

# Mark Scheme (Results)

## Summer 2010

GCE

### GCE O LEVEL COMMERCE (7100) Paper 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 GCE line on 0844 576 0025, our GCSE team on 0844 576 0027, or visit our website at [www.edexcel.com](http://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/>

Alternatively, you can speak directly to a subject specialist at Edexcel on our dedicated **subject\*** telephone line: **0207 190 5329**

(If you are calling from outside the UK please dial + 44 1204 770 696 and state that you would like to speak to the **subject\*** subject specialist).

Summer 2010

All the material in this publication is copyright  
© Edexcel Ltd 2010

Question Number	Answer	Mark
1(a)	Unlimited	(1)

Question Number	Answer	Mark
1(b)	Government/national	(1)

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

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

Question Number	Answer	Mark
2	£1500 - £450 (30%) (1) £450 - £22.50 (5%) = £1027.50 2 marks for correct answer. (1 mark for correct method but calculation error)	(2)

Question Number	Answer	Mark
3	Anything which is concerned with a system by which raw materials are distributed to industry - and finished products to consumers - <b>Aids to trade</b> Trade of goods - either between people and organisations within a country - or on an international basis Trade/buying and selling - with a view to making a profit  1 mark per point and 1 mark for development	(2)

Question Number	Answer	Mark
4	Cheaper No set schedules Can carry bulky products Less energy required compared to alternative forms of transport  1 mark for each advantage	(2)

Question Number	Answer	Mark
5	Statement Statement Invoice Invoice	(4)

Question Number	Answer	Mark
6	Where buyers and sellers come together - can be local/regional/national/international - <b>not necessarily in a fixed place</b>  1 mark per point and 1 mark for development	(2)

Question Number	Answer	Mark
7	First hand information/second hand information Gathered for a specific purpose/gathered by someone else for another purpose  1 mark for each difference	(2)

Question Number	Answer	Mark
8	Email Video conferencing <b>Tele-conferencing</b>  1 mark for each example	(2)

Question Number	Answer	Mark
9a i	(Standing order) - instruction by the customer to a bank - to pay a set amount - at regular intervals from one account to another <b>payment made monthly</b>  Up to 2 marks for the description	(2)

Question Number	Answer	Mark
9a ii	(Direct debit) - or direct withdrawal is a payment system that allows an organisation to instruct their bank - to collect varying amounts - directly from customers' accounts, using an electronic funds transfer - customer gives an authorisation to the organisation making the collections.  Up to 2 marks for the description	(2)

Question Number	Answer	Mark
9b	Secure place to deposit money Provide an overdraft Make advance/loan Advice Current account Night safe  1 mark for each service	(3)

Question Number	Answer	Mark
9c(i)	Vodafone goes to their bank and requests a letter of credit, with the manufacturer as the beneficiary - drawn up by the creditor and accepted by the debtor - Vodafone's bank sends copy to manufacturer and notifies them that payment is available - they can ship the merchandise Vodafone has ordered with the full assurance of payment to them - on presentation of the stipulated documents in the letter of credit and compliance with the terms and conditions of the letter of credit - Vodafone's bank transfers payment to manufacturers bank which then credits the manufacturers account.  1 mark for each part of the process (Any three correct parts)	(3)

Question Number	Answer	Mark
9c(ii)	Are written orders by Vodafone to its bank - to pay the bearer/manufacturer - a specific sum - on a specific date sometime in the future when the goods have been delivered - they are tradable/marketable if payment is required early.  1 mark for each point (Any three correct points)	(3)

Question Number	Answer	Mark
9d	Appreciation of the exchange rate - imports cheaper - reduce Vodafone costs - increase profits - reduce prices - increase sales.  1 mark for each point	(4)

Question Number	Answer	Mark
9e	Cheaper/discounts available Better quality	

	Not available in own country More reliable delivery Better after sales service  1 mark for each reason	(3)
--	--	-----

Question Number	Answer	Mark
10a	Pontans label/logo/name - this gives the clothes a particular image - reinforced by advertising - no one can copy clothes. 1 mark per point	(2)

Question Number	Answer	Mark
10b	Can try on clothes - see if the clothes fit See clothes before purchase - <b>wide choice</b> More convenient - don't need to send them back if don't fit Advice from sales staff - add accessories Benefit from special offers/may negotiate on price  1 mark per point and 1 mark for development	(4)

Question Number	Answer	Mark
10c	Less stock required - buy stock when orders received Less warehousing space required - reduced costs Fewer shops required - e.g. reduced costs of rent Fewer staff - reduction in staff costs - such as wages, salaries, commission payments <b>Wider market - sell to customers at home and abroad</b>  1 mark per advantage plus 1 mark for development	(4)

Question Number	Answer	Mark
10d	Catalogues are expensive to produce - sent out to many people who may not order products Need to send out to a lot of catalogues - many get returned as some customers don't like mail order Catalogues may not show off the quality of their clothes - fewer sales as customers cannot	

	see quality Large volume of returned goods - increased handling costs - delivery costs Risk of non payment - goods sold on credit  1 mark per point plus 1 mark for development	(4)
--	---	-----

Question Number	Answer	Mark
10e	Language - advertising may have to be translated Information - need to arrange for export agents Risk of non-payment - especially in unstable countries Different laws/regulations - e.g. different sizes of clothes - import controls Currency changes - can make goods more expensive/need for conversion Longer distances - increases costs/need for air or sea transport Documentation - usually more complicated Greater risk of goods being stolen  1 mark per difficulty plus 1 mark for development	(6)

Further copies of this publication are available from  
International Regional Offices at [www.edexcel.com/international](http://www.edexcel.com/international)

For more information on Edexcel qualifications, please visit [www.edexcel.com](http://www.edexcel.com)  
Alternatively, you can contact Customer Services at [www.edexcel.com/ask](http://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