

# COMMERCIAL STUDIES

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 achieved in 2007. There were certainly less very poor scripts this year. There were, in fact, 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 prepared their candidates well by providing wide coverage of the syllabus content with candidates possessing generally sound knowledge and understanding of commercial vocabulary.

One weakness of candidates relates to ignoring the number of responses required by some questions. For example, to **Question 5(d)** candidates were asked to 'state three factors'. Some candidates gave two factors and some gave more than three factors. 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, and by including more than the prescribed number 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)(i)** was correctly answered by the majority of candidates who defined trade in terms of buying and selling. Less candidates knew the two divisions of home trade to part **(a)(ii)** with some candidates giving the incorrect answer of importing and exporting. Some candidates misinterpreted the question by confusing human wants with human needs to part **(a)(iii)**. Stronger candidates understood that human wants are unlimited and gave an appropriate example such as wanting a television.

There were many good answers to part **(b)** where stronger candidates were able to identify and correctly explain 2 or 3 warehousing functions. Weaker candidates simply stated one or two warehousing functions.

In answering part **(c)**, weaker candidates made the common error of not referring to the context of tea. This lack of contextualisation limited their marks. Again, many answers suffered from a lack of detail in terms of each stage in the processing of tea.

### Question 2

Stronger candidates explained two valid reasons to part **(a)** of why customers buy from street stalls in open-air markets. Weaker candidates tended to state reasons without explaining them.

In answering part **(b)** a minority of candidates misinterpreted the question by suggesting that the stallholders had suddenly moved to operate in the shopping centres. Again, weaker candidates tended to duplicate their answers with the ones they had given to part **(a)**. The stronger candidates realised that the question required advantages from a business unit perspective.

Most candidates could give one or two valid points to part **(c)** such as the need to pay bills but their answers often lacked sufficient development of application for the second mark.

Most candidates could correctly identify four features of a shopping centre to part **(d)**. Weaker candidates tended to describe the features of a supermarket or hypermarket instead.

It was pleasing to see many candidates recognise some of the disadvantages of shopping at a shopping centre such as overcrowding and impulse buying to part **(e)**.

### Question 3

The majority of candidates correctly calculated part **(a)(i) and (ii)**. Sometimes weaker candidates answered part **(a)(iii)** incorrectly in terms of goods or by simply saying 'direct services' as their answer.

Stronger candidates scored maximum marks to part **(b)** by explaining the reasons for international trade, such as the need for foreign currency and the benefits of employment. Weaker candidates lost marks by including fewer reasons or giving vague and generalised answers about how trade made a country improve.

Currency and language difficulties were often given as valid answers to part **(c)**.

Many candidates knew one or two functions of customs authorities to part **(d)(i)** but often penalised themselves in part **(d)(ii)** by repeating themselves instead of appreciating the effect of duties on imported goods.

### Question 4

Many candidates scored maximum marks to part **(a)** by mentioning benefits such as consumers obtaining details of goods, finding out about new goods and being able to compare the prices of advertised goods. Weaker candidates often answered the question from the point of the view of a retailer using advertising to persuade consumers to buy.

Part **(b)** differentiated well between stronger candidates who had learnt fully about advertising goods via the Internet and weaker candidates who either lacked knowledge or focused their answers on selling without any mention of the Internet.

In part **(c)** many candidates were able to obtain over half of the marks for the three communication methods required. However, some candidates lost marks by interpreting the question from an advertising point of view rather than one of communication.

There were many weak answers to part **(d)** with many candidates answering in terms of money transmission services instead of postal services.

### Question 5

Most candidates achieved three out of four marks to part **(a)(i)**, the most common valid answers being given were fire, theft and accident. There was a mixture of correct and incorrect answers to part **(a)(ii)**.

Although many candidates understood that different insurance companies charged different premiums and offered different types of policy to part **(b)**, they often failed to develop these points.

The explanation of the principle 'insurable interest' was often lacking to part **(c)** answers, with two marks out of four being a typical score.

Most candidates correctly identified three valid factors such as cost, distance and the nature of the goods to part **(d)**.

