

Examiners' Report Summer 2007

GCE

GCE O Level Commerce (7100)

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General Comments

The overall outcome of the examination was broadly in line with the performance of candidates in previous years. There was a slightly higher mean mark for Section A which showed a sound understanding of the syllabus by the majority of candidates. However, the mean mark on Section B was slightly lower than last year. Overall the difficulty of the Paper was similar to last year. There were few poor scripts this year.

As a result the grade boundaries were raised slightly and the percentage pass rate was slightly higher than May 2006.

There was clear evidence that many centres had prepared their candidates well by ensuring wide coverage of the syllabus content so that candidates possessed a good knowledge and understanding of commercial vocabulary.

The attention of candidates should be drawn to the importance of command words in questions and the importance of adhering to them. Failure to respond to the command word for a question will almost inevitably lead to lower, or no, marks for an answer. Time should be spent developing the candidates understanding of these command words and what they mean for the type of answer required. This is particularly necessary on the Section B questions where the questions often require analysis and evaluation and if the candidate just gives a list of responses then they will usually, at best, gain half marks for their answer.

It was pleasing to see that candidates on the whole were responding to the number of responses required by some questions, e.g. two benefits, two ways, two different types. This helped to keep within the space provided for the answer but also write an answer of the necessary length to gain the marks available.

There were few examples of rubric problems in Section B where candidates ignored the instruction to answer two out of the four questions. However a problem of great concern was the number of candidates who wrote on additional sheets. Some candidates wrote in the space provided 'answer on additional sheets' and didn't even attempt to write in this space. The Paper is now marked on line which requires scripts to be scanned in to the computer and sent electronically to examiners to be marked. This makes it even more imperative that candidates write in the space provided and indicate clearly if they have continued their answer elsewhere. Additional sheets can get detached from scripts which cause great difficulties for the examiners. Answers which were continued on additional sheets often did not add anything to the answer in many cases as candidates wrote too much to an answer and had already gained the marks for the response written in the space on the question paper itself.

On this same point, Section A and Section B are marked by different examiners and therefore any additional sheets should be attached to the relevant section and not just put all on one sheet at the end of the Paper. It is not good practice to write on additional sheets as it shows that candidates are unable to focus on the key responses required and are wasting time by going into unnecessary detail or irrelevant comment.

The general standard of English used by candidates was good, considering that it is the second language for most, and it did not prove a barrier to the performance of most candidates. As is normal, candidates were not penalised for weaknesses in grammar, punctuation and spelling, providing that examiners could understand what candidates intended.

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

- reasons for protecting consumers (Q3);
- what is meant by video conferencing and what are the benefits for businesses using it (Q8);
- what is meant by field and desk research (Q9a);
- why businesses carry out market research (Q9c);
- the ways governments help businesses export (Q10e);
- the importance of warehousing and how warehouses are organised (Q1b and c on Section B);
- the channel of distribution, why and how as it changed in recent years (Q1d Section B);
- what changes have been made to the methods of transport used by businesses in recent years and why (Q2b and c);
- international methods of payment (Q3c Section B);
- the process by which a shareholder sells their shares (Q4c Section B).

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

- the benefits of using cheques (Q4);
- hypermarket location (Q6);
- Balance of Payments on Current account (Q10a);
- forms of protection and the benefits and difficulties of international trade (Q10b, c and d);
- factors affecting the choice of transport used (Q2d Section B);
- barter and its disadvantages (Q3a and b Section B);
- the difference between a partnership and a limited company (Q4b Section B).

Paper 1A

Question 1

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

Question 2

A significant number of candidates gained full marks for correctly calculating the answer. However common errors were only calculating 25% discount or adding the two discounts together and taking 30% off the total.

Question 3

Only strong candidates could give a precise reason for protecting consumers. Many candidates gave vague answers which repeated the question, i.e. that consumers needed protecting or just talked about producers needing to be fair to consumers.

