

# Examiners' Report/ Principal Examiner Feedback

## Summer 2010

GCE

### GCE O-Level Commerce (7100) Paper 1A

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## PE Report on Examination Paper 7100 1A

### General Comments

This is the last June paper for this qualification. The general standard of the examination appeared to be commensurate with the performance of candidates in previous years. However, there were particular questions which appeared to give a large number of candidates some difficulties. This led to the mean mark for both Section A and Section B also being slightly lower than last year. Overall the difficulty of the Paper was slightly harder than last year. There were fewer very poor scripts this year.

There continued to be clear evidence 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. However, as mentioned earlier there were a number of questions which demonstrated a lack of knowledge of these particular topics from a large number of candidates.

Candidates need to understand that failure to respond to the command word for a question will almost inevitably lead to lower, or no, marks for an answer. This is particularly necessary on the Section B questions where the questions often require analysis and evaluation and if the candidate just gives a list of responses then they will usually, at best, gain half marks for their answer.

It was pleasing to see that candidates on the whole were responding to the number of responses required by some questions, e.g. two advantages, three services, two examples. This helped to keep within the space provided for the answer but also write an answer of the necessary length to gain the marks available.

There were very few examples of rubric problems in Section B where candidates ignored the instruction to answer two out of the four questions. However the problem of candidates not keeping to the space provided still remains. Additional sheets can get detached from scripts which cause great difficulties for the examiners. Answers which were continued on additional sheets very often did not add anything to the answer in many cases as candidates wrote too much to an answer and had already gained the marks for the response written in the space on the question paper itself. Candidates should be encouraged to restrict their answer to the space provided on the question paper and not continue on additional paper or write outside of the space provided.

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

- An understanding of the differences between primary and secondary research (Q7);
- how a letter of credit is used (Q9ci);
- how a bill of exchange is used (Q9cii);
- what is the function of the Baltic Exchange (Q1b Section B);
- what is the difference between consumer and producer goods and why would they be promoted in different ways (Q3c Section B).

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

- the advantages of transporting goods using inland waterways (Q4);
- examples of communication using computers (Q8);
- the advantages of selling goods using the internet (Q10c);
- the difficulties of selling in international markets (Q10e);
- the advantages of using containers to transport products (Q1c Section B);
- an advantages of using division of labour(Q3b Section B);
- when to use a wholesaler (Q3d 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. A common error was to confuse limited and unlimited liability.

#### Question 2

There were a surprising number of partially correct answers to an apparently simple question. Many candidates could successfully calculate the initial discount but then failed to calculate the correct final invoice amount.

#### Question 3

The majority of candidates scored one mark by saying that a commercial activity was to do with the buying and selling of goods. Many did gain a second mark by adding some examples or detail to their explanation.

#### Question 4

This was well answered by many candidates. However, a number confused inland waterways with a variety of different forms of transport from ocean liners to pipelines.

#### Question 5

A surprisingly large number of candidates incorrectly thought 'credit note' is found on an 'invoice'; otherwise generally well answered.

### Question 6

Many candidates scored two marks for this question. Weaker candidates gave brief answers that it was where there were buyers and sellers without any development and so only scored one mark.

### Question 7

This question was not well answered by many candidates. 'Primary' and 'Secondary' were frequently interpreted as relating to production rather than to market research.

### Question 8

Many candidates found this question straight forward and gained full marks; the majority of candidates listed email and video conferencing.

### Question 9

Generally most candidates were able to explain both standing order and direct debit accurately in part (a) of the question. They knew that the standing order was for a fixed amount whereas the direct debit was for an irregular amount. Weaker candidates lost marks on direct debit, where a standing order was often confused with direct debit. Marks were also lost due to a failure to recognise the role of the creditor with respect to direct debits. Most candidates gained full marks by listing services such as loans, overdrafts and current accounts, advice etc for part (b). Answers to both parts of (c) were poor. Few knew what a bill of exchange was; even fewer could explain a letter of credit. Some gave reasons why they were used rather than explaining how they were used. Better candidates explained that a letter of credit was issued by Vodafone's bank and sent to the manufacturer's bank, authorising payment once the goods were received. Some confused a bill of exchange with a bill of lading. Good candidates explained that a bill of exchange was an order by Vodafone to its bank to pay a specific sum in the future after the goods had been delivered. Perhaps there is some inevitable confusion between an appreciation and depreciation of a currency in (d). A good number of candidates attempted to explain the likely impact of an appreciation of the sterling exchange rate on Vodafone as a seller in the USA rather than as a buyer from the USA. There were also attempts to explain the likely impact on the Balance of Payments. Many candidates thought that the change would harm Vodafone by increasing costs. Better candidates realised that the change was an appreciation and would benefit Vodafone because import prices would fall. Part (e) was quite a straightforward question but it elicited some confusing comments on exchange rates being high or low without identifying which rates. However, most candidates did answer this question well. They gave reasons such as lower prices, better quality and easier delivery.

### Question 10

A majority of candidates gained full marks by saying that branding involved giving their products an identifiable name and then explaining that this meant their products could be distinguished from other brands. Weaker candidates lost marks by missing out points of detail in their answers. Most answers were disappointing for part (b) with candidates giving general points that could apply to other types of retailer, such as cheaper, better quality and sells branded goods. Others described the various services of a mall, such as lifts, air-conditioning, restaurant etc. Better

candidates focused on high street shops and explained how they offered self-service, fitting rooms and gave advice. Too many candidates outlined the advantages to the buyer of using the internet for shopping rather than the required advantages to the seller for part (c). However, many candidates did well by explaining advantages such as lower costs because less staff and outlets were needed, and that the internet is available worldwide and 24/7. Weaker candidates listed points without explaining them. There was some knowledge shown of mail order selling but rarely applied successfully to the context of this particular question in (d) and so marks were often not high. However, part (e) was generally well answered with candidates describing difficulties such as language problems, currency problems, different laws and customs in overseas markets.

### Summary Comments

1. The overall performance of candidates was broadly in line with the previous cohort on an examination paper that was slightly more difficult than last year. The overall performance on 1A and 1B was similar or slightly worse than last year.
2. Some of the candidates' weakness arose not only from a lack of knowledge but from not developing their answers and explaining points. Not applying answers and not analysing/evaluating continue to reduce marks for many candidates.

## Grade Boundaries - June 2010

7100 1A & 1B

Grade	A	B	C	D	E
Lowest mark for award of grade	62	52	43	38	27

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