))

1 mark for each of 2 justifications, plus 1 mark for development of each. (4)

Total 20 marks

13. (a) A legal document/contract/agreement, signed by all partners, setting out rules by which partnership will run, one example of type of content, eg type of business, partners' names

1 mark per point up to 3 points. (3)

- (b) Capital provided by each partner - more finance for expansion
 Lower overheads - single premises?
 Less competition - not competing with one another
 Shared responsibility - reduced stress on each partner
 Ideas - two heads better than one
 Holidays/Illness - the other partner can be left to run the business
 Death - other partner can continue with the business
 Skills - each can contribute special skills
 More partners - can be opened up to others for more finance
 Losses can be shared - less burden on one person

1 mark per point of difference, plus 1 mark for development of each. (6)

- (c) In cases of dispute/misunderstanding - rules in deed help to resolve
 Reduces possible argument - damage to business operations
 Avoids need for legal case - and costs involved

Areas of possible dispute:

- States how much capital - and how much from each
- States what proportion of assets each receives - on closure
- Provides legal proof - that partnership exists
- Identifies role of each partner - how work to be shared

1 mark per point plus 1 mark for development of each, plus 1 mark for one relevant example. (5)

- (d) Shareholders in company have personal assets protected by limited liability - can only lose investment in company
Shareholder can leave company by selling shares without the company needing to end
Easier to raise future capital by issuing more shares
Continuity - even if a shareholder dies
May have lower tax liability - shareholders have higher net income

But

may cost more to set up company - need to register
Need to file accounts annually - with Registrar
Company needs more administration/documentation - more costs
Control of company could be lost - to 'majority' shareholder
Public have access to company information - less secrecy

*1 mark per point of advice plus 1 mark for development of each.
Maximum 4 marks if no points of advice given against company. (6)*

Total 20 marks

14. (a) (i) Organisation which works on behalf of other companies - to help/ arrange their advertising. (2 marks)
Businesses may not have own ad. dept - prefer to use external specialist
Develops ideas for advertisements - content, techniques
Helps to choose advertising media - suitable for particular product
Helps to obtain advertising space - and appropriate timing
Carries out other marketing work, eg, market research

1 mark for one additional point. (3)

- (ii) **Information**
How the game works, detail of what game is about, where to obtain game, price of game, computer power needed

Persuasion

Advertise discounts for early purchase, show people using the game, associate with young people, use social pressure, use 'attractive' content eg, violence/sex, use of celebrity, demo. disks, free downloads, extra game free

*1 mark per point plus 1 mark for development of each.
Maximum 4 marks for reference to only information or persuasion. (6)*

- (b) **Branding**
Memorable (attractive) name - distinguishing from competitors
Established brand loyalty - known quality of product

Packaging

Attractive - drawing attention of buyers (eye-catching)
Helps to identify product - by name, design. etc.
Helps in displaying product - in windows/in-store displays
Includes information on product - eg, age-range suitability

*1 mark per point plus 1 mark for development of each.
Maximum 3 marks if no reference to branding or packaging.* (5)

- (c) Very wide market (coverage) - over most parts of world
Relatively cheap - for numbers of people reached
Can be accessed any time/day - 24 hours/7 days
Provides for game to be demonstrated - movement / colour
Interactive - game can be tried out (competitions)
Provides direct means of ordering - and paying for game
Uses same medium as for the game - computer-based
Emailing can be used - eg, for more detail

1 mark per point plus 1 mark for development of each. (6)

Total 20 marks

COMMERCE 7100, CHIEF EXAMINER'S REPORT

General Comments

This was the first examination taken by candidates under the new Commerce syllabus which was published in 2003. Instead of choosing five structured essay questions out of nine, candidates were required to answer all questions in Section A (short-answer plus stimulus response questions), together with two from a choice of four structured essay questions in Section B.

The general outcome of the new syllabus content and examination paper was very pleasing. The content gives considerable detail of what topics and level of responses are required of candidates, while the paper was even more accessible than those previously set, so that candidates had more chance to show what they know, understand and can do.

Frequent reference has been made in previous reports to the importance of command words (and other key words) in questions. These determine the nature of response required, and if candidates fail to understand what they mean, they will not gain marks. Given the greater emphasis, in Section B questions, on analysis and evaluation, this is now even more important. Candidates' weakness in this resulted in repetition and irrelevance in responses to the last one or two parts of questions in Section B. Important examples of this are referred to in comments on questions 11d), 12d), 13c) and 14 d).

