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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

The performance of candidates shows a slight improvement.

It would appear that candidates were well prepared for this examination. They displayed a good general knowledge of the syllabus. It was pleasing to see that there is now an awareness of the role of computers in business.

In **Section A**, where there was a choice of questions, it was interesting to note that all received almost equal attention. No question proved unduly popular or unpopular.

The main weakness was in not reading the question thoroughly before attempting an answer. Questions requiring an explanation were often answered merely by quoting a list of points.

Comments on specific questions

Section A

Question 1

- (a)(i)(ii) In general, candidates had little difficulty answering these questions. However, some candidates wrote about partnerships in (ii). They are reminded of the necessity to use correct terminology in their answers referring to owners of a company as shareholders and not partners.
- (b)(i)(ii) It was encouraging to see many candidates able to display knowledge of computers in business. However, detailed knowledge was lacking. There was usually a vague reference to websites. Communication via a computer lacked precision with few explaining emails.

Candidates are reminded of the need to understand various software programs such as databases and spreadsheets and to be able to show their usefulness in a business situation. Many candidates restricted their answers to the Internet hence were seldom able to gain maximum marks.

Question 2

- (a) The majority of candidates gave precise and accurate answers.
- (b) Some well developed answers were given. Such candidates were able to explain Balance of Trade and Balance of Payments. Many referred to comparative advantage.
- (c) In Centres where bill of lading had been taught in depth, candidates were able to answer in detail. However, there were many instances where candidates had little knowledge and made only limited reference to the functions of the bill and confined their answer to vague references to the description of the goods.

Question 3

- (a) There was some confusion here. Some candidates referred to methods of advertising, others to methods of payment. Some mentioned wholesalers and retailers. Yet the question specifically asked for types of retail outlet. Vague references to small or large retailers were inadequate answers. The few candidates who correctly selected a type of retailer (e.g. hypermarket, supermarket, departments store, etc.) were not always able to say why this type of outlet was preferable. Many candidates merely described the chosen form of retailing.
- (b) Some good answers given. Many candidates referred to the complexity of computers and the need for the retailer to explain their use, install or repair.
- (c) Very good answers. Suitable media usually chosen and validated.
- (d) Most candidates at least referred to the aspect of protection. Others also included branding and advertising as important aspects.

Question 4

- (a) This proved a good discriminator as some candidates merely listed a few services whilst others gained maximum marks by not only mentioning a variety of services, including loans and methods of payment, but were able to write in some detail.
- (b) There was some confusion with advertising and even transport, but the majority of candidates chose two appropriate methods of communication. Those who merely referred to The Post Office had not really answered the question.
- (c) Most candidates referred to cost and competition but were unable to answer in detail.

Question 5

- (a) This was certainly the most difficult part of the question. Many candidates wrote about the purpose of warehousing without mentioning its role in seasonal trade. Few referred to the avoidance of price fluctuation.
- (b) Well attempted but in list form. There was a certain amount of repetition and a decided lack of description.
- (c) In general, not well answered. Some candidates referred to bulk-buying but answers lacked development.

Section B**Question 6**

- (a) Most candidates answered correctly, although a number did not recognise the car-transporter.
- (b) This was an instance where candidates did not read the question properly. They were asked for two other forms of road transport. Many answers incorrectly mentioned rail, air and sea.
- (c) Once again, candidates did not appreciate the subtlety of the question and many gave general answers as to why a firm may offer a delivery service. However, there were some good answers that referred to availability, cost and advertising.
- (d) There was some lack of knowledge of various types of sea transport. Many referred to containers when the question asked for types of transport, e.g. tankers, obos, cargo liners, roll-on-roll-off ferries or tramps.
- (e) Well answered by many candidates but few were able to develop answers fully.

Question 7

- (a) Mostly correct answers.
- (b) Some lack of depth in answers especially in (ii). Few candidates seemed to appreciate that a broker is independent of the insurance company and confused a broker with an agent.
- (c) Few candidates identified the pooling of risks. In (ii) few candidates were able to explain their answer using the correct terminology – premiums and compensation.
- (d) Although there were good definitions supported by examples, surprisingly a lot of candidates could not describe these two important insurance principles. There was much confusion with insurable interest. Some candidates referred to contribution and subrogation in (i) without first explaining the term indemnity.

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

The paper was attempted by candidates from the full range of ability and some excellent results were achieved. Whilst the standard of arithmetic was good, understanding of the application to commercial topics was lacking in many cases. However, candidates were able to score marks by showing working, which most did, rather than writing answers only.

Comments on specific questions**Section A****Question 1**

- (a) Provided full marks for many candidates.
- (b) Some omitted to round the answer of \$20.832 to £21.
- (c) The answer was often given as '1 750 000 million'.

Question 2

- (a) Generally answered correctly.
- (b) Many calculated time as four hours and thirty minutes, but then wrote this as 4.3 instead of 4.5 hours.
- (c) Usually correct.

Question 3

- (a) Both parts were most often answered correctly.
- (b) Most calculated 3.5% of £11 540 and added it to £11540 but then calculated 17.5% of that answer and then 2.7% of that second answer.

