

# Mark Scheme (Results)

## January 2010

GCE O Level

GCE O Level Commerce (7100/1B)

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## Mark scheme 7100/1B

Question Number	Answer	Mark
<b>1a</b>	<p>Monitor/screen            Computer/laptop            Camera/webcam            Microphone            Modem/internet connection/cable</p> <p>1 mark for each piece of equipment</p>	<b>(2)</b>

Question Number	Answer	Mark
<b>1b</b>	<p>Valid points could include:            Enormous savings involved when people don't need to travel - an average business trip usually involves at least one night spent in another place, and costs incurred - e.g. flights, transport, meals, accommodation.            Takes time travelling - out of the office lost work from these employees - e.g. half-day videoconferencing and spend the other time that would have been spent travelling doing productive work in their office.            If document/information not taken to meeting - can easily be fetched            More personal than phone conference - improved communication - visual aids can be used to help communication - improved relationships between participants            Usually all the required people can be present - meeting with people from other countries - more convenient and don't need to take time out to travel - meeting called at short notice            Can see and hear the person - see their body language/reactions - record of the meeting</p> <p>1 mark for a point plus up to 2 marks for development</p>	<b>(6)</b>

Question Number	Answer	Mark
<b>1c</b>	<p>Valid points could include:            Permanent form of communication needed - record can be kept - less chance of misunderstandings            Legal forms - may require a signature - e.g. contract            A lot of detail/information is required - large amount of information can be sent at one time - visual data attached - send letters to many people at once</p> <p>1 mark for a point plus 1 mark for development</p>	<b>(6)</b>

Question Number	Answer	Mark
<b>1d</b>	<p>Valid points could include:</p> <p>(Disadvantages of fax)            Not confidential - can't guarantee the recipient - may be lost - poor quality printout - fax machine not always turned on to receive - machine jams - runs out of paper - message not stored.</p> <p>(Advantages of alternative forms of communication)            e.g. new technologies - used for multiple purposes - email - direct to recipient - higher security level - message is stored - password protected - use of colour - increased image quality document - multiple addresses.</p> <p>Up to 4 marks for disadvantages of fax and up to 4 marks for advantages of alternative forms of communication (4+2) or (2 + 4) or (3 + 3)</p>	<b>(6)</b>

Question Number	Answer	Mark
<b>2a</b>	<p>Owned by shareholders - controlled by directors - shares cannot be sold through the Stock Exchange/shares can only be sold with agreement of existing shareholders - limited liability - has continuity after owners death - has 'Ltd' after its name.</p> <p>1 mark per point</p>	<b>(2)</b>

Question Number	Answer	Mark
<b>2b</b>	<p>Valid points could include:</p> <p>Cheaper prices than from wholesaler - because buying in bulk - get discount for bulk orders - sell at cheaper price - increase profits</p> <p>Faster delivery - as comes direct from the factory - no need to go to wholesaler first - less damage</p> <p>Can have own brands of products manufactured by manufacturer - unique to the shop - so can sell more</p> <p>Can obtain the full range of stock of a particular range - wholesaler may not stock the full range - customers not disappointed - link directly over production of goods - advice about products</p> <p>1 mark for each point plus up to 2 marks for development</p>	<b>(6)</b>

Question Number	Answer	Mark
<b>2c</b>	<p>Valid points could include:</p> <p>More choice - large stores will carry the full range of toys  - customers more likely to find what they are looking for  Cheaper prices - as large store will buy in bulk - receive discounts from manufacturers - cuts out wholesale stage  - embraces the profit margin of wholesaler and therefore cheaper</p> <p>Out of town store which provides parking - easier and more convenient to get there - opens late at night - more comfortable shopping with facilities</p> <p>1 mark per point plus up to 2 marks for development</p>	<b>(6)</b>

Question Number	Answer	Mark
<b>2d</b>	<p>Valid points could include:</p> <p>Because:</p> <p>Business may lie about products - products don't do as they are claimed to do - e.g.  Business may sell harmful products - injure consumers - e.g.  Business may make false claims about prices - weights and measures - overcharge consumers - e.g.  They want minimum standards for products - e.g. safety - minimum quality</p> <p>1 mark per point plus up to 2 marks for development</p>	<b>(6)</b>

