

COMMERCE

<p>Paper 7100/11 Multiple Choice</p>
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<i>Question Number</i>	<i>Key</i>	<i>Question Number</i>	<i>Key</i>
1	A	21	B
2	B	22	C
3	C	23	B
4	D	24	C
5	A	25	B
6	D	26	A
7	C	27	D
8	C	28	C
9	D	29	B
10	A	30	A
11	D	31	C
12	D	32	B
13	C	33	D
14	B	34	D
15	B	35	C
16	A	36	D
17	A	37	A
18	D	38	A
19	D	39	B
20	C	40	C

General comments

Questions 6, 7, 17, 19, 20, 23, 32 and 39 were answered correctly by over 75% of candidates.

Less than 40% of candidates gave the correct answer to Questions 9, 14, 15, 16, 22, 26, 33, 37 and 40.

Comments on specific questions

Not all candidates recognised that the function of a finance company is to provide hire purchase. All options attracted a number of responses with more candidates choosing Options **B** and **C** than the correct answer, Option **D**.

The calculation of the cash and trade discounts in **Question 14** caused difficulty for the majority of candidates with Option **A** (the deduction of 20% from the debt and also 7.5% from the original debt) proving to be a positive distractor. Option **C** was the correct answer but only 27% of candidates showed that they understood that cash discount is deducted from the amount owed after trade discount has been deducted.

In **Question 15** Option **A** proved to be a positive distractor. Candidates thought that increasing exports would correct a **surplus** on the Balance of Payments. Increasing exports would add to the surplus not reduce it. Candidates may have misread Option **A** expecting to see the word 'deficit' instead of surplus. Option **B** was the correct answer, but only 26% of candidates selected this option.

36% of candidates chose Option **A**, the correct answer, in **Question 16**. Almost the same % of candidates chose Option **B** which meant they mistakenly deducted invisible imports from invisible exports.

In **Question 22** all options attracted a similar number of responses suggesting that candidates need more knowledge of services. Option **C** was the correct answer.

The function of a bonded warehouse in **Question 26** was often confused with the purpose of a public warehouse. Bonded warehouses are used to store goods for re-export without the payment of duty. Public warehouses are used for the storage of confiscated and smuggled goods. Option **A** was therefore the correct answer.

In **Question 33** public corporations in the public sector were confused with public limited companies in the private sector. Many candidates chose Option **C** – shareholders. Only 17% achieved the correct answer – Option **D** – taxpayers.

The calculation in **Question 37** proved to be challenging for many candidates. All options attracted responses. Option **A** was the correct answer – $40\% \text{ of } \$80 = \$32 \text{ divided by mark-up of } \$4 = 8$.

Option **B** proved to be a positive distractor in **Question 40**. The important word in the question was 'must'. RR Supplier could change its advertising slogan but it has to refund the difference in price, so Option **C** was the correct answer.

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Paper 7100/12 Multiple Choice
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<i>Question Number</i>	<i>Key</i>	<i>Question Number</i>	<i>Key</i>
1	D	21	B
2	B	22	A
3	A	23	D
4	C	24	B
5	D	25	A
6	B	26	B
7	C	27	C
8	A	28	B
9	D	29	B
10	A	30	C
11	A	31	B
12	D	32	C
13	C	33	B
14	C	34	D
15	B	35	A
16	D	36	C
17	A	37	A
18	C	38	D
19	A	39	D
20	D	40	C

General comments

Questions 6, 7, 17, 19, 20, 23, 32 and 39 were answered correctly by over 75% of candidates.

Less than 40% of candidates gave the correct answer to Questions 8, 9, 12, 14, 29, 30 and 38.

Comments on specific questions

In **Question 8** about types of credit, slightly more candidates chose Option **B** – hire purchase than Option **A** – deferred payments, which was the correct answer. The other options also attracted a number of responses suggesting not all candidates have knowledge of different types of credit.

