

Mark Scheme January 2008

GCE O Level

GCE O Level Commerce (7100 1A/1B)

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General Marking Guidance

- All candidates must receive the same treatment. Examiners must mark the first candidate in exactly the same way as they mark the last.
- Mark schemes should be applied positively. Candidates must be rewarded for what they have shown they can do rather than penalised for omissions.
- Examiners should mark according to the mark scheme not according to their perception of where the grade boundaries may lie.
- There is no ceiling on achievement. All marks on the mark scheme should be used appropriately.
- All the marks on the mark scheme are designed to be awarded. Examiners should always award full marks if deserved, i.e. if the answer matches the mark scheme. Examiners should also be prepared to award zero marks if the candidate's response is not worthy of credit according to the mark scheme.
- Where some judgement is required, mark schemes will provide the principles by which marks will be awarded and exemplification may be limited.
- When examiners are in doubt regarding the application of the mark scheme to a candidate's response, the team leader must be consulted.
- Crossed out work should be marked UNLESS the candidate has replaced it with an alternative response.

Contents

1.	Unit 1A Mark Scheme	5
2.	Unit 1B Mark Scheme	10

7100/1A Mark Scheme January 2008

Question Number	Answer	Mark
1(a)	Centre/Mall/Arcade/Complex/Precinct/Outlet	(1)

Question Number	Answer	Mark
1(b)	Dutiable	(1)

Question Number	Answer	Mark
1(c)	Conferencing	(1)

Question Number	Answer	Mark
1(d)	Descriptions	(1)

Question Number	Answer	Mark
2	$\pounds -23\ 120 + \pounds 25\ 650 = +\pounds 2\ 530 + \pounds 1\ 118 = \pounds 3\ 648$ (1 mark for method but incorrect answer)	(2)

Question Number	Answer	Mark
3	Valid points could include demand for payment - notifies retailer of amount due details of goods bought - quantity / price / discount used to compile end of year accounts (1 mark for purpose plus 1 mark for description)	(2)

Question Number	Answer	Mark
4	Valid points could include double coincidence of wants valuing goods indivisibility of goods storage of goods	(2)

Question Number	Answer	Mark
5	Home International International Home	(4)

Question Number	Answer	Mark
6	Valid points could include obtains money quickly - bad debts reduced less time in sending reminders - less administration (1 mark for one point plus 1 mark for development)	(2)

Question Number	Answer	Mark
7	Valid points could include desk research involves published or secondary data or examples such as internet, government statistics, company records field research involves first-hand or primary data or examples such as interviews, questionnaires	(2)

Question Number	Answer	Mark
8	Valid points could include first/second class or ordinary letter post business reply service freepost special delivery recorded delivery parcel post	(2)

Question Number	Answer	Mark
9(a)	Valid points could include nature of goods urgency/speed value of goods cost of the transport distance involved size/weight of goods return loads reputation of carrier	(3)

Question Number	Answer	Mark
9(b)(i)	Valid points could include door to door service fast over short distances cheaper for small loads less damage due to less need for transshipment vehicles can be sent at any time/flexible timings	(2)

Question Number	Answer	Mark
9(b)(ii)	Valid points could include affected by bad weather conditions slower over longer distances has limited capacity congestion in towns can be expensive if no return loads	(2)

Question Number	Answer	Mark
9(c)	Valid points could include eg carrying bulk loads (1) iron ore (1) over longer distances (1) eg carrying dangerous goods (1) nuclear waste (1) so it is safer away from people on roads (1) (1 mark for relevant example plus 1 mark for each development point)	(3)

Question Number	Answer	Mark
9(d)(i)	Valid points could include straddle carriers/mechanical loaders cranes parking area dry dock/wet dock warehousing refuelling repair yards	(2)

Question Number	Answer	Mark
9(d)(ii)	Valid points could include containers transferred quickly - using cranes no need for unloading - roll-on/roll-off increased speed through customs - use of TIR system increased safety - sealed containers labour costs are lower - less need for labour (1 mark for each point plus one mark for development of each)	(4)

Question Number	Answer	Mark
9(e)	Valid points could include creates an interdependent world - no country can live apart enables raw materials to be carried - to be made into finished goods enables goods to be easily distributed - to be bought by consumers allows people to be transported to work - increased output wider market for goods - more sales (1 mark for each point plus one mark for development of each)	(4)

Question Number	Answer	Mark
10 (a)(i)	Norisk Assurance Company Limited	(1)

Question Number	Answer	Mark
10 (a)(ii)	Mr V Heap	(1)

Question Number	Answer	Mark
10 (a)(iii)	temporary cover/after the first premium has been paid Note: issued after insurance taken out until full insurance documents received	(1)

Question Number	Answer	Mark
10(b)	no person can make a profit from a loss - entitled to amount of loss/put back in the same position - if the house contents are worth £10 000 and £5 000 of contents are destroyed by fire, you'll be only able to claim for £5 000 even though you have insured for £10 000 or similar example (1 mark for example plus 1 mark for each development point)	(3)

Question Number	Answer	Mark
10(c)(i)	Valid points could include employers' liability provides cover for employees - injuries at work caused by negligence of employer public liability provides cover for the public - injuries to customers when on shop's premises (1 mark per point plus 1 mark for development of each)	(4)

