

Examiners' Report/ Principal Examiner Feedback

Summer 2010

GCE

GCE O-Level Commerce (7100) Paper 1B

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PE Report On Examination Paper 7100

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 1B

Question 1

In part (a) often full marks were scored with candidates clearly identifying what is meant by visible exports. Errors were to not include any reference to the goods being sold to another country. Weaker candidates would just say it is the sale of goods.

In part (b) many candidates gained few marks. Only a small number of candidates demonstrated any knowledge of the functions of the Baltic Exchange. The few that did gained marks for explaining its role as a market for hiring shipping.

For part (c) most candidates developed their answer to gain high marks. They explained advantages such as less handling, lowering labour costs, increased safety due to containers being sealed, and increased speed due to use of cranes.

For part (d), observations here tended to be limited to the relative cost of buying a lorry and buying a ship. The context of the question was quite widely ignored. Better candidates were able to discuss the possibilities of chartering shipping when required. Weaker candidates just explained the advantages of road or the disadvantages of ships. Better candidates compared the two and argued that Sigma could afford a lorry and make good use of it, whereas a ship would too expensive and not used enough.

Question 2

Many candidates in part (a) could explain that a bank loan was a set amount of money borrowed for a fixed period of time, paid back in instalments and with interest being charged. The majority of candidates gained at least one if not two marks on this question for listing some or all of these points.

A wide variety of responses were given for (b). Most candidates made good use of the data to answer this question. Better candidates developed the answer by explaining how shareholders would face a fall in dividends and share price. Again most candidates used the data to answer the question (c). Better candidates gave examples of the expenses and costs the firm would incur. Overall candidates found parts (b) and (c) straightforward to gain at least some marks.

In part (d) good candidates gained marks by explaining features of bank loans and shares. Better candidates compared the two directly to gain a high mark. Choosing one and contrasting its advantages with the disadvantages of the other.

Question 3

Question 3 was the most popular question that was chosen to answer. Candidates often scored full marks in part (a) by clearly identifying that division of labour was where production was broken down into specific tasks for the workers which led to them being specialised and therefore more productive.

In part (b) most candidates did well by explaining advantages such as the need for less training, reducing costs; the increased speed because staff were specialists; and that less capital was needed for each worker. Marks were lost when candidates were not able to develop their answer in enough detail to gain full marks.

Many candidates were able to differentiate between producer goods and consumer goods for part (c) but few were able to identify the appropriate methods of promoting these two categories. A surprisingly large number of candidates interpreted 'promote' as 'encourage' and thus changed the focus of the question. Better candidates explained that producer goods would use trade fairs and exhibitions; whereas consumer goods use various promotional offers.

In part (d) better candidates argued that a car manufacturer would not need a wholesaler because they buy in bulk direct from the supplier, whereas car repairs would use a wholesaler who would break bulk and warehouse the goods. Many weaker candidates gained no marks by arguing yes for part (i) and no for part (ii). Weaker candidates failed to interpret the question as requiring an explanation of the use of a wholesaler by Gonda Ltd when 'selling'. They looked to the possible advantages when 'buying'. Lack of attention to the context of the question led to lower marks.

Question 4

Only a few candidates attempted question 4. In part (a) candidates often scored full marks by clearly explaining that value added is the difference between the selling price and the cost of inputs. Weaker candidates said that it was a tax called value added tax and scored no marks.

Most candidates did well on part (b) by explaining the role of documents such as order form, delivery note, invoice, statement and receipt. Some weaker candidates included documents used before the order such as catalogues and enquiry forms which scored nothing. Also, once again, failure to set the answer within the context of the question frequently led to a list of documents in random order rather than an explanation of the process.

Better candidates gave appropriate examples for part (c) to support their answer such as to prevent wrong orders being sent, lost orders costing the firm money, sending the wrong amount damaging the firms image. Weaker candidates gave general points such as losing customers if mistakes were made.

Most candidates did well on part (d). They explained the need for insurance to reduce risks and provide compensation. They gave appropriate examples such as fire, theft, vehicle, employee and public liability.

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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