

Examiners' Report/ Principal Examiner Feedback

January 2010

GCE

GCE O Level Commerce (7100) Paper 1A

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PE Report on Examination Paper 7100 January 2010

General Comments

The general standard of answers compared favourably with previous years. The mean mark for Section A was slightly higher than in previous years and showed a sound understanding of the syllabus by the majority of candidates. The mean mark on Section B was also higher than last year and as a result the grade boundaries were raised. The percentage pass rate for most of the grade boundaries were similar to those of January 2009.

It was clear to see 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.

A weakness of candidates continues to be related to them ignoring the command word required by the question. For example, question 1 (c) asks candidates to 'analyse why Pepsi-Cola would send a letter rather than make a telephone call'. Some candidates simply stated or listed a number of benefits of sending letters without analysing when it would be better than making a telephone call. Also, as in question 9 (e) 'two effects on imported goods' were asked for but some candidates gave only one effect or simply gave a definition of tariffs and quotas. It should be emphasised to candidates that including less than the prescribed number of responses reduces the maximum marks that a candidate can score for that particular question. Questions 1 and 2 were the most popular choices in Section B.

Once again, some candidates wrote on additional sheets and this can cause problems. The majority of answers which were continued on additional sheets did not add anything to the answer already given. Candidates should be encouraged to confine their answer to the space provided. Also additional sheets can get detached from scripts which cause great difficulties for the examiners. Scripts are scanned in to the computer and sent electronically to examiners to be marked and this makes it even more imperative that candidates write in the space provided.

Considering that it is the second language for most candidates, the general standard of English used by candidates was good, and it did not prove a barrier to their performance. As is normally the case, candidates were not penalised for weaknesses in grammar, punctuation and spelling, providing 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:

- the information shown on a bill of lading (Q9b);
- the purpose of a certificate of origin (Q9c);
- why different documents are used when trading internationally (Q9d);
- why cheques are not always acceptable from purchasers in a different country (Q9f);
- why a bill of exchange is acceptable from purchasers in a different country (Q9f);
- the advantages of self-service to customers (Q10e);
- the benefits of using video conferencing (Q1b on Section B);
- evaluation of the decline of the fax machine (Q1d on Section B);

- how the results of market research might affect an advertising campaign (Q3c on Section B);
- how an insurance company decides what premium to charge (Q4b on Section B).

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

- what is meant by division of labour (Q3);
- suitable sources of finance for alternative uses (Q5);
- informative advertising (Q6);
- methods of telecommunications (Q8);
- features of a sole trader (Q10a);
- reasons for using a wholesaler (Q10c);
- the benefits of buying directly from a manufacturer (Q2b on Section B);
- why market research is carried out before launching a new product (Q3b on Section B);
- the benefit of taking out consequential loss insurance (Q4d on Section B).

Comments on individual questions

Section 1A

Question 1

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

Question 2

The calculation of gross profit presented very few difficulties. However some candidates misidentified the 'cost of goods sold' as the gross profit.

Question 3

This was generally well answered by the majority of candidates. Although there was occasional confusion between the 'Division of Labour' and one aspect of the division, namely 'specialisation'.

Question 4

This was a straight forward question and was answered well by better candidates. However, weaker candidates continue to offer unqualified points such as 'cheaper' and 'quicker' as applied to various modes of transport. Answers must be more specific in their explanation, i.e. road transport is cheaper over shorter distances.

Question 5

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

Question 6

Occasional confusion between 'informative' and 'persuasive' advertising, but the majority of candidates were able to offer good examples of the former and gain two marks.

Question 7

Well answered question with most candidates achieving two marks. The most popular disadvantages were lack of portability, divisibility or double coincidence of wants.

Question 8

Again, well answered by most candidates although a few candidates discussed telecommunications in general rather than simply provide the required two examples of telecommunications. Weaker candidates occasionally gave examples of other methods of communication such as a letter.

Question 9

Overall, this question, although well answered by many candidates, proved problematic for quite a number of others. Part (a) was well answered with most candidates being able to gain both marks.

Information provided on a bill of lading (part b) and the purpose of a certificate of origin (part c) presented some difficulties. The responses often suggest a quite limited knowledge of the documents used in international trade.

Most candidates did not gain many marks on part (d). Answers tended to be vague with little understanding of why different documents were needed in international trade. Many answers referred to language and currency, which do not need different documents. Good candidates argued that extra documents were needed due to the intermediaries involved in international trade, to comply with different laws, and to satisfy quota and Balance of Payments requirements.

Candidates often knew what tariffs and quotas are but they sometimes defined the terms rather than giving two effects of each of them on imports and hence did not always gain maximum marks. However, the marks for this question were generally high.

Most candidates did not gain many marks on (f)(i). They gave general reasons for not accepting cheques, that could be applied to home trade as well as to a different country, such as no signature or date. Good candidates recognised that a cheque from a different country had an increased risk of non-payment because they were not familiar with the bank, or due to currency problems.

Again, most candidates did not gain many marks on (f)(ii). Some candidates left this question blank. Some weaker candidates confused the bill of exchange with the bill of lading, others gave irrelevant factors. Good candidates recognised that the bill of exchange was accepted by an accepting house, was signed by the purchaser who acknowledged the debt and promised to pay in 90 days.

Question 10

Candidates generally scored higher marks overall on this question than on question 9. In part (a) most candidates gained full marks by listing features such as owned and run by one person, keeps all the profit, and has unlimited liability. Weaker response confused sole traders with other forms of business ownership.

Part (b) resulted in a wide range of answers. Good candidates explained two factors in detail, such as the extra capital that the new partner would bring to the firm allowing it to expand, the fact that Mr. Patel could consult with the new partner to improve decision making, and the fact that partners could specialise in different aspects of the business. Weaker candidates listed advantages without development.

Most candidates performed well on part (c) and scored near or full marks. They explained how a wholesaler would help Mr. Patel by breaking bulk, storing stock, supplying a wide variety of goods, offering credit, delivery, and branding. Weaker candidates lost marks by only making one or two relevant points.

This was well answered with the majority of candidates gaining full marks for (d)(i) by listing features such as its large size - often quoting 4650 sq. metres- low prices, large car park and sells a wide variety of goods.

Again in part (d)(ii) most candidates gained full marks by identifying 4 features such as longer opening hours, ability to do a weekly shop, convenience of the location on good roads, the large number of goods on sale under one roof, the fact it accepts credit cards and the other shops that locate near to the hypermarket. Weaker candidates lost marks by only identifying one or two relevant features.

Part (e) resulted in a wide range of answers but only better candidates score full marks. Good candidates explained how self service was an advantage to customers because it allowed them to chose their own goods, customers could examine goods and prices and choose the most suitable one. They also explained that Mr Patel would have lower wage costs resulting in lower prices to customers. Some weaker candidates explained the advantages of self service to Mr. Patel. Others described the advantages of using a small corner shop rather than focusing on self service.

Summary Comments

1. The overall performance of candidates was broadly in line with the previous cohort on an examination paper which proved slightly easier than last January and so grade boundaries were adjusted upwards. Performance on 1A was slightly better than last year and 1B was also better than last year. The pass rate at each grade boundary stayed at a similar or slightly higher percentage.
2. Some of the candidates' weakness arose not 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 in Section B.
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, which is particularly important on Section B questions;
- to keep answers in Section A and Section B to the number of lines provided which is an indicator of the length of response required and not go onto additional sheets;

7100 Statistics

Grade	A	B	C	D	E
Lowest mark for award of grade	79	69	59	54	40

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