

# COMMERCIAL STUDIES

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Paper 7101/01  
Elements of Commerce

## General Comments

The overall outcome of the examination showed a small continuing improvement in performance by candidates compared to those examined in 2008. There were certainly less very poor scripts this year with very few examples of parts of questions where candidates were unable to write anything in the compulsory **Section B** of the examination paper. It was evident to Examiners that all Centres had continued to prepare their candidates well by providing wide coverage of the syllabus content with candidates possessing generally sound knowledge and understanding of commercial vocabulary.

One general weakness of candidates relates to ignoring the number of responses required by some questions. For example, to **Question 2 (b)** candidates were asked to 'state four services'. Some candidates gave two or three services and some gave more than four services. It should be emphasised to candidates that including less than the prescribed number reduces the maximum marks that a candidate can score for that particular question. Furthermore, by including more than the prescribed number the candidate does not gain any more marks and, in fact, may waste valuable examination time that could be used elsewhere on the paper to score marks.

**Questions 1, 2 and 4** were the most popular choices to **Section A**.

## Comments on specific questions

### Question 1

Part **(a)** was frequently well answered. All candidates scored at least one mark, with most candidates scoring three or four marks.

Most candidates knew how imports differed from exports in part **(b) (i)** and thereby gained full marks. In part **(b) (ii)** stronger candidates explained how exports paid for imports, prevented a balance of payments deficit, created jobs and improved the economy. Weaker candidates often wrote about increased profits for companies instead of relating their answers to the country.

Candidates' knowledge of international trade documents was often inadequate in part **(c)** where most candidates simply wrote about general commercial documents used in the home trade.

In answering part **(d)**, weaker candidates often just repeated the question statement that 'communications was important' without giving communication examples, such as using the telephone, or not providing instances of what traders communicate about, such as making orders. This lack of contextualisation limited their marks.

### Question 2

Most candidates explained correctly why a wholesaler is often known as a middleman in part **(a)**.

In answering part **(b)** a minority of candidates gave too many services or duplicated their answers with ones already provided. The stronger candidates gained the four maximum marks available.

Most candidates correctly calculated the invoice total in part **(c) (i)**, although some candidates used the \$10,000 figure for the 5% calculation. Answers in part **(c) (ii)** often lacked sufficient development of application for the second mark.



Answers to part **(d)** were generally disappointing. Most candidates failed to appreciate the emphasis on 'seasonal goods', and simply provided the general functions of the wholesaler.

Many candidates recognised that large-scale retailers had led to the decline of the wholesaler in part **(e)** but very few candidates gave a second correct factor.

### Question 3

In answering part **(a)** a common feature was the failure of many candidates to distinguish clearly between the partnership and public limited company in respect of capital, control and distribution of profits. The candidates who knew such a distinction scored high marks.

Stronger candidates scored maximum marks in part **(b)** by demonstrating full knowledge and understanding of partnership deeds.

Finance and production departments were often given as valid answers to part **(c)**. However, some candidates lost marks by writing about features of a public limited company or about different types of shops.

Good answers to part **(d)** focused on increasing sales leading to increasing profits, as well as the benefits of cutting costs by gaining economies of scale.

### Question 4

Many candidates scored high marks in part **(a) (i)** by mentioning how advertising reminds, attracts, informs and persuades. Two out of four marks was frequently awarded in part **(a) (ii)** as some candidates gave the inappropriate example of television.

In answering part **(b)** many candidates could give valid examples of insurable and non-insurable risks but had difficulty in explaining the distinction between the two terms.

Part **(c)** helped to differentiate between those candidates who realised that the proposal form was used to accept/reject insurance, to determine risk and fix the premium and those candidates who simply saw it as an application form. However, some candidates lost marks by interpreting the question from 'completing a claim form' instead of the proposal form required.

For part **(d)** good candidates answered in terms of indemnity and underinsurance. Weaker candidates gave the wrong amount of compensation, with answers ranging from \$10,000 to \$230,000.

### Question 5

Most candidates achieved three out of six marks in part **(a)**. Most candidates lost marks by failing to clearly explain the difference between an open cheque and a crossed cheque. Some candidates thought that a crossed cheque could only be cashed by a payee without mentioning the payee's account.

Although many candidates understood the two terms in part **(b)**, they often failed to give appropriate examples to Susan.

Part **(c)** differentiated well between stronger candidates who had fully learnt about banking via the Internet, and weaker candidates who either lacked knowledge or focused their answers on banking without any mention of the Internet. In fact, some candidates discussed buying goods on the Internet.

### Question 6

The majority of candidates scored 5 or 6 marks in part **(a) (iv)**. A common error was to add the unit prices of items without multiplying by the quantity in part **(a) (ii)**. Also, in parts **(a) (iii)** and **(a) (iv)** many candidates failed to develop their answers to be awarded a second mark.