Question 4

- (a) Answers here were spoiled by failing to calculate the actual interest (2235-2000) before substituting in the $I = \frac{PRI}{100}$ formula.
- (b) Usually answered correctly.

Question 5

- (a) Cash discount is subtracted from the trade discounted cost but many subtracted each £8.20 x 350.
- (b) This proved to be too difficult for all but the better candidates.

Question 6

- (a) Failure to subtract \$42 000 from \$80 000 before proceeding was a very common error.
- (b) To score full marks the value of the van in 2004 and 2005 needed to be calculated and subtracted. Many gave the final answer as the 2005 value – \$10 976.

Question 7

- (a)(i) Only a minority of candidates understood that \$54 000 was 1/5 of sales and that \$54 000 had to be multiplied by 5 to calculate full value of sales.
- (ii) Candidates were allowed to use their wrong answer in (i) to proceed correctly.
- (b) Both parts were usually answered correctly.

Section B**Question 8**

This was the most frequently chosen **Section B** question.

- (a) This part was very frequently correctly answered.
- (b) Candidates who understood the topic usually scored full marks but many who attempted the question were unfamiliar with the principles being tested.

Question 9

- (a) This part was very well answered.
- (b) This part of the question proved difficult for most candidates who attempted it.

Question 10

This question was another popular choice and provided most candidates with good marks.

- (a) Cost of goods sold was calculated correctly, as was gross profit but gross profit percent usually had the fraction *gross profit* upside down.
- (b)(c) These were both well answered.

Question 11

This was the least popular choice of question and the least well answered question.

- (a)(i) The solution of $100/60 \times £240 = £240$ was wrongly answered by most candidates.
- (ii) Candidates could usually proceed correctly in this part with a wrong answer from (i).
- (b)(i) Median and mode seemed to be quite well known topics.
- (ii)(iii) These parts were very rarely attempted correctly.

Paper 7101/03
Typewriting

General comments

This new examination appears to have been well received by Centres particularly those who previously entered candidates for Papers 3 or 4 of which this new syllabus is somewhat of an amalgamation.

Candidates using manual typewriters are at a distinct disadvantage, particularly if the machines are not in perfect working order.

The main weakness is the lack of speed in typing. Many candidates gained very few marks in **Question 1** since they were not able to complete the passage in the 10 minutes allowed.

Many candidates are unfamiliar with the generally accepted rules for layout of business documents.

Comments on specific questions

Question 1

Candidates are reminded to read the instructions carefully. Very few used double line spacing as instructed. Some candidates using manual typewriters used 1.5 line spacing.

This is a timed test over ten minutes. Few were able to complete the passage and so lost the majority of marks.

Although the task is collected by the invigilator after the prescribed time, it should be returned to candidates at the end of the examination and included in the folder of work for marking. All tasks should be secured within the folder.

Question 2

This was attempted by virtually all candidates with some excellent results.

Candidates were, in general, conversant with proof correction signs and abbreviations used in manuscripts.

Where a heading is required, there should be a clear line space after the heading. Punctuation at the end of a heading should not be underscored.

More attention needs to be given to display, particularly tabulation. There were many incidents where columns of figures were not aligned. In general, alignment can be left, right or centred but must be consistent. The reproduction of columnar headings should also be consistent particularly in relation to the use of initial capitals.

Few candidates emphasised the last two lines appropriately. Acceptable emphasis included underscoring, capitals, boldening, and change of font size or style.

Question 3

There were a few mailable copies but, in general, candidates' lack of knowledge of letter layout and grammar led to a loss of valuable marks.

Candidates are advised to keep to the points required for inclusion. Verbose composition merely leads to extra grammar, punctuation and spelling errors.

Dates on letter must be given in full. Abbreviated format is not acceptable.

Attention needs to be given to the salutation and complimentary close. As this letter was addressed to a firm the correct salutation was 'Dear Sirs' and the agreeing complimentary close should have been 'Yours faithfully'. Surprisingly, many candidates declined to include any complimentary close.

Question 4

- (a) Once again, the main weakness was lack of knowledge of the layout of the Memorandum. This document should begin with the title 'Memorandum' typed in capital letters.
- (b) Although the layout of the agenda was given in the draft, some candidates ignored this and adopted an entirely different layout. Some even tried to include the information in the form of a letter.

The four headings should have been centred with a clear line space between each.

There was no need to include figures (Item 1, 2, etc.) or to put a full stop after each agenda item but where candidates had included either of these consistently, they were not penalised.

Question 5

A few of the typists attempted both (a) and (b) parts. The rubric clearly indicated that typists should do (a) and word processor operators (b).

- (a) Generally well done with some high scores. There was a good use of the interliner. Candidates are advised to pay attention to vertical alignment of information.

In the section marked 'Age' candidates were expected to include the word 'years'. In the section marked 'Department' there was no need to include the word department.

- (b) Some excellent tables were produced. Left alignment is required within columns unless figures are included.

A number of candidates did not correctly follow the transposition instruction which referred only to the names.