Question 4

This was well answered with the majority of candidates gaining two marks. The most common answers were convenience, safety and proof of payment.

Question 5

The majority of candidates gained three or four marks for this question, even the weaker candidates.

Question 6

Most candidates recognised that these are large stores and many went on to gain a second mark by qualifying the size of a hypermarket, adding that the land needed to be cheaper or that a large area of land was required for car parking.

Question 7

Strong candidates identified that this is a loan for the purchase of property and often arranged by building societies. Weaker candidates just talked about loans in general and were vague in their answers gaining few, if any, marks.

Question 8

A large number of candidates did not seem to know what is meant by video conferencing. Those that did gave clear advantages of saving time and money by people not needing to attend meetings in person.

Question 9

This area of the syllabus was not well covered by candidates. In part (a) there were many vague answers and a clear definition of field research which included primary research was rare. A number of candidates recognised that it was finding out what consumers thought about products or that it was to do with asking questions but often no more of credit was included in the response. A surprisingly smaller number of candidates could name desk or secondary research as the other method of research. The most common mistake was to include alternative forms of primary research, such as test marketing.

Part (b) was often well answered, with two clear questions and often these questions were justified in part (ii). Weaker candidates didn't always justify the question being asked, instead they would just repeat the question, e.g. (i) "How much do you spend on holidays?" (ii) - because they want to know how much people spend on holidays.

Again part (c) was not always well answered. Strong candidates gave reasons which included estimating the potential sales of a new product or consumer's attitude to existing products and they developed their answer to explain why this information was needed by the business. Weaker candidates gave vague responses or couldn't go beyond making statements without development of the reasons given.

There was a mixture of responses to (d) where candidates either knew the answer and could give services such as creating the advertisement for the business, placing the advertisement, or they guessed at the answer saying they advertise the businesses products and couldn't give an answer that was very specific.

Many candidates could gain some marks for identifying that advertising might encourage consumers to buy products they didn't need or want. However, only stronger candidates could go on to develop their answer in depth as to why it was a disadvantage to the consumer. An example is that it might cause consumers to overspend but few went on to say this might lead the consumer into debt.

Question 10

There were some excellent responses for many of the parts of this question. Part (a) was often correctly answered and where mistakes were made it was often in getting the positive and negative mixed up. Two examples of invisibles were given by the majority of candidates in part (ii).

Again the majority of candidates knew what was meant by quotas and tariffs in (b) and could correctly identify the effect on imports. Occasionally candidates got them the wrong way round or stated what was meant by the term but then didn't develop their answer to say what the effect on imports might be.

The majority of candidates could identify benefits of international trade for (c); the most common benefits identified were wider choice of goods to buy, increased employment and better quality or cheaper goods. Where marks were lost was again by candidates not developing their answer but just leaving it as a statement. Only stronger candidates could go on to consider the higher standard of living or income which would be gained by the people living in a country.

Stating two difficulties in (d) did not cause any difficulties for the majority of candidates, with language, distance and currency being the most popular.

In part (e) candidates either knew how governments helped businesses to export, for example Trade missions, ECGD or BOTB, and gained high marks or they gave general incentives rather than those applicable to exporters and sometimes gained some marks. Weaker candidates incorrectly wrote about reducing tariffs or giving government grants to help businesses manufacture products.

Paper 1B

Question 1

Part (a) often scored full marks with candidates clearly identifying the middleman nature of a wholesaler between the manufacturer and the retailer.

Part (b) was answered quite well but weaker candidates focussed on the functions of wholesaling or did not lock-in to the context of the business i.e. fashion retailer, thereby losing marks. Stronger candidates mentioned the seasonal nature of fashion clothing.

For (c) most candidates did not understand 'organised'. Some wrote about functions of wholesalers, others wrote about location factors. Stronger candidates knew that a warehouse organisation would require separate departments/sections and wrote about the different departments such as accounts, purchasing and distribution.