Although some candidates thought that 'having an accident' was a daily problem in delivering goods to part **(e)**, other problems identified such as congestion and the lack of parking scored reasonable marks.

### Question 6

The majority of candidates scored 3 or 4 marks to part **(a)(i)-(iv)**. A common error was to identify Lisha Okan as the sender of the bank statement rather than as the recipient.

One out of two marks was the best total that most candidates scored to part **(b)**. In fact, few candidates gave personal identification number (PIN) as one of their answers.

There was a general lack of knowledge from the vast majority of candidates about the credit transfer service to part **(c)**. Some candidates made the mistake of misinterpreting credit transfer as credit cards.

There was better knowledge on the bank services to part **(d)**. However, sometimes loans and deposits were mixed up to part **(d)(i)**. In part **(d)(ii)** weaker candidates stated incorrectly that current accounts were used simply for business customers.

### Question 7

The majority of candidates scored 2 or more marks to part **(a)(i)-(iv)**. Common errors included giving Kojo Ltd as the head of the organisation to part **(a)(i)** and giving 12 instead of 13 as the correct answer to part **(a)(iii)**.

Only a minority of candidates could give two correct functions of the production department to part **(b)**. One mark was a common score for this part.

Generally, many candidates scored two out of three marks for part **(c)** with the third mark of explanation often missing.

In answering part **(d)(i)** stronger candidates defined cash discount in terms of prompt payment, and trade discount in terms of bulk buying. Weaker candidates incorrectly stated that cash discount was for cash sales and that trade discount was for credit sales. In part **(d)(ii)** many candidates lost marks by not separating their answers for each of the discounts to both the company and to the customers.

There were many correct calculations to part **(e)** scoring maximum marks. Weaker candidates added 20% to the 5% and then calculated 25% of \$20 000.

# COMMERCIAL STUDIES

Paper 7101/02

Arithmetic

## General comments

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 at all that candidates were short of time as some candidates even attempted all 4 questions in **Section B**.

The general level of performance was slightly lower than last year. However, there were very few candidates scoring under 25%. 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.

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

## Comments on specific questions

### **Section A**

#### **Question 1**

Generally very well answered. The few candidates who made errors in part **(a)** failed to round their answers to the nearest penny and 3833 and 3833.10 were common errors. Some candidates thought that they had to give their answer in pence. In part **(b)** the common error was to do the subtraction first. Part **(c)** was correctly answered by most candidates.

Answers: **(a)** £3833.13 **(b)** 5.1 **(c)** £7.40

#### **Question 2**

In part **(a)** candidates either scored full marks or mostly were unable to go beyond 67.5/100. Part **(b)** was generally very well done but many candidates left their answer as 1166.88 again failing to write their answer

correct to the nearest £. In part **(c)** a very common error was  $\frac{0.46}{5.98} \times 100$ .

Answers: **(a)**  $\frac{27}{40}$  **(b)** 1167 **(c)** 8.33

#### **Question 3**

Part **(a)** was generally very badly done with most candidates misreading the profit statement. There was considerable confusion between cost price and selling price with large numbers of candidates assuming the profit was 45% of the cost price. Part **(b)** was much better done this year with very few candidates using 100 minutes to the hour or assuming that there was only one day between Monday and Friday leading to an answer of 11 hours.

Answers: **(a)** \$40 **(b)** 41 hours

**Question 4**

Parts **(a)** and **(d)** were very well done although some candidates had considerable difficulty with the calculations and either included the figure twice or left it out. Parts **(b)** and **(c)** were badly done as more than half the candidates used the answer to part **(a)** instead of the list price. Quite a large number of candidates used 40% instead of 60%, misunderstanding the nature of the depreciation.

Answers: **(a)** \$83714.40 **(b)** \$57078 **(c)** 47.8% **(d)** \$70000

**Question 5**

Many candidates scored full marks on this question. Those that failed to do so made a number of errors. In part **(a)** it was common to see \$0 instead of \$8000 for Package A. In part **(b)** some failed to join their points in a graph whilst others drew bar charts. Part **(c)** was almost always correct when the first two parts were correct but some candidates had not seen the connection between the question and the graph and resorted to trial and error. In part **(d)** it was very rare to see the candidates extending their graph and only the most able were successful at working it out.

