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FOREWORD

This booklet contains reports written by Examiners on the work of candidates in certain papers. **Its contents are primarily for the information of the subject teachers concerned.**

COMMERCIAL STUDIES

GCE Ordinary Level

Paper 7101/01
Elements of Commerce

General comments

In general, candidates showed a good knowledge of the syllabus and were able to demonstrate knowledge in answering the questions set.

The standard achieved was commensurate with previous years.

Weaker candidates were hampered by a poor standard of English.

Candidates are reminded that questions which ask them to “explain” a concept require full answers, not a mere list.

Comments on specific questions

Question 1

This was a popular question. Most candidates were able to explain the concept of division of labour but had difficulty relating this system to consumers. There was some confusion between the car manufacturer and employees.

Whilst good candidates gave succinct and accurate definitions of the primary and tertiary sectors of production, it was disappointing to note that weaker candidates did not understand the meaning of the tertiary sector, often confusing it with the secondary sector.

Question 2

Another popular question, usually well answered.

In (a), good candidates often explained more than four reasons. Weaker candidates merely listed the reasons. A common misconception was that wholesalers sold goods more cheaply than the manufacturer.

Good, appropriate forms of business insurance were given in (b).

Whilst there were some good answers to (c), many candidates merely gave advantages of road transport in general. The question referred to a “fleet of vans” hence the fact that Tom Parker would be the only driver was not relevant.

Question 3

The most popular question but, unfortunately, many candidates ignored the reference in the question to “outskirts of towns” and merely wrote about the advantages and disadvantages of shopping malls. The question was about their location.

Most candidates scored some marks in (b)(i) but were less successful in suggesting how small retailers could continue to survive, although better candidates suggested extra advertising, longer opening hours and more appropriate stocks.

Question 4

Elements of this question proved difficult for many candidates.

In **(a)**, whilst candidates referred to imports and exports they were often not able to define balance of trade, referring instead to balance of payments.

Although many candidates correctly identified pipelines as the answer to **(c)(i)**, many answers lacked depth. Answers to **(c)(ii)** were often inappropriate or imprecise.

Most candidates were able to define multinationals but few could give sufficiently detailed answers to earn maximum marks in **(d)(ii)**.

Question 5

Many candidates were able to accurately define ordinary shares and dividend. Most knew that ordinary shareholders received their dividend last.

Although there were many good answers relating to the differences between partnerships and limited companies, there was some confusion in the use of the terms 'shareholders' and 'partners'.

Most candidates correctly explained the difference between gross and net profit but were not always able to suggest why profits might be falling.

Calculations were generally correctly done in **(c)**, although some candidates gave the answer as \$1.50.

Question 6

Answers in **(a)** were often imprecise. Many candidates referred to paying creditors or the use of credit when the question asked for specific examples e.g. to purchase a television set from a shop.

Whilst, in **(b)**, most candidates explained the safety aspect of a crossed cheque, there was much confusion in **(ii)**. Few candidates recognised that Fig. 1 showed a general crossing and were unable to correctly describe a special crossing.

Few candidates were able to explain the meaning of a post-dated cheque. There was much confusion with stale cheques.

The payee and drawer were often reversed.

Part **(c)** was well done although some gave lists rather than explanations.

Question 7

Part **(a)(i)** was well done.

In part **(ii)** some candidates ignored the quantity column on the order and gave their answer as \$25.00.

In parts **(iii)** and **(iv)**, most candidates understood the difference between cash and trade discount. Weaker candidates thought trade discount was given for prompt payment.

Part **(b)** was generally well answered although few candidates referred to the legal necessity of having motor insurance.

Part **(c)** was usually well done. A few candidates erroneously explained the use of quotations and orders.

Paper 7101/02**Arithmetic****General comments**

The examination was taken by candidates from the whole range of ability. The standard of presentation of answers was very good on the whole. Most candidates showed the working necessary to attain the required answer, thus allowing for the award of intermediate marks even though the final answer might be incorrect.

Comments on specific questions**Section A**

All questions to be attempted.

Question 1

This question was designed to test candidates' ability to perform basic arithmetical processes.

