COMMERCIAL STUDIES

> **Paper 7101/11**
> **Elements of Commerce**

Key Messages

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

- Revise all sections of the syllabus.
- Note the number of marks awarded on each question.
- Use time effectively. Time spent on answering questions should be directly related to the number of marks allocated.
- Read and re-read questions before answering. Weak responses were often characterised by not taking enough time to fully register both the general focus of questions and also the level of detail required.
- Look for the command and key command words in each question.
- Show working out in any calculation questions.
- Candidates should learn succinct and accurate commercial definitions.
- Answers should be developed with examples and/or application.
- Unqualified single words, such as 'easier', 'quicker' and 'cheaper' do not score marks – these should be explained to get the marks.

General Comments

All candidates had difficulty in the compulsory **Section B** **Question 6** of the examination paper, where the vast majority of candidates found it difficult to gain good marks on part **(d)** on the topic of warehousing. It was evident 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.

The command words on the examination paper are particularly relevant to Centres and candidates. Each question indicates the level at which it is based:

AO1 (Knowledge and understanding) This assessment objective tests candidates on their ability to demonstrate their knowledge and understanding of commercial terms, ideas or concepts mentioned in the question. For example, **Question 7(d)(i)** asked candidates to 'name two types of goods often carried by air transport.' Command words such as 'Name', 'Describe', 'Give' and 'State' confirm that the question is at this level.

AO2 (Application) This assessment objective tests candidates' ability to relate their answer to the context. In this examination, the context to **Question 3** was about a newspaper advertisement. For example, **Question 3(a)(iii)** asked candidates to show 'how might the advertisement shown in Fig. 1 be made more persuasive' based on information supplied in the question. Command words such as 'How', 'Draw', 'Why', 'Give an example' and 'Calculate' confirm the question at this level.

AO3 (Analysis) This assessment objective requires candidates to select, interpret or otherwise analyse some point presented in the question. For example, **Question 5(c)** asked candidates to 'explain two effects on small-scale retailers of the development of more shopping centres.' Command words such as 'Identify'. 'Compare' and 'Analyse' confirm the question is at this level.

AO4 (Evaluation) This assessment objective tests candidates' ability to formulate some judgements. For example, **Question 3(d)** asked candidates to 'explain why a consumer might prefer to use a bank loan rather than a bank overdraft to buy a television.' Command words such as 'Explain why', 'Do you consider', 'Discuss' and 'Evaluate' confirm the question is at this level.

Candidates should be reminded to make sure they give the number of responses required by the question. For example, 2(b) asked for 3 sources, many candidates only gave 2, not scoring full marks, many gave more than 3, gaining no extra marks.

Comments on specific questions

Question 1

(a)   Most candidates accurately defined the term international trade to obtain the maximum two marks. Some answers only partially defined the term as 'trade between countries' or of 'trade in imports and exports' and were awarded one mark. Overall, the majority of candidates scored at least one mark out of the two marks available.

(b)   Strong answers gained high to full marks by stating a range of international trade benefits such as earning foreign currency to pay for imports, creating jobs so thereby lowering unemployment and increased friendly relations between countries so reducing conflict/wars.

(c)   There was generally good knowledge demonstrated by many candidates to this question part about the functions of custom authorities with many candidates knowing that their role includes preventing smuggling and collecting customs.

(d)   There were eight marks available for the three parts to this question. Most candidates scored one mark out of the two marks available to part **(i)** concerning bill of lading purposes. Most candidates gained two out of four marks to part **(iii)** by mentioning the difference between who sent the two documents. However, few candidates could precisely give another clear difference between orders and invoices. The concept of letters of credit in part **(iii)** was not well known.

Question 2

(a)   The sole trader features of being one owner and making all decisions were valid answers given by many candidates. However, they do not necessarily work alone as implied by some candidates.

(b)   Good answers stated three relevant wholesaler services to the retailer such as breaking bulk, supplying a variety of goods and delivering goods to retailers' shops. Weaker answers gave points such as buying in large quantities and paying in cash which were not relevant. A minority of candidates thought that wholesalers provided insurance for retailers.