Answers: **(a)** A: \$0, \$4000, \$8000, \$12000 B: \$8000, \$8800, \$9600, \$10400 **(b)** two straight lines  
**(c)** 6 **(d)** \$12000

**Question 6**

This was reasonably well done with most candidates knowing what to do. The most common error was to have 48 weeks in the year with hardly any candidates working with 52 weeks or more accurate versions of this. Part **(b)** was very well done with a mixture of the use of the formula or continuous calculations of annual interest. Once again however candidates failed to round (correctly) as instructed in the question. A few candidates subtracted the interest instead of adding it and a few incorrectly used the Simple Interest formula.

Answers: **(a)** S\$1329.06 **(b)** S\$93726

**Question 7**

Most candidates found the mode correctly but the method for the median was not well understood. Candidates must use  $\frac{1}{2}(n + 1)$  to locate the position of the median or else spend time writing out all the numbers in order. Some of the bar charts were not drawn on graph paper or were not properly labelled. A few candidates had the bars in the wrong place and quite a few had a vertical scale of size instead of frequency. Parts **(d)** and **(e)** were very well done by all except the least able.

Answers: **(a)** 42 **(b)** 42 **(c)** equal width bar chart **(d)** \$1168.75 **(e)** \$262.97

**Section B****Question 8**

Very few candidates attempted this question. Those that did generally could only do parts **(b)** and **(c)** correctly.

Answers: **(a)** £240 **(b)** £106 **(c)** 432 **(d)(i)** £448 **(ii)** 12%

**Question 9**

This question was a very popular and well answered question. Part **(a)** was usually very well presented and accurately answered. Part **(b)** was less well done by most candidates, some candidates failed to give the trade discount on only Jan 3 and 11, while others gave 12% off £4500 instead of the actual costs. The 3% discount on the final payment also caused some confusion.

Answers: **(a)** Jan 11 **(b)** £18119.60

**Question 10**

This question was quite popular. Part **(a)** was generally well done. In part **(b)** confusion existed over commission and many candidates thought it was a bonus rather than a charge. Part **(c)(i)** was badly done with  $\$4000/5.50$  being a very common error. Part **(d)** was reasonably well done but the same problem as part **(b)** being quite evident,  $150/3850$  and  $3850/4000$  were common errors.

Answers: **(a)** \$14507 **(b)** \$4375.43 **(c)(i)** 700 **(ii)** 3.75%

**Question 11**

This question was quite popular but generally badly done. Parts **(a)**, **(b)** and **(c)** were well answered by the better candidates but the weaker candidates multiplied instead of dividing, by the exchange rate. Part **(d)** was not well answered with most candidates just multiplying 350 by 2.5164 and then stopping, unsure what to do next. Rounding errors also continued to be a problem throughout this question.

Answers: **(a)** £51.58 **(b)** £50.81 **(c)** £51.62 **(d)** NZ\$29.26

# COMMERCIAL STUDIES

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

## General Comments

The Examiner saw 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

A high percentage of candidates produced the accuracy test in the given time and with a good level of accuracy. Consistency in style and layout was observed throughout this task.

## Task 2

Overall, candidates produced a leaflet displaying a high level of presentation and accuracy. All instructions were followed correctly. Candidates showed a good knowledge of abbreviations and printer correction signs and again accuracy levels were very good.

Common errors included:

- Inconsistent spacing between headings
- Omitting to use underlining of three column headings
- Inconsistent use of initial capitals

Acceptable emphasis includes underscoring, capitals, boldening and change of font size or style

## Task 3

As in previous years candidates received good marks for accuracy, tone, punctuation and grammar. All candidates made reference to 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 must be in full – abbreviated date not acceptable
- Incorrect salutations and complimentary close
- Incorrect signature block
- Omission of Enc

## Task 4

- (a) Candidates produced the memorandum using the correct format. In some cases the date was omitted and the only common error was omitting the enclosure. Overall a well produced and accurate task.
- (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 task. 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.