

Examiners' Report/ Principal Examiner Feedback

January 2010

GCE

GCE O Level Commerce (7100) Paper 1B

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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 state or list 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 1B

Question 1

Part (a) was well understood and the majority of responses were correct. The equipment required for video conferencing was well known with monitor, webcam and microphone being the most popular responses.

There were few examples of good answers on part (b) and most answers were poor to reasonable. It was pleasing to note that the majority of candidates knew what video conferencing was, showing that centres were keeping up with the pace of change in commercial applications. However, many marks were lost for insufficient detail and application. Simply saying 'cheaper' was insufficient whereas better candidates qualified this by saying how it was cheaper, for example not having to telephone everyone individually.

Part (c) was generally answered to a reasonable standard. Better candidates realised the importance of letters being a record and for written detail, whereas weaker candidates supplied vague answers relating to being 'private' and 'cheaper'.

Again part (d) was generally answered to a satisfactory standard by the majority of candidates. Candidates tended to focus on the improvements made with new technologies such as email which did lead to marks. Candidates tended to focus less on the disadvantages of fax machine. Only the best candidates looked at both sides of the answer. Weaker candidates simply listed a few advantages of a alternative forms of communication without any development or explaining why this meant fax machines had become less popular.

Question 2

A surprisingly large number of candidates failed to gain two marks for part (a). 'Private Limited Companies' were often interpreted as 'not owned and controlled by the state' rather than saying that they are owned by shareholders whose shares cannot be sold to the public and they have limited liability.

Part (b) was generally well answered with many candidates pointing out that it is cheaper and faster to buy direct from the manufacturer than go through a wholesaler. It was pleasing to note that candidates realised that the consumers could ultimately benefit through cheaper prices. Weaker responses lacked development and just listed a few points.

There were many well discussed answers to part (c) gaining maximum marks, with the greater variety of choice and cheaper goods being key points often highlighted and developed by candidates. There were some irrelevancies such as 'after-sales service' and 'good quality toys' which can, of course, be found in small as well as large stores. Some candidates did lose marks by simply giving a list when the command word in the question was 'discuss' and required candidates to develop their answer.

The topic in part (d) seemed to have been well taught with many good high scoring answers. However, weaker candidates lost marks by simply giving knowledge on different laws without relating their knowledge to the demands of the question.

Question 3

In part (a) good general knowledge of primary and field market research was demonstrated with examples of questionnaires and interviews being given. However, there was a very common failure to emphasise that such research provides first-hand, original information and consequently two marks was not common. Weaker candidates confused primary with secondary research.

Candidates frequently scored some marks on part (b) for making statements such as carrying out market research would show what customers want and to see if there is a demand for the product but few scored full marks as answers were not developed.

Part (c) was the worst answered question on Section 1B, with many candidates losing marks by not linking their answers in with the advertising campaign and considering the work of the advertising agency. Candidates often just repeated the answers given to part (b) and gave reasons why market research would be carried out.

The topic in (d) seems to have been well taught by most centres. Many candidates offered well developed and reasoned answers which included, establishing an identity for the new product, making the new product stand out from others and making the new product clearly identifiable from other existing products. Weaker responses lacked development and just listed points.

Question 4

Part (a) was well answered with candidates demonstrating a good knowledge of the nature and function of an insurance premium.

There were variable answers in part (b) with some marks being lost by those candidates who simply looked narrowly at working out a premium for life assurance rather than considering the range of factors that does affect the fixing of a premium. Better candidates considered past statistics, the size of the pool, higher risks and the personal information that might be required for some types of insurance.

Part (c) was generally very well answered on employer liability but some candidates lost marks on public liability insurance by mistaking it for product liability insurance. Notwithstanding this, it was useful for candidates to show their understanding by effective and relevant use of examples.

Many excellent answers were given in part (d). When a similar question was asked many years ago there were some very poor answers. Some candidates gained five out of six marks by not ending with the fact that this would reduce Sam's liability. Overall a well answered question.

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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