Question Number	Answer	Mark
10(c)(ii)	Valid points could include if business is suspended for a time because of fire - cover can be provided for loss of wages/rent etc enables business to receive payments - while rebuilding is going on (1 mark per point plus 1 mark for development of each)	(2)

Question Number	Answer	Mark
10(d)(i)	Loss of profits	(1)

Question Number	Answer	Mark
10(d)(ii)	Valid points could include probability of risk cannot be assessed - no past records - to assess premium (1 mark per point plus 1 mark for development of each)	(3)

Question Number	Answer	Mark
10(e)	Valid points could include notify the insurance company - ask insurance broker for help - report accident - look for witnesses - inform police - get medical certificate - obtain a claim form - complete a claim form (1 mark for each step)	(4)

7100/1B Mark Scheme January 2008

Question Number	Answer	Mark
1(a)	Valid points could include goods bought by firms to make consumer goods are producer goods goods bought by consumers are consumer goods	(2)

Question Number	Answer	Mark
1(b)	Valid points could include tea bushes are grown / bushes need to be picked leaves transported to tea factory / various processes e.g. drying tea packed (for export) / put in tea chests journey by sea transport / to the importer auction for tea / bought by tea merchants /wholesalers blend or package tea / sold to retailers (1 mark per point plus 1 mark for development of each)	(6)

Question Number	Answer	Mark
1(c)	Valid points could include time is saved - no need to switch jobs greater skill of workers - repeating a single task machinery can be employed - more efficient greater output - produced at lower cost less need for training - easier to learn a small task (1 mark per point plus 1 mark for development of each)	(6)

Question Number	Answer	Mark
1(d)	Valid points could include provide background support for industry - by helping people personally industry more efficient - higher output through this help doctor keeping population healthy - less time off work police supporting law and order - less disruption teachers providing education - people produce more (1 mark per point plus 1 mark for development of each)	(6)

Question Number	Answer	Mark
2(a)	Valid points could include both private sector and public sector /government owned businesses	(2)

Question Number	Answer	Mark
2(b)	Valid points could include <u>Control</u> controlled by the state - through Act of Parliament owned by state - on behalf of public policies laid down by Parliament - accountable to Parliament <u>Finance</u> funded by treasury - from taxes/government borrowing profits belong to state - to support general expenditure (Note: maximum of 4 marks for either feature) (1 mark per point plus 1 mark for development of each)	(6)

Question Number	Answer	Mark
2(c)	Valid points could include formed by council decision - not by Parliament controlled by appropriate council committee - elected councilors funded by council tax/rates - not government taxation not usually separate legal bodies - not incorporated profits used to support rate income - not government expenditure (1 mark per point plus 1 mark for development of how they are different)	(6)

Question Number	Answer	Mark
2(d)	Valid points could include efficiency motive - need to make a profit to survive higher quality/cheaper goods - result of competition greater choice/better service - no monopoly government receives income from sale of shares - can be used for more hospitals/tax cuts no political interference - decision-making made on business grounds (1 mark per point plus 1 mark for development of each)	(6)

Question Number	Answer	Mark
3(a)	Valid points could include television radio newspapers magazines posters	(2)

Question Number	Answer	Mark
3(b)	Valid points could include persuade people to buy goods - increase sales /profits inform customers - e.g. new goods, price changes to compete - to maintain/increase market share remind people - maintain brand loyalty (1 mark per point plus 1 mark for development of each)	(6)

Question Number	Answer	Mark
3(c)	Valid points could include get to know what goods are available - details allows comparisons of different suppliers - price /quality helps to make a choice - best 'buy' for customer increased competition - lowers prices saves time in searching the market - no need to go round shops public services are advertised - eg bus timetables (1 mark per point plus 1 mark for development of each)	(6)

Question Number	Answer	Mark
3(d)	Valid points could include may lead to overspending - buying goods which you cannot afford prices may rise - due to unsuccessful/high cost of advertising may lead to purchase of unwanted goods - example may lead to purchase of harmful goods - example advertising can be misleading - disappointed consumers (1 mark per point plus 1 mark for development of each)	(6)

Question Number	Answer	Mark
4(a)	Valid points could include value of sales minus returns	(2)

Question Number	Answer	Mark
4(b)(i)	add the value of stock at the beginning of the year add the value of stock at the end of the year divide the total obtained by two (accept formula)	(3)

Question Number	Answer	Mark
4(b)(ii)	add the value of net sales calculate the average stock divide turnover by average stock (accept formula)	(3)

Question Number	Answer	Mark
4(c)	Valid points could include more advertising - more sales - higher gross/net profit improved purchasing terms - buying in bulk - lower cost price reduce expenses - improved stock control - reduced stock levels more services - buying delivery van - delivering to wider market (1 mark per point plus 2 marks for development of each)	(6)

Question Number	Answer	Mark
4(d)	Valid points could include all shares carry particular advantages/risks - people are different they are looking for different things from their investments some people want to take more of a risk - buy ordinary shares - want higher dividends some people are more cautious - buy preference shares - receive some sort of dividend (Note: no marks for simply naming types of shares) (1 mark per point plus 2 marks for development of each)	(6)

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