UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS **GCE Ordinary Level**

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for the guidance of teachers

7101 COMMERCIAL STUDIES

7101/01

Paper 1 (Elements of Commerce), maximum raw mark 100

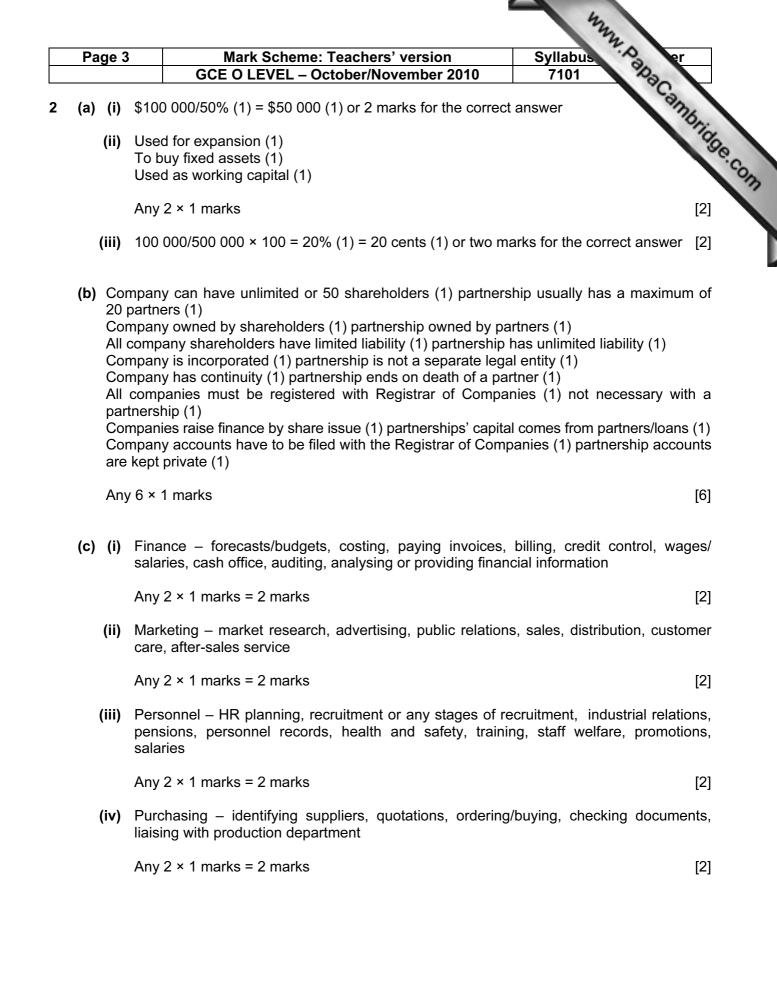
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Mark schemes must be read in conjunction with the question papers and the report on the examination.