In **Question 9** not all candidates recognised that the function of a finance company is to provide hire purchase. All options attracted a number of responses with more candidates choosing Option **B** rather than the correct answer, Option **D**.

The purpose of an invoice in **Question 12** caused some confusion. 38% of candidates chose Option **D**, the correct answer – to show the amount due – but Options **A** and **B** also attracted many responses.

The calculation about mark-up in **Question 14** caused difficulty for the majority of candidates with Option **B** (a deduction of 20% (\$90) of the selling price) proving to be a positive distractor. Option **C** was the correct answer but only 20% of candidates showed that they understood that mark-up is added to the purchase price.

In **Question 29** the majority of candidates were not aware of a fidelity guarantee insurance policy. The correct answer, Option **B**, was identified by only 26% of candidates. The other three options also attracted similar percentages of response.

In **Question 30** Option **B** proved to be a positive distractor. Banks often give advice on foreign trade and handle payments for importing and exporting. Option **C** was the correct answer.

Question 38 on PEST analysis confused many candidates. All options attracted many responses with the correct answer – Option **D** - achieving the lowest number of responses. Of the factors given, only wage levels is an economic factor likely to affect the location of a factory. Consumer tastes is a social factor. Labour laws are among the legal factors. Taxation is a political factor.

COMMERCE

Paper 7100/21
Paper 2

Key messages

Below are some general suggestions to help candidates do well in this examination.

- For O Level Commerce, it is the quality of the response that determines the level an answer achieves for 6-mark and 8-mark questions, not the quantity of correct statements written. Quality is determined by the response's progression through the hierarchy of the Assessment Objectives.
- Answers to 6-mark and 8-mark questions should always be developed with examples and/or application to the topic in the question. Unqualified single words, such as 'easier', 'quicker' or 'cheaper' do not score marks – these have to be explained to get the marks
- Time spent answering a question should be directly related to the number of marks available.
- Candidates should be reminded to make sure they give the number of responses required by the question. For example, in **Question 4(c)** candidates were asked to 'State **two** features of a good website.' Some candidates gave one to three features and some simply repeated the first feature already given using different wording. It should be emphasised to candidates that including less than the question asks for will reduce the maximum marks that a candidate can score; likewise, including more does not gain more marks and wastes valuable examination time
- Read and re-read questions before answering. Weak responses often show that not enough time was taken to fully register not only the general focus of the question, but also the level of detail required.
- Look for the important words in each question, e.g. command words such as Explain or Describe and key words such as *suitable*, *best* or *most*.
- Show workings for any calculation questions.
- Learn succinct and accurate definitions of key terms.

General comments

The paper was accessible to most candidates who coped well with the demands of the five questions. It discriminated well and there was no evidence of time pressure. The examination showed the importance of a consistent performance across the questions. The paper provided a broad coverage of the syllabus and therefore reinforces that a clear understanding of the entire syllabus is essential for success.

All candidates had difficulty in answering **Questions 3(c)** and **3(e)**, where the majority of candidates found it difficult to gain good marks on the topics of finance and location.

The command words used in the examination paper indicate the Assessment Objective (AO) targeted:

AO1 (Knowledge and understanding) tests candidates on their ability to demonstrate their knowledge and understanding of commercial terms, ideas or principles mentioned in the question. For example, **Question 2(a)** asked candidates to 'State two features of a street market.' Command words such as 'State', 'Name', 'Define', 'Give' and 'List' confirm the question is at this level and requires a straightforward response. Often a list or brief, but accurate, definition is acceptable for this type of question.

AO2 (Application) tests candidates' ability to relate their answer to the context of the question. In this examination, the context to **Question 1** was about the amount of carbon emissions produced by various methods of transport in a country. For example, **Question 1(a)(iii)** asked candidates to 'Calculate the percentage of carbon emissions for road freight transport shown in Fig. 1.1.' Command words such as 'How', 'Draw', 'Why', 'Give an example' and 'Calculate' confirm the question is at this level and requires a candidate to explicitly use the context provided.