In this matter, teachers and candidates could usefully look at the syllabus content in terms of the initial word(s) used in relation to each topic. These words include 'state', 'outline', 'describe', 'calculate', 'explain', 'compare', 'analyse', 'assess' and 'evaluate'. Each of these determines the type of response, on the relevant topic, which can be expected of candidates in a Commerce examination, and also reflects the assessment objectives of the syllabus (see pages 2/3).

Many questions prescribe the number of responses required, for example **two** forms, **two** benefits, **three** differences, **two** changes. It should be emphasised to candidates that including more than the prescribed number does not gain any more marks, and in fact it wastes time which could be used elsewhere in the paper to score marks.

Most candidates generally followed the rubric well and attempted all questions in Section A, but a small number answered three or four questions in Section B instead of the two required.

Candidates often responded at too great a length in the examination booklet for section A, that is, they overran the lines provided (and sometimes continued in the answer book!). This often reflected candidates' inability to focus precisely on what was required. In this, candidates need to be aware that they do not necessarily have to use complete sentences in responding to short-answer questions. Strangely, a few candidates did not use the lined spaces in the examination booklet at all to answer the questions in Section A, but instead wrote all their responses in the answer book, however marks were allowed for correct responses.

The standard of English used by candidates was very good, considering that it is the second language for most. There was good use of commercial terminology, grammatical rules were well followed, punctuation/spelling was generally correct, and candidates were mainly able to express themselves clearly. There were in fact very few cases where ability in English was a significant barrier to scoring marks.

In addition to the outlined general weaknesses, the examination outcome showed that the following topic areas of the syllabus content need more attention from candidates:

- The key features of the special delivery postal service.
- The benefits to public companies of having their shares quoted on the Stock Exchange.
- The value basis (nominal share price) on which % dividends are calculated.
- The nature and importance of containerisation in goods transport.
- The general importance of insurance to the operation of businesses.
- The limitations on what sole traders can realistically do to compete with superstores and retail chains.
- The importance of having a partnership set up under a deed.
- The relative benefits/weaknesses of partnerships and private companies.
- The distinction between the use of information and the use of persuasion in advertising.

However, candidates tended to perform well in their answers on the following topics:

- The financial calculations in share dealings.
- The costs of operating own-fleets of delivery vehicles.
- The meaning of turnover, gross profit and net profit.
- The disadvantages which sole traders have in competing with large stores.
- The benefits of operating as partners in a business.
- The use of the internet in the promotion and sale of goods and services.

Section A

Question 1

The four parts of this question were generally answered well, even by many of the weaker candidates.

Question 2

Candidates were expected to name two of the main ancillary services (other than advertising), and sub-sets were not awarded marks, for example 'The Post Office' instead of 'Communications.'

Question 3

While many candidates understood the meaning of 'cash' and of 'carry' in the name, many did not explain the meaning of 'warehouse' as a place for the storage of goods.

Question 4

As a reason for **needing** to export, 'supplying goods which other countries do not have' was not accepted. Some weaker candidates thought that exporting was a means of obtaining goods.

Question 5

While many candidates correctly calculated £600 million, some showed it as a minus rather than a plus. Others failed to state '+' or '-' even though the question specifically asked for this.

Question 6

This was answered correctly by a good majority of candidates, but some thought that current accounts generally paid a high rate of interest and required notice of withdrawal.

Question 7

A large majority of candidates failed to score any marks here. Simple reference to compensation for loss and a signature on delivery would have achieved the two marks available. Candidates need to update their knowledge of postal services, which change over the years in order to meet new commercial needs.

Question 8

The question asked for **reasons** why invoices are sent and not simply for content detail. References, for example, to names, addresses, E & OE, code numbers and telephone numbers were not awarded marks. Key points were notification of the debt owing and of discounts offered, and transaction evidence.

Question 9

- (a) A large majority of candidates gave 'public limited company' correctly, but some weaker candidates gave 'private' and/or 'liability' instead.
- (b) A majority of candidates could give one difference between ordinary and preference shares, but only a minority could give three.
- (c) Many candidates simply rephrased the statement without showing any understanding of it, for example 'the holder owns part of the business', for which no marks were awarded. One way of scoring the three marks was to state that the shareholders own the company (1 mark) in proportion to the number of shares held (1 mark) and have voting rights in electing a board of directors (1 mark).