(c)   There was generally sound knowledge and understanding of the advantages and disadvantages of forming a partnership business. However, many candidates did not explain the advantages and disadvantages sufficiently for the second mark to each. For example, an advantage of a partnership are that partners can consult each other. In order to gain the second mark it was necessary for development of this advantage such as 'that could lead to better decisions being made'. Some weaker answers confused partnerships with limited companies.

(d)   This proved to be a challenging question for many candidates. Candidates had to recognise that forming a public limited company is much more complicated with greater regulation and control than being a partnership. Some good answers did recognise that shareholders could buy enough shares to take over a public limited company and gain control.

Question 3

Question 3 was a popular choice, with many candidates demonstrating sound commercial knowledge about advertising.

(a)   With reference to part **(i)**, many candidates realised that the 0% interest in the newspaper advertisement was being offered to attract customers to buy the television shown in Fig. 1. The correct answer to part **(ii)** was £16. Some candidates lost marks by not taking away the 20% deposit figure at the start or by dividing the £384 by 12 months instead of 24. There was sound application about how the advertisement could be made more persuasive to part **(iii)**, with points such as changing the font sizes, using more incentives and promotions.

(b) The best answers were developed and explained reasons such as wide coverage, detailed information and reasonable cost.

(c) Part **(i)** was generally answered better than part **(ii)**. Marks were sometimes lost to both question parts by candidates not giving examples of products but instead stating who would advertise on the two media concerned. It was pleasing to note that the topic of digital billboards was well known by many candidates.

(d) The best answers recognised that through a bank loan Danny would receive the money needed straight away without the need for a bank current account. Moreover, he could use it to pay back monthly over a longer period of time. Weaker responses gave inappropriate reasons such as the consumer would 'pay no interest or 'it needs to be agreed with the bank manager'.

Question 4

(a) Many candidates could give a relevant example of spoken communication at a football match but had difficulty in providing a relevant second example.

(b) The majority of candidates gained some credit for this question with answers focussing on the need for written proof in order to confirm details or to reduce any future disagreements.

(c) Candidates demonstrated good subject knowledge and understanding on the topic of emails. Stronger answers developed and explained a number of relevant points. Weaker answers were narrower in terms of points mentioned and less detailed. Please note that unqualified word comments such as 'cheaper', faster' and 'easier' do not gain any marks

(d) It was pleasing to see that videoconferencing was not widely known by most candidates. The better answers identified and explained the benefits of saving travelling time, the cutting down on the costs of accommodation and that face-to-face communication was possible.

(e) The best answers focused on the need for people to understand what was being said, to keep everyone informed and to keep customers happy and employees happy. Weaker answers were often limited in detail and gave one or two general remarks.

Question 5

Overall, **Question 5** was soundly attempted and it was, with **Questions 1** and **2**, the most popular of **Section A** questions that were answered.

(a) The majority of candidates gained at least two out of four marks for features of a shopping centre.

(b) Strong answers explained various features of shopping centres that accounted for their growth such as consumers wanting one-stop shopping, increased car ownership and the wide range of facilities available. Other answers gave less detailed points or explained the growth in terms of population growth and general living standards.

(c) The best answers explained two effects on the small-scale retailer on the development of new shopping centres. Weaker answers were characterised by a lack of relevant reasons and not developing their answers in sufficient detail to gain development marks.

(d) There were many interesting suggestions of how small-scale retailers could compete with shopping centres. The better answers identified and explained three possible ways that they could compete such as by increasing advertising, using sales promotions and offering other goods and services. Weaker answers usually identified one or two suggestions without explanation.

Question 6

(a) It was pleasing to note that the majority of candidates were able to apply correctly their answers to the source data provided in Fig. 2. for parts **(i)**, **(ii)**, and **(iii)**.

(b) Parts **(i)**, **(ii)** and **(iii)** were concerned with insurance terms. Many candidates could gain one mark to each of the terms but found difficulty in obtaining the second explanation mark. For example, in explaining the policy in part **(iii)** candidates gained the first explanation mark by stating that the

policy was a contract. The second explanation mark was given for stating that it was between the insured and the insurer or that it set out the terms of the insurance cover.