There was very good knowledge from the vast majority of candidates about the three buying and selling documents in part **(b)**. In fact, many candidates scored five or six maximum marks for this part. However, some candidates made the mistake of misinterpreting credit notes as credit cards, and debit notes as debit cards.



Some candidates lost marks in part **(c)** by giving vague answers such as 'faster', 'easier' and 'convenient' without providing relevant explanations of the benefits of using credit cards.

### Question 7

Only a minority of candidates recognised 'container ship' as the answer to part **(a) (i)**. Also, some candidates failed to itemise actual examples of goods to part **(a) (ii)**.

Only a minority of candidates could give two correctly named ships in part **(b)**. One mark was a common score for this part. Some of the inappropriate names included the 'titanic' and 'submarines.'

Generally, only a minority of candidates scored full marks in part **(c)** by adequately explaining three reasons why sea transport is used instead of air transport. Weaker candidates often gave one or two reasons, such as being cheaper and being able to carry heavier freight, without explaining such reasons.

In answering part **(d)** stronger candidates explained the suitability of air transport in the context of newspapers and flowers. Weaker candidates gave more generalised answers to this part.

Most candidates scored two or three marks in part **(e)**. Weaker candidates either did not attempt the question or wrote about the advantages of transport.



# COMMERCIAL STUDIES

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Paper 7101/02  
Arithmetic

## General Comments

The presentation of the work was greatly enhanced by the use of answer spaces on the question paper. Almost all the work was clearly written and well presented.

The level of the paper was such that all candidates were able to demonstrate their knowledge and ability. The paper was challenging for the most able again this year with very few candidates scoring over 90%. There was no evidence that any candidates were short of time as some even attempted all 4 questions in **Section B**.

**Section A** was answered much better this year but **Section B** much worse, with even some very good candidates scoring more than a few marks.

The general level of performance was overall, about the same as last year. However, there were very few candidates scoring over 90% or under 20%. Failure to show working for which marks could be given was a problem in the early questions. Candidates must show the arithmetic operations that they are carrying out if credit is to be given when their answer is incorrect and avoid writing statements which have no mathematical meaning if the answer is wrong such as:

$$\begin{array}{r} 100 \\ 17.5 \end{array} \times \begin{array}{r} 56 \\ x \end{array}$$

Giving answers to the accuracy specified in the question was badly done this year and many candidates completely ignored these instructions in specific questions.

## Comments on specific questions

### Question 1

Generally very well answered. The few candidates who made errors in part **(a)** failed to carry out the multiplication first.

In part **(b)** most candidates scored full marks.

In part **(c)** large numbers of candidates ignored the instruction to give the answer to 2 decimal places. A few candidates incorrectly moved the decimal point two places to the right.

Answers: **(a)**  $6\frac{1}{2}$     **(b)** \$9.80    **(c)** 1.26

### Question 2

In part **(a)** most candidates scored full marks, those that did not either left decimals in the numerator or else started from  $65/100$  instead of  $65/1000$

Most candidates were able to do part **(c)** but again the accuracy requirement was not understood or ignored and 5.50 was a common wrong answer.

Answers: **(a)**  $13/200$     **(b)** 3 lbs 2 ozs    **(c)** 6



### Question 3

Most candidates were able to read the data from the correct part of the table. There was some confusion over whether the room rates for two persons was as shown in the table or double that but the mark scheme allowed for this misunderstanding. Some answers in part (b) ignored the 40 rooms but the most common incorrect answer was not to recognise that the least amount of income came from 1 person in each room, whereas a few candidates found the difference in the income to be between 1 and 2 person usage of the rooms. In part (c) quite a large number of answers ignored the fact that the income was required for one week and not one day.

Answers: (a) \$2700 (b) \$2000 (c) 18375

### Question 4

The bar chart was very well done with most candidates recognising the need for bars of equal width and correctly labelled.

The usual misconception of how to find the median from a frequency table was very common with large numbers of candidates finding the median of 5, 6, 7, 8, 9 and 10 instead of taking all the numbers into account and finding the 22<sup>nd</sup> number.

Answer: 2

Part (c) was generally well done with the common incorrect answer being obtained from adding the numbers in the yield row together.

In the last part, the same misconception was evident with large numbers of candidates dividing by 6 instead of 43.

Answers: (a) equal width bar chart (b) 8 (c) 330 (d) 7.67

### Question 5

Most candidates scored some marks on this question. In part (a) the common error was to assume that the stock (and sometimes the expenses) was not an expense. Most could work out the percentage of what they thought was their profit as a percentage of the turnover. In part (b) the correct expenses were calculated but the concept of profit here was not well understood. Many candidates either did no further work or else the expenses were added to the value of the order. In part (c) there were many answers which stopped at the total income from the sale and did not go on to subtract the cost of the bananas.