AO3 (Analysis) requires candidates to select, interpret or otherwise analyse some point presented in the question. For example, **Question 4(d)** asked candidates to 'Explain **two** difficulties that Kito might face when exporting his greeting cards.' Command words such as 'Identify', 'Compare', 'Explain' and 'Analyse' confirm that the question is at this level.

AO4 (Evaluation) tests candidates' ability to formulate judgements. For example, **Question 2(b)** asked candidates 'Do you think street markets are a good place to buy goods.' Command words such as 'Explain why', 'Do you think', 'Discuss', 'Assess' and 'Evaluate' confirm the question is at this level. Candidates are expected to make a decision, supported by *analytical* and *applied* reasons.

Comments on specific questions

Question 1

- (a) (i) The majority of candidates knew that rail or pipeline transport was the correct answer.
- (ii) One out of two marks was a frequent score to this question. Marks were lost by answers that gave general answers such as boat or ship.
- (iii) There were a high proportion of correct answers calculated for maximum marks. Weaker answers simply calculated the total of carbon emissions without deducting the answer from 100.
- (b) This question was well answered by those candidates who linked the two terms in the question. Unfortunately, many candidates did not link the points that with less road vehicles there will be less pollution and so did not achieve the second mark available.
- (c) Many candidates were able to circle the correct conclusion to each sentence: one circle for each sentence.
- (d) The strongest answers were from those candidates who recognised that private motor transport is a human want. Some candidates justified their reasoning on the basis that people can survive without motor cars as they can travel by public transport or walk to destinations. Weaker answers tended to list ideas without any justified reasoning. A good example is below:
- It is a want. People use cars or motorbikes because it makes their life easier. It is more of a luxury, not essential like shelter, because people can just walk or use public transport like a bus or train.*
- (e) The best answers described the chain of distribution and analysed various advantages of air transport, concluding with a statement of how important it is (or not) in the chain of distribution. Weaker answers simply described advantages of air transport but did not analyse them, so were unable to access higher marks.

Question 2

- (a) The features of street markets were well known by the majority of candidates. Vague answers such as being located on roadsides were not credited.
- (b) Questions beginning with the command words 'Do you think' or 'Is it a good idea' mean that reasons can be justified on either, or both, sides. The best answers explained either the benefits to a customer of shopping in a street market such as the ability to obtain a cheaper deal through bargaining with the stall owner, or the drawbacks to a customer of sometimes receiving poor quality goods that are difficult to return. Weaker answers lacked knowledge of street markets or did not justify their reasoning.
- (c) Many candidates recognised that street market traders need to continuously buy stock and do not have electronic equipment to swipe payment cards. Marks were lost by candidates who did not develop their reasoning with further points of explanation.
- (d) This question proved challenging for many candidates. The question required a recommendation as to whether Busi should buy a computer game with a credit card or by cash. Many answers could only describe the features of credit cards and/or using cash and did not analyse why they should be used. Either option could have been rewarded if the reasoning was justified. The better

answers were applied to the context, so recognised that cash would probably be sufficient to buy a cheap computer game. A good example is below:

Busi could use a credit card to buy the computer game if she doesn't have the money to pay for it now and using a credit card can be more secure than carrying cash which could be lost or stolen. But paying by cash means that Busi will not owe money to anyone and can use the game without worrying about having to pay the money back. It would be best to use cash because the game is cheap so Busi will probably be able to afford it and avoid any debt.