(c) The best answers identified and explained the two reasons for insurance such as to provide financial protection and to provide compensation. Weaker answers tended to focus on one reason.

(d) In connection to part **(i)**, very few candidates recognised that warehousing evens out supply by storing large stocks of goods so that there are not wide price fluctuations. There was also generally a lack of knowledge demonstrated by many candidates to part **(ii)** about the importance of seasonal goods to a wholesaler. Many candidates simply related their answers to general wholesaling functions. The best answers described the how the wholesaler helped the retailer to match demand with supply and provide goods, such as oranges, throughout the year.

Question 7

(a) For parts **(i)** and **(ii)** the majority of candidates scored the maximum two marks in these parts. In parts **(iii)** and **(iv)** the calculations were less well attempted. The correct answer to part **(iii)** was 160 kilometres and the correct answer to part **(iv)** was $500.

(b) Answers to this part would have been improved if candidates had made more direct links to road and rail transport rather than simply giving general comments on the benefits of the both types of transport. Nonetheless, there were some reasonable scores to this question.

(c) Strong answers explained various factors such as quantity of goods, urgency, security and convenience. Other candidates lost marks by either giving inappropriate factors or insufficient explanations of valid factors.

(d) The majority of candidates gave two appropriate types of goods to part **(i)**. In order to achieve higher marks to part **(ii)**, candidates needed to focus more on recent developments such as the changes in aircraft design allowing planes to carry more goods to more airport destinations.

COMMERCIAL STUDIES

> **Paper 7101/12**
>
> **Commercial Studies**

Key Messages

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

- Revise all sections of the syllabus.
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- Look for the command and key command words in each question.
- Show working out in any calculation questions.
- Candidates should learn succinct and accurate commercial definitions.
- Answers should be developed with examples and/or application.
- Unqualified single words, such as 'easier', 'quicker' and 'cheaper' do not score marks – these should be explained to get the marks.

General Comments

All candidates had difficulty in the compulsory *Section B* **Question 6** of the examination paper, where the vast majority of candidates found it difficult to gain good marks on part **(a) (v)** and part **(c)** questions on the topics of company departments and meeting records. Notwithstanding this, it was evident to the 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.

The command words on the examination paper are particularly relevant to Centres and candidates. Each question indicates the level at which it is based:

AO1 (Knowledge and understanding) This assessment objective tests candidates on their ability to demonstrate their knowledge and understanding of commercial terms, ideas or concepts mentioned in the question. For example, **Question 5(a)(i)** asked candidates to 'State two advantages of self-service to the customers of Walters Supermarket.' Command words such as 'Name', 'Describe', 'Give' and 'State' confirm that the question is at this level.

AO2 (Application) This assessment objective tests candidates' ability to relate their answer to the context. In this examination, the context to **Question 3** was about two people wanting to set up a partnership business. For example, **Question 3(e)** asked candidates to show 'Why were Jamie and Jilly advised to draw up a Deed of Partnership?' based on information supplied in the question. Command words such as 'How', 'Draw', 'Why', 'Give an example' and 'Calculate' confirm the question at this level.

AO3 (Analysis) This assessment objective requires candidates to select, interpret or otherwise analyse some point presented in the question. For example, **Question 3(a)(i)** asked candidates to 'Identify two other points of information which might have been included in the Deed of Partnership.' Command words such as 'Identify'. 'Compare' and 'Analyse' confirm the question is at this level.

AO4 (Evaluation) This assessment objective tests candidates' ability to formulate some judgements. For example, **Question 5(d)** asked candidates to 'Discuss the effects that this development will have on Walters Supermarket.' Command words such as 'Explain why', 'Do you consider', 'Discuss' and 'Evaluate' confirm the question is at this level.

Candidates should be reminded to make sure they give the number of responses required by the question. For example, in **Question 3(c)(ii)** candidates were asked to 'Explain one advantage and one disadvantage to Jamie and Jilly of buying stock on the Internet'. Some candidates gave two advantages and two disadvantages; this did not gain any additional marks.