Answers: (a) 8.23% (b) \$4368 (c) \$1000

### Question 6

Both parts of part (a) were quite well done with most candidates knowing exactly what was required. Few candidates, however, recognised that part (b) was also an index question and multiplied by 84 instead of dividing.

Answers: (a) (i) S138672 (ii) 115 (b) 1030

### Question 7

Most candidates were able to answer all of this question correctly. The incorrect answers that were seen were usually due to assuming that there are 100 minutes in an hour so that 52.3 and 5230 were often seen.

Answers: (a) 52.5 (b) 723 (c) (i) £72.30 (ii) 20%



## SECTION B

### Question 8

Very few candidates attempted this question and those that did attempt it did very well. The loss of marks was usually for those who had difficulty coping with April 9<sup>th</sup> and failed to appreciate that it is day 40 from March 1<sup>st</sup>. In part (b) some confusion existed between profit, which many calculated, and gross income. Part (c) proved to be the most difficult part with many candidates using 30000 instead of 38400.

Answers: (a) March 20<sup>th</sup> (b) £38400 (c) 1.92

### Question 9

This was also an unpopular question. Those that did attempt it were very confused between Simple and Compound Interest. It was not unusual to see the same method employed in both parts. Many candidates ignored the 1% bonus for the first year and used 6% throughout. In part (b) many failed to understand that  $50 \times 12 \times 4 = 2400$  was the Principal Amount for the 4 year investment.

Answers: (a) \$6371.94 (b) \$2764.80

### Question 10

This question was very popular. Part (a) was generally well done. In part (b) candidates again had problems with the word profit and many only calculated the income from the sale. Part (c) was badly done with the two units of dollars and cents causing much of the problem and 299 was a very common wrong answer. Some candidates worked with a decimal number of shares and many others failed to round down.

Answers: (a) \$6.36 (b) \$15120 (c) (i) 29904 (ii) 148.56

### Question 11

This question was very popular but generally not well done. Part (a) was well answered by most candidates but the weaker candidates failed to combine the price and storage charge and just worked with the latter. Part (b) was not well answered with many candidates repeating the error of (a) or stopping at the total price and not finding the unit price. Rounding errors also continued to be a problem throughout this question.

Answers: (a) (i) £37500 (ii) 45614.25 (b) 9.49 euros



# COMMERCIAL STUDIES

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**Paper 7101/03**  
**Text Processing**

## General Comments

There was a marked improvement in accuracy throughout the paper. This made it possible for all candidates to gain extra marks thus increasing their chances of obtaining a higher grade. It was very pleasing to note that good marks for accuracy were awarded across all tasks.

### **Task 1**

Many candidates completed the accuracy test in the time allocated and with a reasonable level of accuracy. Where low marks were scored it was due to a loss of 7 marks for an uncompleted task.

### **Task 2**

Overall, candidates produced a leaflet displaying a high level of presentation and accuracy. Most instructions were followed. Candidates displayed a sound knowledge of use of abbreviations and printer correction signs. The only printer correction sign that posed a problem was transposition of tabular headings and respective content. Excellent standard of accuracy was shown throughout all Centres.

### **Task 3**

As in previous years, candidates received good marks for accuracy, tone, punctuation and grammar. All candidates made reference to the given notes and full marks were awarded for their presentation and interpretation. However, marks were lost due to the following common errors:

lack of knowledge of presentation/layout of business correspondence;  
inconsistent layout and spacing between parts of letter;  
date and reference omitted;  
date not given in full – abbreviated date not acceptable;  
incorrect salutations and corresponding complimentary close;  
incorrect signature block;  
omission of Enc.

### **Task 4**

- (a) Most candidates produced the memorandum using the correct format. In some cases the date was omitted and the only common error was omitting the enclosure. However, some Centres still do not seem to understand the difference between external and internal communication. These candidates omitted MEMO/MEMORANDUM and used a salutation and complimentary close. This unfortunately caused a loss of 4 to 5 marks from a possible 10.
- (b) Overall, all candidates received very good marks for this task. All instructions were followed correctly and accuracy was excellent. In some cases inconsistent capitalisation for the agenda items prevented candidates obtaining full marks.

### **Task 5**

- (a) The Examiner would like to commend all candidates that completed the form filling exercise. Excellent use was made of interlining and alignment of all information was consistent throughout. Accuracy levels were very good and overall excellent marks were awarded for this task.



- (b) It was obvious from the marks gained across all Centres that candidates enjoy working with ruled tabulation. Excellent and in some cases full marks were awarded for this task. The standard across all Centres has to be commended.