- (d) A fundamental error here was for candidates to state that a benefit of being quoted on the Stock Exchange was that the company could then issue shares on the Exchange. New issues are not made through the Stock Exchange which is only a market for 'second-hand' shares. Other candidates ignored the fact that the question asked about the benefits **to the company** and not to the shareholders directly.
- (e) A majority of candidates made the correct calculation for the full four marks, but strangely some added the £15 commission calculated rather than deducting it, therefore losing two marks.
- (f) This calculation was much less frequently done correctly, because many candidates appeared not to know, or had forgotten, that the % dividend is based on the **nominal** value of the shares, that is 25p, and not on the market price. Based on the 'own figure rule' used in marking, candidates making this single mistake were still awarded two marks for doing the rest of the calculation correctly based on their own figure.

Question 10

- (a) General statements, which did not specifically identify the nature of mail order, were not awarded marks, for example 'fast', 'cheap', 'wide choice'.
- (b) Most candidates could identify two costs of running an own fleet, but vague answers, such as transport costs and more wages, received no marks.
- (c) (i) Paying delivery charges to other transport businesses was not regarded as a 'problem' as such, and no marks were given for this. 'Higher costs' was also excluded because it was too vague and anyway might not be true.

(ii) Candidates were required to carry each problem forward to part (ii) and to explain **how** an own fleet helped to solve the problem. Many candidates simply repeated the problem and then stated that having one's own delivery lorries solved the problem. Such answers did not explain **how** and therefore scored no marks. If the problem given in part (i) was 'damaged goods', the answer would be that Northdowns' own staff would take more care of their 'own' goods and also have specific training in handling furniture.
- (d) Here, many candidates ignored the fact that they were expected to compare the internet with the use of the telephone for receiving orders. Points such as 'world-wide coverage' and 'quick contact' were not allowed because they applied also to the telephone service. Points such as 'detailed information', 'printed record' and 'lower costs/charges' were needed for marks to be given.
- (e) A simple statement that the company name is on its vehicles, and that this would be seen by many people as they drove round delivering goods, was sufficient to score the two marks, but few candidates scored the second mark.
- (f) Surprisingly, this question was generally answered very poorly. Candidates normally have a very good understanding of the nature of containers and their benefits in transport, but the context of this question and the negative (not) statement appeared to distract them. References to large lorries, narrow roads, furniture being large and the risk of damage in a container were not awarded marks. Candidates simply needed, for example, to point out that containers were not suitable because no transfer between transport modes was needed, deliveries would be made in one journey to several different addresses, and deliveries did not normally require secure storage overnight.

Section B

Question 11

- (a) This asked about the **purpose** of collateral security, so that no marks were awarded for example(s) as such. (The example of a building was given in the question material.)
- (b) Many candidates scored the full six marks by calculating the monthly payment correctly. A small minority were unable to even attempt the question, but others had errors of understanding and calculation. The most common mistakes were:
- to calculate the interest as 8% of £200 000 per year rather than 8% per year of the full loan as stated in the question
 - to calculate only the monthly **interest** repayment and to exclude repayment of the loan capital itself.

However, up to five marks were awarded for correct part-answers.

(c) Fire was the most common form of risk identified; other examples given were earthquakes and floods. However, a good proportion of candidates forgot that the insurance related to the building only and wrote irrelevantly about theft, liability and fidelity insurance. A common failure was candidates not understanding that the value of the building would be lost if it was not insured and that the ABC company's turnover/costs would be affected, so that it might not be able to repay the loan and the bank would not have the factory as collateral, as it had burned down.

(d) Candidates were asked to evaluate (place a value on) the **importance** of insurance to the ABC company itself. Many candidates simply wrote about the different types of insurance which should be taken out by the business and about compensation. What was needed were statements about what would happen if the business did not have adequate insurance cover for major risks. References were needed to production stopping, and to output, sales and profits falling, with the possibility of permanent closure in extreme circumstances. For full marks, candidates also needed to point out that insurance cover also comes at a cost in the form of premiums (as well as necessary safety precautions).

Question 12

(e) A good proportion of candidates was able to define the three terms correctly. Common weaknesses were defining turnover as the **rate** of turnover (stockturn) and stating that gross profit was the profit without expenses having been deducted. This latter point was effectively repeated in the definition of net profit as gross profit excluding expenses, whereas reference to sales less the cost of sales was required.

(f) A large proportion of candidates scored the full six marks for the two calculations. Weaker candidates were unable to calculate the percentages at all, but others wrongly calculated the percentage by taking the 2004 turnover and net profit figures, rather than the **difference** from 2003 in each case.