Question 3

- (a) Many candidates correctly stated that shareholders receive the profits of a public limited company. Some candidates mistakenly gave directors as their answer. Candidates should note that a shareholder owns a company through the purchase or acquisition of shares; a director is appointed by those shareholders to manage the operational activities of a company.
- (b) The term *gross profit* was generally well understood with many candidates gaining both of the marks available. A common error was to confuse the term with net profit. Such answers gained no marks.
- (c) A simple calculation was required but many students failed to use the correct formula of gross profit divided by sales revenue multiplied by 100.
- (d) Good answers identified and explained two clearly different sales promotions that ZZ plc could use to improve its sales revenue. Weaker answers often only identified sales promotion methods without adequate supporting explanation, or confused sales promotion with advertising. A good answer is below:
1. *Discounts – ZZ plc could offer 10% off rooms at weekends when there are less business people requiring accommodation. This means more rooms will be occupied at what is usually an off-peak period.*
 2. *Gifts – ZZ plc could offer a free bathrobe or skin care products to guests. This would improve sales if people like the gift and buy more / visit a ZZ hotel.*
- (e) This question proved challenging for all candidates. The question was looking for location factors that would be important for the success of ZZ plc, such as being near transport links and skilled labour. The best answers analysed at least two factors and made supported judgements on which was a more important factor. Weaker answers simply described one or two location factors, often without application to hotels.

Question 4

- (a) The term *global market* required a definition of both words; global meaning worldwide and market referring to the buying and selling of goods or services.
- (b) The strongest answers thought emails were the best communication method and applied their answers to Kito's enquiry. They mentioned that documents could be attached but also that the email might not be replied to for a few days, leading to delays. Weaker answers gained one or two marks for describing emails without evaluating whether they were useful in this situation.
- (c) This is a good example of not reading the question carefully before writing a response. Many candidates explained advantages of using websites, rather than features of a good website.
- (d) This question required answers on two difficulties that Kito might face by exporting greeting cards. Most candidates could identify relevant difficulties, such as the imposition of tariffs and fluctuating exchange rates. Good answers developed these difficulties by explaining how it affected Kito's costs. Weaker answers tended to write a list of difficulties without related explanation. A good answer is below:
1. *A country might charge customs duties, which are a tax on imported goods. Kito may not be able to pay this extra cost due to lack of funds.*

2. Kito may face communication difficulties caused by different languages used by buyers in other countries. He may have to employ a translator to understand what is being said, so his costs will increase.

- (e) Stronger answers explained the functions of warehousing with application to the fact that some greeting cards are seasonal, so require storage all year round. Many of these higher level answers evaluated that much depends upon the amount of stock that Kito will need to hold and that greeting cards are relatively small so could be stored in small containers which would be cheaper than a large warehouse. Weaker answers described one or two warehousing functions without analysis or subsequent evaluation.

Question 5

- (a) There was a very high proportion of correctly calculated answers for maximum marks. Incorrect answers simply added the two figures instead of taking them away.
- (b) There were a variety of inadequate answers to this question. Candidates should have focussed on the fact that lenders might be concerned that small businesses may not be successful so they will not be repaid or that a small business might not have any collateral.
- (c) A lot of candidates thought, incorrectly, that the third statement was false.
- (d) It was clear that candidates had some knowledge and understanding of these two different sources of finance that Jemila could use to buy a piece of land. Some candidates suggested a loan would be best and explained that a loan would need to be repaid with a fixed rate of interest. Other candidates explained the merits of using an overdraft as the most suitable source of finance to use, although it could be expensive in the short term. The strongest answers explained and analysed advantages and disadvantages of both sources of finance with a supported recommendation based on the context and arguments presented. Weaker answers described the sources of finance without analysing or evaluating them. A good example is below:

A bank loan is usually for 5–10 years and that would give Jemila plenty of time to pay back and spread the interest cost with fixed repayments. But she might need collateral to get a loan and she'll have to prove to the lender that she's capable of making the repayments.

A bank overdraft is for the short-term. It's quicker to get than a loan, with less paperwork, and it means that Jemila could spend more money than the business has in its current account but the interest rate could be more expensive than for a bank loan.