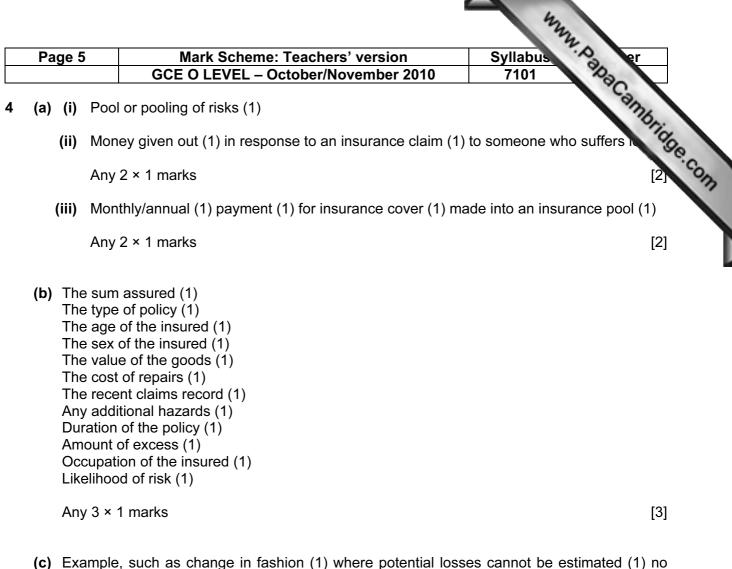
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Page 2					Syllabus Provide Provide Syllabus Provide Prov		
		I		Section		aCam	
(a)	(i)		e (1) and aids to tra ervices for 2 marks	· / -	eral definition su	Syllabus 7101 Uch as the distribution of g	rios
	(ii)	Trans Com Ware Adve Insur	ing to allow payment port to move finish nunications to rece housing to store go rtising to inform the ance to absorb som Maximum of any the o × 1 marks	ned goods (1) to t eive documents (bods (1) until the e retailer (1) abou ne of the risks (1)	he retailer's door 1) such as invoic retailer requires t new products () such as motor i	them (1) 1)	[6]
(b)	Adv Cre Deli Adv Disj Bre Stol Kee Buy	vertisir dit (1) ivery (vice/in olays aking rage c eps pri ving in					
	Any	2 × 1	marks				[2]
(c)	che It w or e The Oth	ques, ould b expans ere wo er ser	standing order, bar e difficult to obtain ion (1). uld be no saving fa	nk giro, direct del 1 finance (1) with 1 cilities (1) to keep	bit (allow 2 marks but loans or over b surplus funds (ould be more difficult (1), e s for any two). rdrafts (1) for buying machin 1) so as to earn interest (1).) would not be possible (1).	Ũ
(d)	part loya Per Sav exa can Allo	ticular alty (1) suade res tim mples buy t ws co	y new goods (1) a d to buy goods (1) e for buyer in searc for 2 marks) and t ne goods from (1)	and reminds buy by subtle technic ching the market then knows the s ent advertised goo	vers (1) of existi jues (1) increase (1) can see good upplier (1) and t	w what goods are available ing goods (1) promoting bra es sales/profit (1) ds advertised on media (allow the place/location of where th uyer to make 'best buy' (1) fr	w 2 ney
	۸nv	6×1	morko				[6]



	ge 4	Mark Scheme: Teachers' version Syllab	ous A er		
		GCE O LEVEL – October/November 2010 710 [°]	1200		
(a)	Page 4 Mark Scheme: Teachers' version Syllabus GCE 0 LEVEL – October/November 2010 7101 (i) Usually faster over short distances (1) less than 200 km (1) Can go directly to the door of customer (1) no need for transhipment (1) It can be flexible (1) does not follow a timetable (1) There is less theft (1) as under the supervision of the driver (1) There is less damage (1) as less handling involved (1) Rail transport may not be available (1) in some countries/areas or example (1) It can take a variety of loads (1) such as abnormal loads (1) in different types of vehicles (1) The building of motorways/highways (1) has speeded up road haulage (1) Advertising on vans (1) can be seen by passers-by (1) Any 6 × 1 marks				
			[6]		
	(11)	For bulky goods (1) requiring larger carriage space (1) that might (1) by too many road vehicles (1) making it very expensive (1) Over long distances (1) such as Brunei to England (1) especially separated by water (1) When goods not urgently required (1) example (1) it would be transport (1) For heavy goods (1) example (1)	when countries are		
		Any 4 × 1 marks	[4]		
(b)	(i)	Consignment note/Delivery note (1) indicates the description of go contract of carriage (1) but not negotiable (1) it is not a document of of goods (1)			
		1 × 1 mark (name) × 2 marks for description	[3]		
	(ii)	 Bill of lading (1) three copies (1) evidence of contract of carriage (note (1) is a receipt of goods shipped (1) is a document of title (1) Allow other suitable documents such: Shipping note (1) description (1) Dock receipt/wharfinger's receipt (1) description (1) Mate's receipt (1) description (1) Certificate of origin (1) description (1) Export invoice (1) description (1) Packing list/Weight note (1) description (1) 1 × 1 mark (name) × 2 marks for description 	1) acts as an advice		
			L		
(c)	Exp Bus Airr	ter post (1) used for first class/second class mail (1) press delivery service (1) for urgent/speedy mail (1) siness reply service (1) postage is paid by the licensee (1) mail (1) posting mail abroad (1) rcel Post (1) for bulkier items of mail (1)			