(g) Kevin's difficulties in competing with the superstore were generally well explained, and many candidates scored the full five marks available.

(h) Here many candidates came up with wholly unrealistic or irrelevant solutions to Kevin's problems. How can simply taking in a partner help to boost sales? How can cheaper bulk-buying help when Kevin cannot sell on the scale of the superstore? How can lower prices help when Kevin's profit margins are already

low? Such recommendations were not soundly justified, but even where recommendations were realistic, candidates still had to show why they would work rather than simply describe them, in order to score the four marks available.

Question 13

- (a) Most candidates had a general idea of a partnership deed, but many were unable to say precisely what it was or could only give details of what one might contain rather than a definition. One mark was allowed for any one point of detail, and general statements such as the deed being an agreement or contract between the partners, setting out the rules by which the partnership is to be run and signed by the partners, were needed.
- (b) Very many candidates identified benefits such as different skills, shared responsibility and joint decisions, but others took the question out of the context. For example, some suggested that the amount of finance available would suddenly increase (one plus one does not equal three or four!), as would the number of customers overall. Introducing new partners at this stage was also not in the question context.
- (c) Many candidates did not understand what was required by 'Explain the importance of...' and simply repeated details about a partnership deed. What was needed was an explanation of how the existence of a deed helped in the operation of a partnership and what problems could arise if there were no deed. For example, if there is any dispute between the partners, then the content of the deed can be referred to in order to resolve it quickly, and on-going argument/conflict can be avoided.
- (d) The idea was that candidates put forward a balanced view about changing the partnership into a private limited company without necessarily coming to a final view. Obvious points in favour were limited liability and the possibility of obtaining more finance in the future by selling shares to friends, relatives and business acquaintances. Counter points could be the extra cost of setting up and of administration, with the possibility of future loss of control if other shareholders were brought in. Some candidates, however, confused a private with a public company, and referred incorrectly to the sale of shares to the general public and listing on the Stock Exchange.

Question 14

- (a) While part (i) was answered quite well, a significant number of candidates appeared not to have heard of an advertising agency, let alone know what one did. Part (ii) was answered much less well in general. Many candidates wrote about the use of the media rather than giving examples of **how** information and persuasion are used in whatever media. Examples of information about a computer game are its price, what it does and where it can be bought. Examples of persuasion to buy are that it is much better than other games, how much you will enjoy it and how you will impress your friends if you have it, or the use of a celebrity to promote the game.
- (b) Most candidates had a general idea of what branding is, but the concept of brand loyalty and of associating quality with brands were not always in candidates' minds. In addition, packaging was often confused with 'packing', that is with the protection rather than the marketing of goods. The idea that branding aids packaging and vice-versa was also less well understood.

- (c) This was quite well answered, perhaps because young people spend more time on the internet than older generations. However, many answers contained too much factual detail, rather than focusing on why the internet should be used as a good means of promoting and advertising new computer games, compared with other media. The fact that both the game and the internet are computer-based would be a good starting point!

Summary Comments

1. This, the first examination in the new format, is considered to have performed very satisfactorily in terms of its aims and objectives and of the outcomes for candidates.
2. The paper provided candidates with the opportunity to show what they know, understand and can do, while at the same time maintaining the year-on-year performance standards required of the examination.
3. Candidates often showed extensive and accurate knowledge and understanding of topics, and stronger candidates showed a sound ability to assess, recommend and evaluate.
4. The overall pass rate increased. A slightly higher percentage of candidates achieved in the A-B bracket, with increases also at the other grade boundaries; at the lower end a smaller percentage of candidates failed to achieve any grade, as arising from the paper's greater accessibility.
5. The outcome of this examination shows that candidates need to:
 - Pay more attention to, and improve their understanding of, the command and other key words in questions, so that they respond in a relevant way.
 - Understand more clearly what the syllabus topics may require of them in the examination, based on the command words
 - Adhere to the examination rubric and to the number of responses required by a question where specified. Candidates should also take into account the number of marks allocated to each question.
 - Tailor their answers in Section A to the number of lines provided, which are an indicator of the length of response expected.

COMMERCE 7100, GRADE BOUNDARIES

Grade	A	B	C	D	E
Lowest mark for award of grade	67	56	45	40	29

Note: Grade boundaries may vary from year to year and from subject to subject, depending on the demands of the question paper.

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