It's difficult to say which is best because we don't know how much the land costs but I recommend a bank loan because loans are normally used for buying assets such as equipment or land while overdrafts are for things like buying stock. With both options Jemila would be able to use the land straight away to attract customers with cars and hope to sell more and repay either but she already has \$3000 working capital so she should use that for the day to day running of the business, instead of a more expensive overdraft, and use the loan for the asset.

COMMERCE

Paper 7100/22
Written

Key messages

Below are some general suggestions to help candidates do well in this examination.

- For O Level Commerce, it is the quality of the response that determines the level an answer achieves for 6-mark and 8-mark questions, not the quantity of correct statements written. Quality is determined by the response's progression through the hierarchy of the Assessment Objectives.
- Answers to 6-mark and 8-mark questions should always be developed with examples and/or application to the topic in the question. Unqualified single words, such as 'easier', 'quicker' or 'cheaper' do not score marks – these have to be explained to get the marks
- Time spent answering a question should be directly related to the number of marks available.
- Candidates should be reminded to make sure they give the number of responses required by the question. Some candidates give one to three features when asked for two and some simply repeated the first feature already given using different wording. It should be emphasised to candidates that including less than the question asks for will reduce the maximum marks that a candidate can score; likewise, including more does not gain more marks and wastes valuable examination time
- Read and re-read questions before answering. Weak responses often show that not enough time was taken to fully register not only the general focus of the question, but also the level of detail required.
- Look for the important words in each question, e.g. command words such as Explain or Describe and key words such as *suitable*, *best* or *most*.
- Show workings for any calculation questions.
- Learn succinct and accurate definitions of key terms.

General comments

The paper appeared to be accessible to most students who coped well with the demands of the five questions. It discriminated well and there was no evidence of time pressure. The examination showed the importance of a consistent performance across the questions. The paper provides a broad coverage of the specification and therefore a clear understanding of the entire specification is essential for success.

All candidates had difficulty in answering **Questions 3(d)** and **4(c)**, where the majority of candidates found it difficult to gain good marks on the topics of insurance and export agents.

The command words used in the examination paper indicates the Assessment Objective (AO) targeted:

AO1 (Knowledge and understanding) tests candidates on their ability to demonstrate their knowledge and understanding of commercial terms, ideas or principles mentioned in the question. For example, **Question 1(e)** asked candidates to 'Describe one method of electronic communication used in international trade.' Command words such as 'State', 'Name', 'Describe', 'Give' and 'List' confirm the question is at this level and requires a straightforward response. Often a list or brief, but accurate, definition is acceptable for this type of question.

AO2 (Application) tests candidates' ability to relate their answer to the context. In this examination, the context to Question 1 was about a trading bloc's exports and imports of mining production. For example, **Question 1(b)** asked candidates to 'calculate the percentage of mining goods imported from the Rest of the World.' Command words such as 'How', 'Draw', 'Why', 'Give an example' and 'Calculate' confirm the question is at this level and requires a candidate to explicitly use the context provided.

AO3 (Analysis) requires candidates to select, interpret or otherwise analyse some point presented in the question. For example, **Question 2(c)** asked candidates to 'Explain two factors Zeena might need to

consider when choosing a location for her second salon.' Command words such as 'Identify', 'Compare', 'Explain' and 'Analyse' confirm that the question is at this level.

AO4 (Evaluation) tests candidates' ability to formulate some judgements. For example, **Question 3(c)** asked candidates to 'Do you think that an overdraft limit of \$50 is helpful for Sam.' Command words such as 'Explain why', 'Do you think', 'Discuss', 'Assess' and 'Evaluate' confirm the question is at this level. Candidates are expected to make a decision, supported by *analytical* and *applied* reasons.