(a)(b) These parts were usually answered correctly.

(c) 8¼ hours in this part was sometimes written as 8.15 instead of 8.25.

Answers: (a) \$16; (b) 6%; (c) \$359.70.

Question 2

This was another question designed to test basic processes.

(a) Most candidates divided 6 by 17 to achieve 0.35294 but many did not then correct to 3 decimal places.

(b) Again, a division sum correctly gave 473.60 but many candidates were unable to write the answer correctly to the nearest 10 miles, often giving the answer as 474 miles.

(c) This was very well answered.

Answers: (a) 0.353; (b) 470 miles; (c) £385.60.

Question 3 onwards was designed to test understanding of commercial processes and the application of arithmetic to these.

Question 3

(a) This part was well answered by the majority of candidates who showed good understanding of commission.

(b) Again, the principle of percentage profit was well understood.

Answers: (a) \$298.60; (b) \$2 590.

Question 4

(a) The common error here was to calculate 3% of \$28 100, add that answer to \$19 200 and then divide by 12 instead of adding \$19 200 ÷ 12 to 3% of (28 100 – 20 000).

(b) This part was most often answered correctly.

Answers: (a) \$1 843; (b)(i) \$2 080 000, (ii) 2.268 million, (iii) \$3.06 million.

Question 5

- (a) Many candidates used the compound interest formula correctly to achieve \$52 266.77, omitted to subtract \$43 000 to calculate interest earned.
- (b) A few candidates multiplied by 10 000 and 5 000 instead of dividing. Many who correctly divided omitted to find the total premium.

Answers: (a) \$9 266.77; (b) \$2 303.10.

Question 6

- (a)(b) The majority of candidates scored full marks on both of these parts.
- (c) Fewer candidates were able to attempt this part correctly, calculating the respective values in dollars of the shareholdings rather than the numbers of shares involved.

Answers: (a) 10 : 9 : 17; (b) \$20 600; (c) $\frac{59}{90}$.

Question 7

- (a)(i)(ii) The terms gross profit and net profit were well understood and accurate calculations made.
- (b)(i)(ii) The required multiplying fractions of $\frac{100}{135}$ and $\frac{194}{180}$ respectively were found by relatively few candidates.

Answers: (a)(i) \$187 650, (ii) 48.35%; (b)(i) \$412 000, (ii) \$599 460.

Section B

Attempt any **two** from **four** questions.

Careful reading of all four questions is required before making a choice of which two to attempt. Some candidates simply attempted the first two questions in the section and found their understanding of the topics limited.

Question 8

- (a) The correct method here was to find 8 000 times 31.2p and then add on 1½% of that total – the latter part was often omitted.
- (b) The understanding of the topic of income from shares was badly understood.
- (c) Simple interest was accurately calculated but not from the correct outlay, many adding parts (a) and (b) together before calculating interest.
- (d) Few used the fraction $\frac{100}{98}$ in their calculation of share price.

Answers: (a) £2 533.44; (b) £224; (c) £55.73; (d) 20p.

Question 9

- (a) Many candidates attempted to answer this question but did not calculate the trader's total revenue (\$350 + 40% of \$350) from the sale of all the blankets, thus being unable to arrive at the correct answer required.
- (b) Few candidates found a correct route to the right answer.

Answers: (a) \$18.50; (b) \$38.28.

Question 10

This was the most popular choice from **Section B** but many candidates fell into the pitfalls provided.

- (a) The method here was to calculate 2% of \$100 000, 1% of \$80 000 and $\frac{1}{2}\%$ of (\$216 000 – \$100 000) and take the total of those from \$216 000. Even candidates correctly calculating the percentages omitted to subtract the total of those from \$216 000, simply giving \$2 980 as the final answer.
- (b) The common error here was to calculate 10% of \$132 300 and $\frac{1}{2}\%$ of \$132 300 and subtract their total from \$132 300.

Answers: (a) \$213 020; (b) \$117 283.95.