Comments on specific questions

Question 1

(a)   The 'factors to be considered when choosing a suitable media to advertise' were often confused with describing two types of media. The best answers to part **(a)** identified relevant factors such as cost and target audience with application to Candice's business.

(b)   The majority of candidates identified a valid advertising medium for Candice's business, and proceeded to explain two reasons for its use. Television was not accepted as a valid choice for a small clothing store.

(c)   Stronger answers applied good understanding to the context of the question, referring to the part-time job and stating the informative advertising would mention points such as the hours worked and location of the stop. Many candidates also mentioned that for the shop to be persuasive in its advertisement, it would need to mention good pay and other benefits.

(d)   Part **(d)(i)** was not well answered. The insurance risks of consequential loss and public liability were not well known. The majority of candidates named two other insurance risks to part **(ii)**.

(e)   The insurance concept of utmost good faith was generally well known with points such as the need to supply relevant material facts on the proposal form so that the insurance will not be declared null and void.

Question 2

(a)   There were many comprehensive answers to part **(a)** recognising that transport was an aid to trade that carried goods from the producer to the wholesaler and to the retailer and finally to the customer. Some candidates lost marks by describing types of transport or giving less detail/points to their answers.

(b)   Strong answers explained various factors such as cost, nature of goods and the need for speed. These answers were often well supported with appropriate examples. Weaker answers described types of transport without linking them to a factor.

(c)   Most candidates had little difficulty in correctly naming two types of ship to part **(i)** with many well described 'bills of lading' to part **(ii)**. However, few candidates pointed out that a bill of lading acts as a document of title, as a receipt for goods shipped and a contract of carriage.

(d)   In order to achieve higher marks, candidates needed to focus more on recent developments such as the changes in aircraft design allowing planes to carry more goods to more airport destinations.

Question 3

Question 3 was a frequent choice, with many candidates demonstrating sound commercial knowledge about business partnerships and Internet selling.

(a)   For part **(i)** some candidates lost marks by identifying points of information in Fig. 1 rather than other points such as the partners salaries and there share of profits. In part **(ii)** many candidates recognised that a deed of partnership was useful in order to prevent misunderstandings and future disagreements.

(b)   Strong answers to parts **(i)** and **(ii)** gained high to full marks by stating three valid features of a partnership and recognised that more partners could provide more capital for expansion, and a wider range of skills and ideas. Vague generalised points such as 'continuity' and 'more profits' were not accepted as creditworthy.

(c) There was generally inadequate knowledge demonstrated by many candidates to part **(i)** about the importance of seasonal goods to a wholesaler. Many candidates simply related their answers to general wholesaling functions. The best answers described how the wholesaler helped the retailer to match demand with supply and stabilise prices. However, in part **(ii)**, there was greater knowledge shown on buying stock on the Internet. Many candidates gave relevant advantages such as being able to order goods 24/7 so not being restricted to shop opening hours. Relevant disadvantages included the point that images of goods may be misleading leading to disappointment when the goods finally arrive.

(d) Better answers recognised that partnerships lacked the capital to be large-scale businesses, were limited to twenty owners and could not sell shares. Weaker answers compared partnerships to sole traders, arguing that profits would be shared.

Question 4

(a) Many candidates correctly calculated the correct figure of $9690 to part **(i)**. However, some candidates were confused by the combination of the two discounts, namely trade and cash discount. Moreover, the completion of the cheque to part **(ii)** proved difficult. The special crossing was often omitted and the payee's name of MB Ltd was frequently not stated.

(b) All candidates scored some marks on this question. The best answers identified letter post to part **(i)**, credit or debit note to part **(ii)** and explained the use of the telephone to part **(iii)**. Weaker answers gave incorrect answers to the first two parts or a weak explanation to part **(iii)**.

(c) Most candidates obtained at least two marks out of the five marks available to parts **(i)** and **(ii)** by giving suitable benefits of cash and trade discounts. Part **(iii)** proved to be a challenging question but there were some well analysed reasons explained.