Comments on specific questions

Question 1

- (a) (i) The majority of candidates knew that mining is classified as a primary industry.
- (ii) The correct answer of South-east Asia was a frequent choice by the majority of candidates.
- (b) There was a high proportion of correctly calculated answers. Weaker answers simply calculated the total of imports without deducting their answer from 100.
- (c) Good answers identified and explained two clearly different advantages to a country of joining a trading bloc. Weaker answers often only identified advantages without supporting explanation or gave general answers on advantages to a business such as increasing profits.
- (d) Many candidates were able to circle the correct conclusion to each sentence: one circle for each sentence.
- (e) There was generally sound knowledge on international electronic communication methods. However, those candidates who correctly identified an international communication method, such as teleconferencing, often had difficulty in accurately describing the method or supplied descriptions that were too vague. Please note that 'international' was part of the question so would not be rewarded in a response.
- (f) The strongest answers recognised that coal would be too heavy and too expensive to send by air transport and then analysed the benefits of moving coal by ship. Weaker answers gained one or two marks for describing sea transport without applying their analysis to the context of the question. An example of a good answer is below:

Transporting coal by ship is the best way because it's cheaper than air to carry a heavy and bulky load. Ships are slower than air, but coal is not usually urgent, so even though ships are the most affected by bad weather/delays it should be OK. Also, there will be the cost of other transport like rail and road, on top of the sea transport, to get the coal to customers. Ships are not always the best, for example they can't be used in landlocked countries. Rail and road could both transport coal in landlocked countries, as they are not restricted to sea routes, and they could also be used to take the coal from a ship to a customer. So ships are the best for long distance transport for countries with access to seaports.

Question 2

- (a) Very well answered by most candidates who gave two valid sole trader advantages such as keeping all the profits and making quick decisions. Weaker answers concerned themselves with features of a sole trader or making incorrect points such as that sole traders do not employ workers.

- (b) Centres should note that a question beginning with the command words ‘Should’ or ‘Is it a good idea’ means that the reasoning can be justified on either or both sides. The best answers explained the cost benefits to a small business, such as Zeena, of distributing leaflets to her target group of customers with information of prices and use of colour to attract people to come to her hairdressing and beauty salon. Negative points mentioned that leaflets are often not read, thrown away adding to pollution on the streets. Weaker answers lacked knowledge of leaflets or did not justify their reasoning. A good answer is below:

As Zeena is a small-scale trader her target market is going to be local customers, not on a national scale, so it is no use advertising on a national scale, such as television, and wasting money. It will be more effective to give out leaflets to local people who live nearby. She can make the leaflets look good with images of hairstyles and include details of special promotions, such as special offers to pensioners on Wednesdays. The leaflets can be referred to and kept in the house so consumers are reminded of Zeena’s salon when they need hair or beauty treatment.

- (c) Candidates supplied many realistic actions that the injured customer could take against the negligence of Cindy such as complaining to Zeena or writing negative social media reviews about the salon. Marks were now awarded for unrealistic actions such as going to the police or asking for a discount.
- (d) Many candidates could identify two relevant location factors for Zeena’s second salon such as the need to be close to customers and transport links, but often found difficulty in explaining clearly these factors.
- (e) It was clear that many candidates had sound knowledge and understanding of the two different sources of funding that Zeena could use to finance equipment for the new salon. Stronger answers analysed the benefits or drawbacks of financing in this way. For example, some candidates commented that by using hire purchase Zeena could spread payments on a monthly basis which would help with her cash flow as well as being able to use the equipment while paying for it. Weaker answers described one or two points concerning the sources of finance without analysing or evaluating them.