For (d) most gained 2 marks by explaining that large retailers no longer need wholesalers. Some gained marks by referring to perishable and technical goods but this question was generally not well answered.

Question 2

Many candidates for (a) could give suitable examples of water transport, such as cargo liners, container ships, and ferries/hovercraft. However, there were also some surprising examples of submarines and pipelines.

A wide variety of responses were given for (b). Most candidates were able to gain some marks by mentioning the 'slowness' and 'cheapness' of canal transport. Only a few candidates could go on to develop their answer to explain why a point was an advantage or a disadvantage and hence gain the majority of the marks; they used factors such as canals are suitable for bulk cargoes and water freezes causing delays.

On part (c) better candidates had clearly been well taught on some of the reasons for the continued growth of air transport, citing relevant points such as increasing competition, more airports, and bigger planes as well as the need for speed for perishables, and safety for valuables. Weaker candidates tended to simply give the advantages of air transport and did not 'analyse' as required by the question.

Part (d) was generally well answered giving factors such as cost, urgency, and the nature of the good, and making good use of examples to support application of these valid factors stated.

Question 3

Part (a) often scored full marks with candidates clearly identifying that barter involved the exchange of goods for other goods without the use of money.

Part (b) was answered well by the majority of candidates with many maximum scores. Good answers explained factors such as the need for a double coincidence of wants, divisibility and portability. Weaker candidates tended to describe the functions of money.

Candidates on part (c) fell into two camps - the payments were either known or not known by candidates. If known, there were generally valid and relevant explanations given, usually of a bills of exchange and a letter of credit.

Question (d) asked candidates to 'predict' i.e. to say what is likely to happen. Some candidates just discussed the general nature of exchange rates and thereby lost marks. Some candidates mistakenly thought that an increase in the price of currency will increase exports. The stronger candidates produced some well developed answers explaining how a rise in the exchange rate reduced sales for exporters, whereas a fall increased sales.

Question 4

Again part (a) often scored full marks with candidates clearly identifying that ordinary shares show ownership of the company and are last to be paid a dividend dependent on the profitability of the company.

Part (b) was generally well attempted. A minority of candidates lost marks by simply reversing the point made e.g. "partnerships have no continuity, whereas limited companies do". This is only worth one mark. In order to achieve the two marks there needed to be further development of the distinction. It was surprising to find candidates not giving the precise numbers for membership of the two types of organisation. A small minority believed that the government owns a plc.

Many reasonable answers were given for (c), which usually involved the use of a broker to obtain the best deal. Weaker candidates believed that shareholders could just go along to the stock exchange and find someone to buy their shares. A significant minority ignored the situation and described how a new share issue is arranged.

The better candidates, in (d), applied the information with which they were provided well. Such candidates realised that with falling profits, there would be less income from dividend and the likelihood of a share price fall, it was time for Frank to sell and buy into something potentially more profitable.

Summary Comments

1. The overall performance of candidates was broadly in line with the previous cohort on an examination paper of similar difficulty. Performance on 1A was slightly better than last year and 1B was slightly worse than last year. As a result, the pass rate at each grade boundary stayed at a similar or slightly higher percentage.
2. Some of the candidates' weakness arose not only from a lack of knowledge but from not developing their answers and explaining points. Applying answers and analysing/evaluating continue to reduce marks for many candidates.
3. The outcome of this examination shows that candidates need to:
 - carefully study the syllabus content to ensure that there are no gaps in their knowledge, which is particularly important for Section A questions;
 - read the commands words carefully and make sure they are answering the question, which is particularly important on Section B questions;
 - think about the context of the question and remember to use this in the answer to the different parts;
 - to keep answers in Section A to the number of lines provided which is an indicator of the length of response required and not go onto additional sheets;
 - read and follow the rubric carefully, particularly in Section B and once again they should write in the space provided.

7100 Statistics

Grade	A	B	C	D	E
Grade Boundaries	69	58	47	42	31

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