Question 5

Overall, **Question 5** on the context of supermarkets was generally well answered.

(a) The best answers to part **(i)** gave two clear advantages of self-service such as goods can be examined at leisure and customers do not feel pressurised by shop assistants. Weaker answers gave advantages to Walters supermarket. The majority of candidates supplied two correct types of packaging to part **(ii)**.

(b) Many candidates knew that bar codes gave information such as price to part **(i)**. In answering part **(ii)**, the best answers realised that computerised checkouts resulted in less queues, reduced labour costs and more efficient re-ordering of stock. Weaker answers gave less points or linked their answers simply to security issues.

(c) The majority of candidates knew why a supermarket might require a warehouse as part of its premises.

(d) Some candidates scored four to five marks or the maximum of six marks for this part. The best answers looked at the effects on the supermarket and on the new shopping centre. Please note that unqualified word comments such as 'cheaper', 'faster' and 'easier' do not gain any marks. Weaker answers were characterised by a lack of evaluative skills and not developing their answers in sufficient detail to gain development marks.

Question 6

(a) For part **(i)** a large number of candidates did not correctly calculate the two visible import and visible export figures to obtain -$170 m. There were more correct calculations to part **(ii).**

(b) Good candidates defined each term and gave appropriate examples. Some weaker answers simply described the data in Fig. 3. Many candidates did not fully understand the differences between visible and invisible trade.

(c) Strong answers stated a range of international trade benefits such as earning foreign currency to pay for imports, creating jobs thereby lowering unemployment and increased friendly relations between countries so reducing conflict/wars.

(d)   Most candidates knew that an air waybill was used in air transport but often had difficulty in explaining its purpose. Marks were lost by some candidates to part **(i)** by confusing the work of the Customs Authority with that of the State. For example, the collection and enforcement duties were sometimes confused with the imposition of levies and regulations.

Question 7

(a)   All the answers to parts **(i)** - **(iv)** were included on Fig. 4 but few candidates were able to get full marks. Candidates did not answer part **(v)** well.

(b)   The best answers explained that visitors would know who to go to if they had a problem after consulting the organisation chart. Weaker answers gave vague answers such as the visitors would know which way to go.

(c)   Only a minority of candidates were able to distinguish clearly between the agenda for a meeting and the minutes of a meeting. The agenda is a list of topics circulated before a meeting whereas the minutes are a record of the disucssion at the meeting sent after it has happened.

(d)   Strong answers to this question recognised that multinationals were important for creating jobs, generating revenue, providing a range of goods at cheaper prices to the world. Weaker answers gave less detail or focused more generally on international trade benefits.

COMMERCIAL STUDIES

> **Paper 7101/21**
>
> **Arithmetic**

Key Messages

- Candidates must show the arithmetic operations that they are carrying out if credit is to be given when their answer is incorrect. They must avoid writing statements which have no mathematical meaning such as

$$24700 \diagdown 156$$
$$\diagup \diagdown$$
$$x \qquad 150$$

and write a correct mathematical statement $x = (24\,700 \times 156)/150$

- Candidates should be aware that all the commercial terms contained in the syllabus may be used on this paper. Many seemed to be unsure whether to add or subtract a *discount*.
- Candidates need to be clear about their use of percentage signs and 11% should be written as 11/100 in calculations.

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 with only one or two candidates scoring full marks. However, it was pleasing to see that less than 10% of the candidates scoring below 35 marks.

There was no evidence at all that any candidates were short of time as some even attempted 3 questions in Section B.

Examiners reported no candidates using log tables this year. Log tables will cause accuracy problems as they will not deal with all the significant figures involved in, *for example*, **Question 10**.

The general level of performance was good and in particular there were very few candidates choosing unsuitable questions in Section B.

Comments on Specific Questions

Question 1

All candidates knew that this was a question related to the order of operations. Many of the low scoring candidates however decided to insert their own brackets into the question with $(7 + 3) \times (6 - 8)$ being the common error.

In part **(c)** many candidates could not simplify $(7/24) / (7/8)$ and some tried to use decimals.