Question 3

- (a) It was disappointing to note that a large proportion of candidates did not know that the letters ‘SO’ on an internet banking statement stands for standing order.
- (b) Candidates achieved greater success in explaining the internet banking statement entry on 3 October.
- (c) This question proved to be a testing one for candidates. The best answers applied their answers to the scenario. The \$50 overdraft had allowed Sam to pay for the car, as he had overdrawn on his bank account, but the fact that he had other large monthly outgoings such as \$400 for rent meant that the \$50 might be insufficient to cover his expenses before the next salary payment. Some strong answers thought that a higher overdraft limit was needed or even a loan could be beneficial to Sam. and gave suitable reasoning in their answers. A good answer is below:
- ‘\$50 overdraft has been useful to Sam as it enabled Sam to buy the car. However, there is now \$30 left for him to spend. He will have to buy fuel, food, pay rent and will have other day-to-day bills/expenses. So the remaining \$30 will not be enough to do this as it is a very small amount. He need to ask for a higher overdraft limit if he not going to be plunged into debt. The \$50 overdraft had only been helpful for a short period of time.’
- (d) Candidates were expected to describe and discuss the importance to Sam of obtaining adequate motor car insurance cover. Many candidates found difficulty in accessing the higher analysis and evaluation marks as there was a lack of knowledge and understanding demonstrated by candidates of what adequate insurance meant.

Question 4

- (a) Candidates were asked to state two services of a wholesaler to Nissa, a cheese producer. So, for example, storing cheese and risk bearing would be valid wholesaling services. Marks were lost by candidates who could only provide one valid service or gave wholesaling services that would be provided to a retailer instead of a producer such as trade discount.
- (b) The naming of home commercial documents used by wholesalers scored highly but some candidates lost marks by naming international commercial documents.
- (c) The best answers discussed advantages of Nissa exporting the cheese herself or using an intermediary, and then analysed them with sound application, making a reasoned judgement based on their preceding analysis. Weaker answers offered discussion in a limited way, usually with an unsupported recommendation. A good answer is below:

‘If Nissa uses an intermediary this will be of benefit to her as they experts in selling goods to overseas buyers. They would have many contacts that Nissa as a new exporter would not have as she has just started exporting. This would help her in setting up a deal quickly. Also, Nissa would not have to spend time and money in travelling to Africa and not worry about customs procedures. However, using an intermediary does not come cheaply as they would be paid commission which would reduce Nissa’s profit margin. If Nissa exported the cheese herself it could be said that, as an owner, she would be more motivated in the success of getting the best price and sure that no unethical practices take place.

Overall, as Nissa is new to exporting it might be best to leave this work to an expert and reduce the chances of the risk of failure.”

Question 5

- (a) Very well answered by most candidates who gave two valid features of a convenience store. Weaker answers concerned themselves with features that could be applied to larger retail stores such as a variety of goods or simply explained advantages instead of focusing on features.
- (b) This True and False question on trade documents produced a range of marks from zero to three with the second statement being the least well answered.
- (c) A range of interesting suggestions were made on whether it was a good idea to install a drinks vending machine outside the petrol station. Marks were lost by either making suggestions lacking related explanations or by not applying their answers to the situation.
- (d) The best answers described and analysed the benefits to a petrol store owner of buying stock from an online seller or from a cash and carry warehouse with a judgement made on which option was the best to use. Generally, there was better knowledge and understanding of buying online than from a cash and carry warehouse. Final judgements often revolved around whether the petrol store owner was prepared to risk not being able to view products online against the greater range of choice available online. Weaker answers often simply described online buying and/or cash and carry buying without any analysis. A good answer is below:

‘Buying these supplies online will mean that the petrol station owner will have a wide variety of goods to choose from at reduced prices. More importantly, the goods will be delivered so there is no need for the petrol station owner to spend time and money visiting a cash and carry warehouse. He can use a variety of payment methods whereas he/she would need to pay cash if paying for the goods at a cash and carry warehouse. However, if he/she buys online there is always the risk of the goods being lost or damaged in transit or even dealing with fraudulent sellers. The petrol store owner would not have some of these problems as they could inspect the goods and receive the goods immediately so would not be wasting time especially if stock is running low. He/she would not want customers to go elsewhere through lack of stock.

Overall, I recommend that the petrol store owner, if they can wait for the supplies, should buy online as the goods will normally be cheaper as he/she can access various websites to get the best deal and the fact that he/she will not have to leave the store to buy the goods is a big bonus.”