

COMMERCIAL STUDIES

Paper 7101/01

Elements of Commerce

General comments

The overall outcome of the examination was commensurate with that of previous years. It was evident to Examiners that many centres had prepared their candidates well by providing wide coverage of the syllabus content with candidates possessing good all-round knowledge and understanding of commercial vocabulary.

Reference in this Report is made to the importance of command words (and other key words) in questions. It is essential that candidates understand what is expected of them by these words, and time needs to be spent in developing this understanding as well as in covering the syllabus content.

Rubric problems were in evidence in this examination. A small number answered all five questions in **Section A**, instead of choosing three out of the five provided.

The general standard of English used 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 grammar, punctuation and spelling, provided that Examiners could understand what candidates intended.

Candidates tended to perform well in their answers on the following topics: the importance of international trade (**Q1b**), Characteristics of retailers (**Q2a**), Dishonoured cheques (**Q3aiii**), Kinds of road transport (**Q4d**), Advantages and disadvantages of advertising (**Q5a**) and Computers in business (**Q7d**).

The following topic areas, however, need more attention: Customs duties (**Q1c**), International documents (**Q1d**), Post office services (**Q3c**), Cover note (**Q4biii**) and Organisation charts (**Q5ci**).

Comments on specific questions

Section A

Question 1

- (a) Most candidates struggled to define the term 'commerce' clearly. However, many candidates gave valid definitions of the term 'home trade.'
- (b) In order to obtain higher marks candidates needed to expand on the necessity of international trade to commercial life. Weaker candidates simply defined imports and exports.
- (c) Many candidates lost marks by making the error that customs duties are there to stop illegal goods coming into the country.
- (d) This was weakly answered with many candidates failing to identify an international document such as a bill of lading. Some candidates simply repeated the documents in part (e), namely, advice note and delivery note.
- (e) A common error was to describe the details of the documents rather than explaining their uses.

Question 2

- (a) Many candidates demonstrated very good knowledge on department stores and supermarkets, but there was widespread misunderstanding of multiple stores. Many simply described them incorrectly as 'a multiple of shops in a shopping mall'.
- (b) Many candidates misunderstood the question and described the range of shops found in shopping centres. Stronger candidates answered in terms of the facilities attracting customers to the centre.
- (c) Generally quite well answered. Most candidates were able to discuss the fact that the retailer buys directly from the producer in bulk at discounted prices.
- (d) It was pleasing to see so many good answers on the relatively recent commercial concept of Internet shopping. Most knew about the pitfalls of credit card fraud, the extra costs involved in using the Internet and the need for people to have computers in order to access the Internet.

Question 3

- (a) Most scored marks in part (i) in terms of the safety and convenience of using cheques but few candidates accurately gave a valid example for a special crossing on a cheque. The majority knew two reasons why a bank might refuse a cheque.
- (b) Some relevant points put forward on the banking services required. However, many still believe that interest rates are always higher on overdrafts.
- (c) Generally poorly attempted. Post office services were not well known. Some discussed paying bills when the question asked them explicitly not to do so.

Question 4

- (a) There were many maximum scores to this question.
- (b) It was disappointing to find so many candidates having difficulty with the meaning of the three insurance terms required. In particular, the term 'cover note' was not well known.
- (c) It is pleasing to see candidates using relevant examples to support their answers here.
- (d) Most candidates knew two kinds of road transport. Weaker candidates mentioned rail transport.
- (e) Many candidates could identify a general transport factor such as speed but their answers often lacked sufficient development and application for the second mark.

Question 5

- (a) Most candidates gained full marks, but a minority of candidates confused consumer with producer.
- (b) Despite the range of suitable advertising methods given in the mark scheme, it was surprising to find so many candidates making invalid choices. Some simply answered in terms of persuasive and informative advertising.
- (c) Candidates appeared to have limited knowledge of the purposes of organisation charts and the functions of a sales department. Candidates performed better on rearranging the staff in the correct order of authority in part (iii).

Question 6

- (a) Parts (i) and (ii) were better answered than part (iii).
- (b) Stronger candidates knew the full meaning of unlimited liability.
- (c) It was surprising to see many candidates believing that extra partners definitely mean extra profits. Notwithstanding this, there were some very good answers to this question.
- (d) Candidates did well on the advantages of operating as private limited company.
- (e) Mistakes were made in the definitions of multinationals. For instance, some wrote that 'multinationals had branches in the country' rather than saying in other countries. Sometimes candidates answered from the multinationals point of view rather than the countries.

Question 7

- (a) The four parts of this question were generally answered well, even by the many of the weaker candidates.
- (b) Candidates could have obtained more marks if they had put their answers into the context of an example, e.g. by saying that a sales representative is in his/her car and need to contact a customer over an urgent order.
- (c) Most candidates identified valid general communication factors but had difficulty in explaining them for the development marks.
- (d) It is positive to note that the majority scored good marks on the applications of computers to businesses. The best answers named the computer applications, such as spreadsheets.

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<p>Paper 7101/02</p>

<p>Arithmetic</p>

General comments

The paper was attempted by candidates from the full range of ability. Some excellent results were achieved. Standards of presentation were very good on the whole.