Answer: **(a)** 17 **(b)** 40.21 **(c)** ⅓

Question 2

Reasonably well answered with the exception of the actual rounding causing considerable difficulty.
In part **(a)** 0.266 and 2.66 were common errors. In part **(b)** 100 800 was very often rounded to 101 whilst in part **(c)** the conversion into tonnes was the main difficulty with multiplication rather than division or the use of 100 instead of 1000 being common errors.

Answer: **(a)** 0.267 **(b)** 101000 **(c)** 5.5

Question 3

More than ½ of the candidates knew exactly what to do on this question and scored full marks. The other candidates had very little idea what to do and scored very few marks.

In part **(a)** they seemed to know fractions were involved but often 100 was used instead of 360. The common errors were 70 × (144/360) or 70 × (144/100).

In part **(b)** the simple interest was calculated on either $7800 or $3500 instead of the loan of $4300.

Other candidates omitted the cost of the car in their final answer and only gave the interest charges.

Answer: **(a)** 175°, 65°, 120° **(b)** $8763.20

Question 4

Part **(a)** was very well done, the main errors being in the arithmetic.

In part **(b)** most candidates appeared not to understand the question and divided 24 700 by 420.

Part **(c)** was correctly answered by more than half the candidates. The common error was to use their answer to part **(b)** instead of the average salary in 2012 of $24 700.

Answer: **(a)** $163 000 **(b)** $10 374 000 **(c)** $25 688

Question 5

Reasonably well answered by about half of the candidates. In part **(b)** the 100 packets caused some confusion and was often involved in a calculation when not required.

In part **(a)** many candidates did not order the figures and so took 20 and 9 as their middle two figures instead of 14 and 16.

Many candidates did not understand that part **(i)** required them to increase 180 by 11% and part **(ii)** many did not use the price for 2012. In part **(iii)** it was not well known that percentage profit = (profit / cost) × 100 and all sorts of figures were used from other parts, including 4 and 100 instead of just the figures relating to the price of a packet of seeds [(2.53 – 2.20) / 2.20] × 100

Answer: **(a)** 15 **(b)(i)** $199.80 **(ii)** $160 **(iii)** 15

Question 6

Candidates did not do well on this question. The significance of the statements relating to how the premiums are calculated was not understood and it was not unusual to see the insurance premium being more than the value of the house. The terms annual and monthly also presented some problems to the candidates.

In part **(a)** a large number of candidates did not use the "per £1000 of value" and had a premium of £464 000.

In part **(b)** some candidates did not understand that a surcharge is an extra cost and not a reduction.

Answer: **(a)** £480 **(b)** £42.60

Question 7

In general, candidates were able to score well on this question with the exception of part **(a)(v)**. Those that did get incorrect answers were often misreading the scale, however it was not generally well understood that the range is a single number obtained by **subtracting** the lowest value from the highest value.

In part **(b)** many candidates thought that she should get all three discounts or assumed that the early settlement discount was also taken from the cost of the equipment instead of the trade discounted price. Part **(c)** was well understood as a concept but large numbers of candidates believe that there are 100 minutes in an hour so that 322/5.45 instead of 322/5.75 was a very common error.

Answer: **(a)(i)** 24.5 **(ii)** Feb, Nov **(iii)** 26 **(iv)** Jan, Feb **(v)** 10.5 **(b)** $4754.75 **(c)** 56 kph

SECTION B

Question 8

Parts **(a)** and **(e)** of this very popular question were very well done by most of the candidates. The common error in part **(b)** was to use (4.05 – 1.8) / 4.05 instead of (4.05 – 1.8)/1.8. Part **(c)** was not well answered with most candidates not understanding that this was a reverse percentage question and that they had to calculate 1.8 / 1.125. In part **(d)** the most common error was to ignore the fact that the number of barrels was in **millions** per day.

Answer: **(a)** 2.3, 2.55, 2.8 **(b)** 125 **(c)** 1.6 **(d)** 516 698 000 **(e)** 6000

Question 9

This was a very popular and reasonably well done question. The weaker candidates mostly not understanding the context or the terms used.