(c) Example, such as change in fashion (1) where potential losses cannot be estimated (1) no statistics/past records (1) cannot calculate premiums to charge (1) some risks may be too high (1) may need a specialist insurer (1) losses would be very likely (1) removal of all risk would remove incentive not to lose (1)

Any 4 × 1 marks

(d) (i) Cannot insure anything that one does not own (1) cannot insure someone else's possible loss (1) because he/she might be tempted to cause the loss (1) to gain profit when not affected by the loss (1) anyone could destroy neighbour's property to gain money (1) the claim will not be paid by the insurer (1)

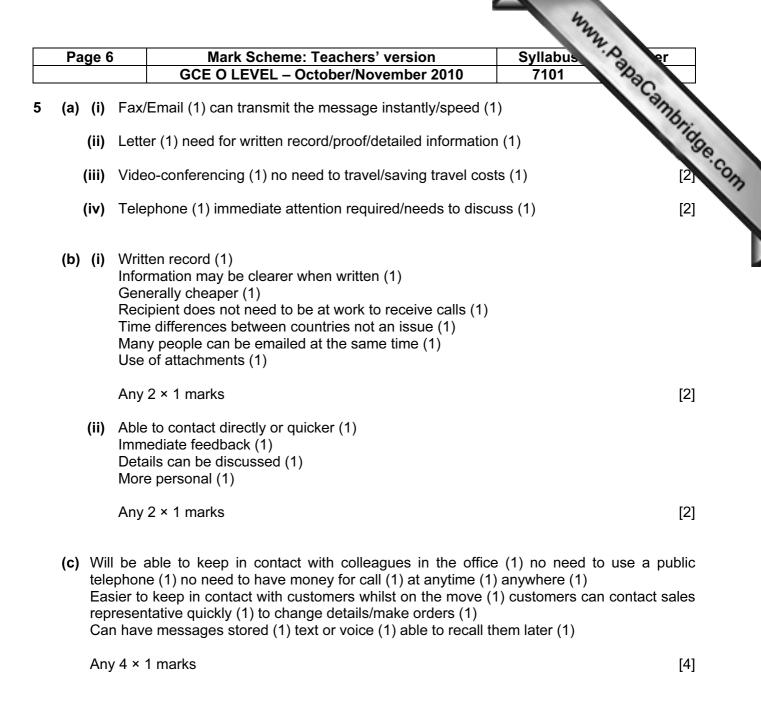
Any 4 × 1 marks

(ii) The insurer could refuse to pay out on the claim (1) as questions should have been answered truthfully (1) on the proposal form (1) because this determined the correct premium to be paid (1) if proposal form completed inaccurately (1) in order to reduce premium (1) insurer may declare contract void (1)

Any 4 × 1 marks

[4]

[4]



(d) Messages sent are instantly delivered or speedy (1) over long distances (1) at anytime (1) They are secure (1) only the person using the email address can access it (1) with the use of password (1) No need to look up person's details (1) can respond quickly (1) because the email address is attached to the message (1) Attachments can be sent (1) files or pictures (1) Easy to copy or store (1) or edit/update (1) or print (1) or forward an email (1) Easy to delete unwanted emails (1) such as spam (1) Cheaper than postage (1) Reduces the need for paper (1) No need to meet the person (1) or to take time by speaking on the phone (1)