Question 11

- (a)(i) The new value was found by multiplying \$4 650 by $\frac{100}{30}$, a solution found by very few candidates.
- (ii) The often used, but wrong, method was simply to divide \$4 650 by 36 540 rather than using the amount of depreciation also.
- (b)(i)(ii) The graph was generally accurately read to attain these answers.
- (iii) Most candidates used the interval between years 2 and 3 rather than between years 3 and 4.
- (iv) This part again was well answered.
- (v) Many candidates used the value of the machine at year 5, instead of calculating the depreciation from new as the denominator for the depreciation percentage.

Answers: (a)(i) \$15 500, (ii) 0.371; (b)(i) \$9 800, (ii) \$6 900, (iii) \$1 000, (iv) 3-4 years, (v) 82.65%.

Paper 7101/03 Typewriting

General comments

Once again, candidates seem to be disadvantaged by having to use poor machines.

Candidates are reminded to fill in the required cover sheet and attach it securely to all work submitted.

Comments on specific questions**Question 1***Timed speed and accuracy test*

Whilst a few candidates managed to complete the task in the time allowed, very few gained any accuracy marks.

Candidates are reminded that, in order to complete this task they should have a typing speed of at least 25 wpm.

Too many candidates are still resorting to overtyping to correct typographical errors – this is not acceptable.

Question 2*Tabulation*

Very few candidates typed a well-displayed, accurately aligned table. The finished table was often cramped and typed too high on the page.

Very few candidates followed the instruction to “underscore columnar headings”.

The other main faults were:

- failure to underscore the third heading
- inaccurate representation of hyphenated words
- failure to transpose lines 2 and 3
- poor alignment within columns, particularly the figures
- poor interpretation of envelope sizes viz C6 and DL.

Question 3*Composition of letter*

Once again, the letter layout was reasonably well done but the composition was weak. There were few mailable letters.

The two names and addresses were often reversed. In some cases the name and address of the sender was erroneously typed at the foot of the letter.

There was better use of the salutation and complimentary close, but weaker candidates tended to omit these items altogether.

Question 4*Manuscript letter*

This was generally well done with candidates correctly amending in accordance with the correction signs.

Very few candidates actually signed the letter as instructed.

Question 5*Form filling*

Generally well done. A few candidates did not use the correct form, attempting (usually unsuccessfully), to make their own form.

The main weaknesses were:

- omitting the invoice number
- poor alignment of items purchased, particularly in the second column.

Paper 7101/04
Word Processing

General comments

There was a definite improvement in the standard of work submitted this year. Candidates appear more confident of the demands of the syllabus.

Some well-displayed and accurately typed documents were submitted.

Comments on specific questions

Question 1

Generally well done. Correction signs and abbreviations were noted and dealt with correctly, in most cases.

Several candidates used a ragged right margin.

Candidates are reminded to leave a clear line space after shoulder headings.

Not all candidates used italics as requested in the first paragraph.

The insertion '(possibly with a French accent)' in the second paragraph was often represented without the brackets.

Question 2

Some well-displayed, accurately typed letters. Composition is improving.

A number of candidates did not follow the instructions and merely typed the standard paragraphs in the letter or retyped them, rather than recalling and inserting these paragraphs as instructed.

Candidates are again reminded to type the date in full and to use a standard form of letter layout. Fully blocked format with open punctuation is recommended.

Several candidates neglected to indicate that enclosures accompanied the letter.

Candidates are reminded that references and subject headings are not necessarily required. Guidance is given in the rubric where these are necessary.

Question 3

The layout of a memorandum has improved. Most candidates took care with the displayed section of the task, but a few typed the heading 'Mauritius' in *spaced* capitals.

A few candidates omitted the first two lines of the message and so lost all the accuracy marks.

Candidates often neglected to leave a clear space either side of the dots used in the ellipsis.

Question 4

Generally well done.

Common errors included poor alignment of figures and not leaving a clear line space after the months.

Several candidates neglected to underscore the columnar headings.

A few candidates ruled the table when the instructions clearly indicated "no ruling".

Candidates are reminded that no space is needed before the asterisk in the table, but one clear space is used after the asterisk in the footnote.