

Mark Scheme (Results) January 2010

GCE O Level

GCE O Level Commerce (7100/1A)

Edexcel is one of the leading examining and awarding bodies in the UK and throughout the world. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers.

Through a network of UK and overseas offices, Edexcel's centres receive the support they need to help them deliver their education and training programmes to learners.

For further information please call our Customer Services on + 44 1204 770 696, or visit our website at www.edexcel.com.

If you have any subject specific questions about the content of this Mark Scheme that require the help of a subject specialist, you may find our **Ask The Expert** email service helpful.

Ask The Expert can be accessed online at the following link:

<http://www.edexcel.com/Aboutus/contact-us/>

January 2010

All the material in this publication is copyright
© Edexcel Ltd 2009

Mark scheme 7100/1A

Question Number	Answer	Mark
1(a)	Primary/field	(1)

Question Number	Answer	Mark
1(b)	Net/Operating	(1)

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

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

Question Number	Answer	Mark
2	$\text{£}20\,000 + \text{£}120\,000 = \text{£}140\,000 - \text{£}24\,000 = \text{£}116\,000$ (1 mark for cost of sales calculation) $\text{£}240\,000 - \text{£}116\,000 = \text{£}124\,000$ (2 marks for correct gross profit figure)	(2)

Question Number	Answer	Mark
3	Specialisation of workers - the splitting of a broad task into subtasks - each of which is then assigned to a worker - who specialises in carrying out that subtask. 1 mark for each point	(2)

Question Number	Answer	Mark
4	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 bulk transport using large lorries advertising on the side of lorries 1 mark for each advantage	(2)

Question Number	Answer	Mark
5	Overdraft Bank loan Overdraft Bank loan 1 mark for each statement correctly matched.	(4)

Question Number	Answer	Mark
6	Provides information/ about the product/example 1 mark for each part of the definition	(2)

Question Number	Answer	Mark
7	Goods used for barter are not always: acceptable of stable value portable divisible durable no double coincidence of wants 1 mark for each disadvantage	(2)

Question Number	Answer	Mark
8	Telephone Fax Telex Video conferencing Computer networks Radio Television Teletext Internet/email Telegram 1 mark for each example	(2)

Question Number	Answer	Mark
9a	Goods/services produced in the home country - sold to another country - e.g. 1 mark for each part of the definition	(2)

Question Number	Answer	Mark
9b	<p>Contains names of consignee/consignor/ full details of the goods/ their destination/ name of the ship carrying them/details of the voyage/name of importer/name of port of shipment/freight charge/signature of ship master</p> <p>1 mark for each piece of information on the document.</p>	(2)

Question Number	Answer	Mark
9c	<p>To accompany duty free goods - to confirm that they were in fact produced, or largely produced, in the exporting country (2)</p> <p>To ensure an importing country doesn't get round tariffs - by re-exporting goods from countries where tariffs do not apply (2)</p> <p>2 marks for correct purpose.</p>	(2)

Question Number	Answer	Mark
9d	<p>A written record is essential of all business transactions</p> <p>The Government needs to be kept informed of the level of exports and imports</p> <p>A large number of intermediaries are involved - and often several thousand miles apart - detailed documentation helps keep track of the goods</p> <p>Traders have to comply with many legal requirements - importing countries may be very strict about the goods they allow into the country - they demand written evidence of the nature of the goods and their origin</p> <p>More difficult to check creditworthiness</p> <p>1 mark for each point or up to 2 additional marks for development</p>	(4)

Question Number	Answer	Mark
9e(i)	Tariffs act as taxes on goods - making imported goods more expensive - which may lead to fewer imports	

	1 mark for each effect	(2)
--	------------------------	-----

Question Number	Answer	Mark
9e(ii)	Restricts the amount of goods imported - e.g. x tons of tea - may lead to higher prices of imported goods - which may lead to fewer imports 1 mark for each effect	(2)