Any 4 × 1 marks

Page 7			Syllabus er			
		GCE O LEVEL – October/November 2010	7101 230			
		Section B	emb.			
(a)	(i)	Car (1) Van (1) Bus (1) Taxi (1) Rickshaw (1) Coach (1) E	Syllabus 7101 Bicycle (1) Motor-bike (1)			
		Any 2 × 1 marks	[2]			
	(ii)	Food court (1) water fountain (1) entertainment area (1) seating area (1) children's corner (1) lifts (1)	information desk (1) toilets (1)			
		Any 2 × 1 marks	[2]			
	(iii)	Need for use of car (1) cost of travel (1) long distance in leading to delays (1) May not have as many goods as in town centre shops (1 into town (1) extra time involved (1) may become lost (1) Gangs can congregate (1) noisy environment (1) Theft might occur (1) through pickpockets (1)				
		Any 2 × 1 marks	[2]			
(b)	(i)	Small shop (1) usually one owner/sole trader (1) dealing in one main product (1) such as cheese (1) with an extensive range of the product available (1)				
		Any 3 × 1 marks	[3]			
	(ii)	Many departments (1) on different floors (1) under one ro Personal service provided (1) Each department under control of a buyer/manager (1) Many facilities (1) example, such as restrooms (1) Wide range of goods (1) Large goods can be delivered (1) Online shop (1) Allows for one-stop shopping (1)	of (1)			
		Any 3 × 1 marks	[3]			
	can Larg sho Cus buy the Incr	tes relatively low (1) as supermarkets can bulk buy (1) the be passed on to customers (1) ge variety of goods (1) and use of promotions (1) where p (1) stomers can shop at own speed (1) due to self-service (1) ing by sales assistants (1) can choose for themselves (1 best prices (1) and take their time (1) reased number of supermarkets (1) located in the neighnes (1) no need to go into town centre (1) making it more of	consumers can do their weekly they do not get pressurised into 1) pick the best brands (1) pick ghbourhood/near to customer's			

Any 4 × 1 marks

(d) Saves on staff costs (1) customers do not have to go into a bank (1) as they can obtain cash from ATM (1)

Saves on premises/equipment (1) leading to branch closures (1)

Can handle many shopping centre customers (1) in a shorter time (1) might lead to more customers using their bank (1) keeps customers satisfied when the bank is closed (1) due to the convenience of ATM (1) and the shopping centre has long opening hours (1)

Page 8		Mark Scheme: Teachers' version	Syllabus er
		GCE O LEVEL – October/November 2010	7101 23
(a)	(i)	\$12 + \$6.25 + \$4.6 + \$24.30 + \$41.7 + \$2.75 (1) = \$9 ⁻ correct answer.	Syllabus 7101 1.6 m (1) or two man
	(ii)	\$27.75m (2)	
(b)	Reli Has	y suitable conclusion analysed from the data of Fig. 4 such iant on manufacturing industry (1) as 65% of manufactured s to import more raw materials than it has (1) to maintain ma untry heavily reliant on imported services (1) three times mo	l goods (1) anufacturing industry (1)
		/ 4 × 1 marks te: There are no marks for straight copying of figures prese	ented)
(c)	(i)	Provides foreign currency (1) as income/revenue (1) to particulate the debts (1) To sell surplus production (1) wider market for goods (1) Creates employment (1) increasing standard of living (1) Friendship/political reasons (1) example (1) Mass production possible (1) leading to economies of scal Comparative advantage (1) producing goods that the producing (1) benefit of specialising in such production (1)	le (1) e country is most efficient at
		Any 3 × 1 marks	[3]
	(ii)	Some raw materials do not occur naturally (1) need to imp Cheaper for other countries to produce (1) example, such (1) Better quality from other countries (1) example (1) Wider variety of goods for countries' consumers (1) result living (1)	n as Japanese electronic goods
		Any 3 × 1 marks	[3]
(d)	(i)	Customs duties imposed on imported goods (1) exci consumed goods (1) Custom duties imposed to assist home producers to com to restrict consumption (1)	-

Any 4 × 1 marks

(ii) Restricts the amount of goods imported (1) example x tons of coffee (1)May make imported goods more expensive (1) as they become limited in supply (1)

2 × 1 marks

[2]