Both parts of part **(a)** were very well done. Part **(b)** was not understood and there was much confusion of units and amounts. The most common errors were to ignore the "per £100 of value" or to treat 97p as £97.

In part **(c)** the most common error was to subtract 11h 50m from 2030 or subtract the 4 hours or both.

Answer: **(a)(i)** 20 000 **(ii)** 91 770 **(b)** 171.69 **(c)** 1220

Question 10

This question was well done by those that attempted it but full marks were not very common as there were many concepts that were not fully understood.

Part **(a)** was usually correct with a few candidates starting with the wrong amount and using the capital instead of the loan. Many candidates missed the last mark by not giving the answer correct to the nearest pound.

In part **(b)(i)** there were commercial understanding issues and large numbers of candidates were not finding the tax on the post expense income. Another common error was to calculate 20% instead of 80%. Part **(ii)** was not well answered, often the ratio of capital investment was missed or else it was not appreciated that the amount to be shared was the answer to part **(i)**.

In part **(c)** most candidates did not understand that it was the most common type of tree that was required.

Answer: **(a)** £83 879 **(b)(i)** £52 720 **(ii)** £21 088 **(c)** Apple

Question 11

This was not a popular question but was reasonably well done by about half of those that attempted it. Some candidates seemed unsure of the correct methods. There was much confusion between salary, commission and sales with the sales often treated as income. In part **(b)** the banding structure was generally not understood.

Answer: **(a)** $29 408 **(b)** $27 126.40

COMMERCIAL STUDIES

Paper 7101/22

Arithmetic

Key Messages

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and write a correct mathematical statement x = (24 700 × 156)/150

* Candidates should be aware that all the commercial terms contained in the syllabus may be used on this paper. Many seemed to be unsure whether to add or subtract a *discount*.
* Candidates need to be clear about their use of percentage signs and 11% should be written as 11/100 in calculations.

General Comments

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The general level of performance was good and in particular there were very few candidates choosing unsuitable questions in Section B.

Comments on Specific Questions

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In part **(a)** many candidates did not order the figures and so took 20 and 9 as their middle two figures instead of 14 and 16.

Many candidates did not understand that part **(i)** required them to increase 180 by 11% and part **(ii)** many did not use the price for 2012. In part **(iii)** it was not well known that percentage profit = (profit / cost) × 100 and all sorts of figures were used from other parts, including 4 and 100 instead of just the figures relating to the price of a packet of seeds [(2.53 – 2.20) / 2.20] × 100

Answer: **(a)** 15 **(b)(i)** $199.80 **(ii)** $160 **(iii)** 15

Question 6

Candidates did not do well on this question. The significance of the statements relating to how the premiums are calculated was not understood and it was not unusual to see the insurance premium being more than the value of the house. The terms annual and monthly also presented some problems to the candidates.

In part **(a)** a large number of candidates did not use the "per £1000 of value" and had a premium of £464 000.

In part **(b)** some candidates did not understand that a surcharge is an extra cost and not a reduction.

Answer: **(a)** £480 **(b)** £42.60

Question 7

In general, candidates were able to score well on this question with the exception of part **(a)(v)**. Those that did get incorrect answers were often misreading the scale, however it was not generally well understood that the range is a single number obtained by **subtracting** the lowest value from the highest value.

In part **(b)** many candidates thought that she should get all three discounts or assumed that the early settlement discount was also taken from the cost of the equipment instead of the trade discounted price. Part **(c)** was well understood as a concept but large numbers of candidates believe that there are 100 minutes in an hour so that 322/5.45 instead of 322/5.75 was a very common error.

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Answer: **(a)(i)** 24.5 **(ii)** Feb, Nov **(iii)** 26 **(iv)** Jan, Feb **(v)** 10.5 **(b)** $4754.75 **(c)** 56 kph

SECTION B

Question 8

Parts **(a)** and **(e)** of this very popular question were very well done by most of the candidates. The common error in part **(b)** was to use (4.05 – 1.8) / 4.05 instead of (4.05 – 1.8)/1.8. Part **(c)** was not well answered with most candidates not understanding that this was a reverse percentage question and that they had to calculate 1.8 / 1.125. In part **(d)** the most common error was to ignore the fact that the number of barrels was in **millions** per day.