Question Number	Answer	Mark
<b>3a</b>	<p>First hand/new/direct information - collected for a specific purpose - e.g.  questionnaire/interview/consumer panel - to inform about consumer preferences</p> <p>1 mark per point</p>	<b>(2)</b>

Question Number	Answer	Mark
<b>3b</b>	<p>Valid points could include:</p> <p>To see if there is a demand for the product - don't want to launch a product which will not sell - waste money  To see what customers want - adapt the product to customer wants - product more likely to be a success and make more sales and profits  Assess the competition in the market - see if there is a gap in the market for the new product  Get information about potential customers - design a successful marketing plan - where to advertise/sell/prices to charge</p>	

	1 mark per point plus up to 2 marks for development	<b>(6)</b>
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Question Number	Answer	Mark
<b>3c</b>	<p>Valid points could include:</p> <p>Choose advertising media to use - cost effective methods to reach customers- more effective in persuading consumers to buy the product</p> <p>Choose where to place advertisements - so they are seen by potential consumers</p> <p>Whether to use celebrities in adverts - which celebrities might be popular with potential consumers</p> <p>1 mark per point plus up to 2 marks for development</p>	<b>(6)</b>

Question Number	Answer	Mark
<b>3d</b>	<p>Valid points could include:</p> <p>Establishes an identity for the new product - very competitive market - needs to reach a particular part of the market</p> <p>Makes the product stand out from the other products in the market - brand image should be attractive to targeted market segment - more likely to sell</p> <p>Guarantees quality - creates brand loyalty - repeat sales</p> <p>Informs customers that the product is new and available - clearly identifiable on retailers shelves - point of sale promotions make the new product stand out in stores - customers more likely to be aware of the new product and buy it</p> <p>1 mark per point plus up to 2 marks for development</p>	<b>(6)</b>

Question Number	Answer	Mark
<b>4a</b>	<p>Is a payment made into the central pool/to the insurance company - by the policy holder for insurance cover.</p> <p>Payment can vary from policy holder to policy holder as risks may be different - monthly or annual premium</p> <p>1 mark per point</p>	<b>(2)</b>

Question Number	Answer	Mark
<b>4b</b>	<p>Valid points could include:  Insurance company will look at past statistics - on how often claims are made for accidents/theft of business equipment - how much is the average claim - size of the pool - size of the risk - hazards - assess personal information</p> <p>E.g. on average 5% of businesses claim for damage or theft of their equipment - the average claim is for £5000 - the insurance company has 1000 businesses insuring their equipment with them so on average 50 will make a claim - average claim is £5000 x 50 = £250 000 will be paid out by the insurance company - to be able to pay out this amount the insurance company will require premiums of £250 000 from the businesses = £250 000/1000 = £250 per year</p> <p>1 mark per point</p>	<b>(6)</b>

Question Number	Answer	Mark
<b>4c</b>	<p>Valid points could include:  Employer liability provides insurance for Sam if one of his employees injures themselves at work - if it is proved to be Sam's fault in some way - then the employee may sue Sam and the insurance company will pay the compensation - otherwise Sam may go out of business/become bankrupt if the payment is very high  Public liability provides insurance cover for Sam against any members of the public making a claim against Sam's business - these could be members of the public who come on to Sam's premises - get injured due to some negligence on Sam's part or Sam's employees</p> <p>1 mark for each point plus up to 3 marks for development for each type of insurance (maximum 4 marks for each type of insurance)</p>	<b>(6)</b>

Question Number	Answer	Mark
<b>4d</b>	<p>Valid points could include:  Consequential loss insurance provides cover in the event of something stopping the business trading - e.g. fire - it provides payments for wages/ rent - lost profits - while the problem is being put right - e.g. building being repaired after fire - if Sam didn't take out this insurance then he would probably wouldn't be able to make these payments while the business is being repaired - he will go out of business/become bankrupt</p> <p>1 mark per point plus up to 2 marks for development</p>	<b>(6)</b>

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### Content Grid - Section 1B

	Q1	Q2	Q3	Q4
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				

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### Assessment Objectives - Section 1B

	A01	A02	A03	A04
Q1a	2			
Q1b		6		
Q1c			6	
Q1d				6
Q2a	2			
Q2b		6		
Q2c			6	
Q2d				6
Q3a	2			
Q3b		6		
Q3c			6	
Q3d				6
Q4a	2			
Q4b		6		
Q4c			6	
Q4d				6
Total	4	12	12	12



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