Question Number	Answer	Mark
9f(i)	Cannot guarantee payment - increased risk of non-payment - not familiar with the bank on which the cheque is drawn - difficulties in clearing cheques - difficulties checking creditworthiness - no branches in the country 1 mark for a point plus up to 2 marks for development	(3)

Question Number	Answer	Mark
9f(ii)	Marketable debt - accepted by an accepting house for a small charge - the accepting house will settle the account if the debtor defaults - written proof of debt signed by the purchaser who acknowledges the debt - promises to pay in 3 months time - guarantee of payment 1 mark for a point plus up to 2 marks for development	(3)

Question Number	Answer	Mark
10a	Owned by one person - run by one person - sole trader uses their own capital in the business - owner keeps all the profits - the owner and the business legally the same - has unlimited liability - makes all the decisions 1 mark per point	(2)

Question Number	Answer	Mark
10b	More capital available - Mr Patel may not have very much personal wealth - expand the business Increased specialisation using the partners skills - Mr Patel could be skilled at selling and the partner could be skilled at accountancy Keep its accounts private - unlike if Mr Patel formed a limited company Partners help with decision making - Mr Patel not alone he can discuss decisions with the partner - cover if partner on holiday	

	Easy to set up - losses shared between partners 1 mark per advantage plus 1 mark for development	(4)
--	---	------------

Question Number	Answer	Mark
10c	<p>Breaks bulk of food into small quantities No need to carry large stocks as Mr Patel can buy in small quantities Offers information/advice on trends and fashion of different food products Offers credit as the business is small and cannot always afford to pay cash Offers delivery service as small business will not own lorries/vans Preparing goods for sale - packaging Storage provided - lower costs for own storage Seasonal goods - purchased when in season Risk bearing - deteriorating product - fashion change Variety of goods available Advertising</p> <p>1 mark per point plus 1 mark for development</p>	(4)

Question Number	Answer	Mark
10d(i)	<p>Large stores - need 4650 square metres of selling space Visited by shoppers in cars - who buy weekly shop - need a large area to park - edge of town Sell a wide variety of goods - example such as furniture</p> <p>1 mark for a point plus 1 mark for development</p>	(2)

Question Number	Answer	Mark
10d(ii)	<p>Increased car ownership/easier to park next to the store Accessibility More people at work/less time for shopping Shop less frequently and so do weekly shop rather than daily shop Convenient/large number of goods under one roof Wide range of services - e.g. restaurants Opening hours</p> <p>1 mark per reason</p>	(4)

Question Number	Answer	Mark
10e	<p>Choose own goods - time to look and get information from the packaging Take time to think about which food products to buy - look at different brands Look for special offers/promotions - like to look round the store</p>	

	1 mark per advantage plus 1 mark for development	(4)
--	--	-----

7100 O level Commerce January 2010

Content Grid - Section 1A

	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10
1 - Production & commercial activity	✓		✓							
2 - Home trade & international trade									✓	✓
3 - Types of business organisation	✓									✓
4 - Marketing	✓					✓				
5 - Methods of payment							✓		✓	
6 - Financial Markets & Institutions		✓			✓					
7 - Communications & transport				✓				✓		
8 - Commercial documentation & calculations	✓								✓	

7100 O level Commerce January 2010

Assessment Objectives 1A

	A01	A02	A03	A04
Q1	4			
Q2		2		
Q3	2			
Q4	2			
Q5		4		
Q6	2			
Q7	2			
Q8	2			
Q9a	2			
Q9b	4			
Q9c	4			
Q9d		4		
Q9e			6	
Q10a	2			
Q10b		4		
Q10c		4		
Q10d	6			
Q10e		4		
Total	32	22	6	

Further copies of this publication are available from
International Regional Offices at www.edexcel.com/international

For more information on Edexcel qualifications, please visit www.edexcel.com
Alternatively, you can contact Customer Services at www.edexcel.com/ask or on + 44 1204 770 696

Edexcel Limited. Registered in England and Wales no.4496750
Registered Office: One90 High Holborn, London, WC1V 7BH