Answer: **(a)** 2.3, 2.55, 2.8 **(b)** 125 **(c)** 1.6 **(d)** 516 698 000 **(e)** 6000

Question 9

This was a very popular and reasonably well done question. The weaker candidates mostly not understanding the context or the terms used.

Both parts of part **(a)** were very well done. Part **(b)** was not understood and there was much confusion of units and amounts. The most common errors were to ignore the "per £100 of value" or to treat 97p as £97.

In part **(c)** the most common error was to subtract 11h 50m from 2030 or subtract the 4 hours or both.

Answer: **(a)(i)** 20 000 **(ii)** 91 770 **(b)** 171.69 **(c)** 1220

Question 10

This question was well done by those that attempted it but full marks were not very common as there were many concepts that were not fully understood.

Part **(a)** was usually correct with a few candidates starting with the wrong amount and using the capital instead of the loan. Many candidates missed the last mark by not giving the answer correct to the nearest pound.

In part **(b)(i)** there were commercial understanding issues and large numbers of candidates were not finding the tax on the post expense income. Another common error was to calculate 20% instead of 80%. Part **(ii)** was not well answered, often the ratio of capital investment was missed or else it was not appreciated that the amount to be shared was the answer to part **(i)**.

In part **(c)** most candidates did not understand that it was the most common type of tree that was required.

Answer: **(a)** £83 879 **(b)(i)** £52 720 **(ii)** £21 088 **(c)** Apple

Question 11

This was not a popular question but was reasonably well done by about half of those that attempted it. Some candidates seemed unsure of the correct methods. There was much confusion between salary, commission and sales with the sales often treated as income. In part **(b)** the banding structure was generally not understood.

Answer: **(a)** $29 408 **(b)** $27 126.40

COMMERCIAL STUDIES

> **Paper 7101/31**
>
> **Text Processing**

General Comments

Candidates demonstrated good presentation and layout skills. This was evident when marking Task 2 (leaflet) and Task 3, business correspondence.

Task 1

A good percentage of candidates completed this task in the given time. Candidates were consistent in style and layout but marks were lost on accuracy due to the time restriction.

Task 2

Overall good marks were awarded for this task. The knowledge of abbreviations and printer correction signs across all Centres is to be commended. Candidates displayed the leaflet as required by instructions. However, accuracy for this task ranged from poor to very good. Candidates with poor accuracy skills still managed to achieve a good mark for this task due to good understanding of abbreviations and printer correction signs.

No common errors applied to this task.

Task 3

The main aim of this task is to produce business correspondence from given instructions and to produce a business letter acceptable for signature. Most Centres applied fully blocked/but **not** open punctuation and were generally consistent with layout and spacing. This improvement along with very good tone, punctuation and grammar allowed most candidates to gain all 6 marks for composition. Interpretation of instructions was very good across all Centres. Most candidates composed a business letter which accurately conveyed the writer's meaning. Centres should be praised for the efforts made as most candidates/Centres produced a well presented, mailable business letter.

Common errors:

- inconsistent layout and spacing between parts of letter;
- date not presented in full and reference omitted;
- name omitted from addressee block;
- incorrect/inconsistent salutation and complimentary close.

Task 4(a)

This task allowed candidates to gain good marks. All instructions were followed and accuracy was generally good. Names and designations of both sender and recipient were correctly placed but not always accurately and in some cases the designation of the sender was omitted.

Task 4(b)

Overall candidates achieved very good marks on this task. All used excellent display skills and all instructions were carried out competently.

Task 5(a)

N/A

Task 5(b)

It was evident that candidates enjoy working with ruled tabulation. This was evident from the very good marks that were achieved across all Centres.

Common errors:

- inconsistent capitalisation;
- only transposing the first column of information;
- poor accuracy/proof reading skills.

COMMERCIAL STUDIES

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