NB Candidates who show full working are able to score intermediate marks even where their final answers were incorrect.

Section A

Question 1

- (a) (i) and (ii) Most answered these parts correctly.
- (b) Many multiplied $40 \times 85 = 3400$ kg but did not then convert to tonnes before adding of 17.4 tonnes.
- (c) This question was answered quite badly. When candidates use a dot to separate hours and minutes, they then have a tendency to use it as a decimal point and use 100 instead of 60 minutes in hours.

Question 2

- (a) (i) and (ii) Usually answered correctly.
- (b) The simple interest formula was well known, but mistakes were made in substituting the given figures $\frac{2400 \times 1 \times 84}{100}$ instead of $84 = \frac{2400 \times 2 \times 1}{1000}$.
- (c) The final answer was obtained by multiplying \$243 by $\frac{100}{135}$.

Question 3

- (a) Many added $\frac{2}{5} + \frac{3}{7}$ correctly, but could go no further.
- (b) The majority multiplied $\text{£}2840 \times 11$ but then did not subtract that result from $\text{£}3000 \times 12$.

Question 4

- (a) (i) and (ii) Both parts were answered correctly by the majority of candidates.
- (b) Inaccurate reading of the graph lost marks for very many candidates in this question.

Question 5

- (a) The common final answer was \$13498.368 – candidates who went wrong usually calculated final salary instead of salary increase (\$519.17).
- (b) There was much use made of the multiplying factor $\frac{8}{100}$ instead of $\frac{100}{8}$ in many attempted solutions.

Question 6

- (a) The compound interest formula was well known and accurately used as far as 40146.767 but many then omitted to subtract 30000 from that figure to obtain the final answer.
- (b)(i) This part was usually answered correctly ...
- (ii) ... but the common error here was to use 46000 instead of 19320 as the denominator, arriving at 10.5% instead of 25%.

Question 7

- (a) The candidates who properly understood the terms gross profit, net profit, etc. found the arithmetic straightforward. Many were, however, confused about the terms used.
- (b) This was quite well done up to calculating and adding \$1320 and \$6000 but then the \$480 was omitted from the final answer.

Section B

Questions 8(a), 9(a) and 10(b) were answered very well, whereas the other parts/questions were not.

Question 8

- (a) (i) and (ii) £4.30 and £0.90 were correctly chosen by most.
- (iii) Many calculated £1505 and £913 but than last marks by omitting to TOTAL these two amounts.
- (b) The common error here was to calculate discount in each case, but then not to calculate the final price to pay.

Question 9

- (a) (i) The correct answer of £1436.64 was usually calculated correctly ...
- (ii) ... but often $2400 \div 8640$ was attempted instead of $86.40 \div 2400$.
- The correct answer was £0.036 or 3.6p.

- (b) Only a minority of candidates found the correct ratio of 1:3:8 in which to divide the \$204 000.

Question 10

- (a) This was a popular choice, but many used 1, 16, 2, 20 as the intervals required, instead of 1, 16, 33, 51 or the several alternatives available.
- (b) These who attempted this question most frequently answered it correctly.

Question 11

This question obviously looked easy to many who, therefore, saw no reason to proceed carefully. Thus the correct answers of (a) 30.625% and (b) 12% were rarely seen.

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Paper 7101/03

Typewriting

General comments

Candidates using manual typewriters are at a distinct disadvantage. The main weakness is the lack of production rate, particularly in **Q1**. However, one centre, using manual typewriters achieved excellent results and they should be commended. Many are unfamiliar with the layout of business documents and also certain correction signs and abbreviations.

Comments on specific questions

Question 1

Candidates are reminded to read instructions carefully. Few used double line spacing as instructed. Very few were able to complete the passage and lost the majority of marks. Teachers need to note that this task should be returned to candidates at the end of the examination and secured inside in the work folder.

Question 2

Attempted by all, with some excellent results. Candidates were, in general, competent with most correction signs and abbreviations. However, spaced capitals posed a problem for most. It should be one space between each and three spaces between each word. When more than one heading is produced, there must be one clear line space between each. Few emphasised paragraphing. Acceptable emphasis includes: underscoring, capitals, boldening, change of font or style. Tabulation was completed very well.

Question 3

There were some excellent copies but, generally, marks were lost due to poor knowledge of letter layout.

Common errors (which caused a loss of 1 mark per error) included:

- Dates on letters abbreviated – must be in full on a business letter;
- Reference and date omitted;
- Inconsistent use of open/closed punctuation;
- Salutation and complimentary close omitted;
- Enc omitted.

Points for inclusion in the letter were presented well and, overall, accuracy/grammar content were excellent.

Question 4(a)

The main weakness was lack of knowledge of the layout of a memorandum. This document must start with the word 'Memorandum' at the top of the document followed by From To Date Ref. The subject heading must appear below the word Memorandum.

Question 4(b)

Most candidates produced an excellent copy of the Agenda and kept to the paper format.

Question 5 (a)

Excellent marks achieved by all candidates. Good use of interliner and accuracy throughout.

Question 5 (b)

Again, excellent tables produced. Some candidates transposed headings and not the dates below, but where this had been done consistently, they were not penalised.