



## Cambridge O Level

---

COMMERCE

7100/22

Paper 2 Written

May/June 2021

MARK SCHEME

Maximum Mark: 80

---

**Published**

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2021 series for most Cambridge IGCSE™, Cambridge International A and AS Level components and some Cambridge O Level components.

---

This document consists of **21** printed pages.

**PUBLISHED****Generic Marking Principles**

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors for a question. Each question paper and mark scheme will also comply with these marking principles.

**GENERIC MARKING PRINCIPLE 1:**

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

**GENERIC MARKING PRINCIPLE 2:**

Marks awarded are always **whole marks** (not half marks, or other fractions).

**GENERIC MARKING PRINCIPLE 3:**

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

**GENERIC MARKING PRINCIPLE 4:**

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

**GENERIC MARKING PRINCIPLE 5:**

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

**GENERIC MARKING PRINCIPLE 6:**

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

**PUBLISHED****Social Science-Specific Marking Principles  
(for point-based marking)****1 Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- a** DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- b** DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- c** DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons ...).
- d** DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- e** DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
- f** DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
- g** DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

**2 Presentation of mark scheme:**

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

**3 Calculation questions:**

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

**4 Annotation:**

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

Question	Answer	Marks	Guidance
1(a)(i)	<p><b>Identify the type of ship shown in Fig. 1.1.</b></p> <p>Cargo / cargo liner / container / containerisation</p>	1	
1(a)(ii)	<p><b>Give an example of mechanised equipment used to unload cargo.</b></p> <ul style="list-style-type: none"> <li>• Crane/derrick</li> <li>• Forklift/lift/lifting gear</li> <li>• Elevator</li> <li>• Conveyor belt</li> <li>• Gantry</li> <li>• Tractor / trailer</li> <li>• Pulley</li> <li>• Jacks</li> </ul>	1	
1(b)	<p><b>Explain, using an example, the importance of effective communication between a seaport and a ship at sea.</b></p> <ul style="list-style-type: none"> <li>• If there is poor weather / danger at sea / mechanical breakdown / ship in danger of sinking / member of crew is ill / sea conditions are poor (1) it is important to communicate effectively so the details of the issue are known / so that the issue can be resolved / so that help can be provided / so there is no misunderstanding / have better understanding / receive information / so accurate feedback is given / so that the ship can get to the seaport safely (1)</li> <li>• The seaport is congested / other ships entering the seaport (1) needs to inform the ship to stay out at sea / inform ship of danger (1)</li> <li>• The location of the ship (1) so that the seaport can estimate arrival time (1)</li> </ul>	2	

Question	Answer	Marks	Guidance
1(c)	<p><b>Explain <u>one</u> action that consumers can take to reduce plastic pollution.</b></p> <ul style="list-style-type: none"> <li>• Avoid/reduce/refuse use of plastics (1) e.g. plastic bags / water bottles / plastic cups / straws (1)</li> <li>• Buy or reuse/carry reusable versions of plastic goods (1) e.g. reusable grocery bags / bottles / coffee cups (1) instead of throwing it away (1)</li> <li>• Recycle (1) so that the goods can be used again (1) in a recycling bin/centre (1)</li> <li>• Participate in a beach/river clean-up (1) by collecting plastic waste (1)</li> <li>• Avoid buying products containing micro beads (1) by looking at the contents of goods such as face scrubs / cosmetics (1)</li> <li>• Use biodegradable materials (1) e.g. paper</li> <li>• Do not buy wrapped fruit from supermarket (1) buy loose fruit (1)</li> <li>• Do not throw plastic into ocean (1) recycle / put into a bin (1)</li> <li>• Replace plastic at home (1) e.g. use glass jars (1)</li> <li>• Join a pressure group / boycott (1) to support cutting of plastic use (1)</li> <li>• Share images on social media (1) make people aware of the problem (1)</li> <li>• Dispose of plastic safely (1) into a recycling bin (1)</li> </ul>	<b>2</b>	
1(d)	<p><b>Circle the correct answer to complete each of the following sentences.</b></p> <p>The insurance of ships is called <b>marine</b>.</p> <p>Freight forwarders help with <b>logistics</b>.</p>		

Question	Answer	Marks	Guidance
1(e)(i)	<p><b>Do you think customs authorities play a useful role in trade? Give reasons for your answer.</b></p> <p>Yes – inspect documents / goods (1) use of scanners (1) to prevent dangerous goods from entering the country (1) e.g. firearms (1) control illegal immigration (1) control smuggling of goods (1) e.g. drugs (1) manage health regulations (1) enforce quarantine regulations (1) collect customs duties (1) to help revenue for the country (1) enforce quotas (1) keep records/statistics of imports/exports (1) to calculate balance of trade (1) to see if the country is in surplus / deficit (1) supervise bonded warehouses (1) risks from trade are reduced (1)</p> <p>No – can cause complexity in the clearance of goods (1) leading to delays (1) affecting delivery (1) trade can be disrupted (1)</p>	4	



Question	Answer	Marks	Guidance
1(e)(ii)	<p><b>Evaluate the importance of bonded warehouses in international trade.</b></p> <p>A bonded warehouse is a warehouse in which goods that would normally be subject to import or excise tariffs may be stored, manipulated or undergo further manufacturing, without the payment of duty. These taxes only become due once the products are distributed or sold.</p> <p><b>Important:</b></p> <ul style="list-style-type: none"> <li>• Stores dutiable goods before they are used so that traders prepare goods for sale</li> <li>• Payment of duty is postponed which helps the importer save on working capital</li> <li>• Helping imported/re-exported goods to be stored</li> <li>• Goods can be left to mature, such as cheese, so that they can be saleable</li> <li>• Goods can be sold in bond with payment being made by the buyer which saves the importer from paying duties</li> <li>• Goods for re-export can be kept leading to refund of duty</li> <li>• Have high levels of security</li> <li>• Located near ports of entry therefore making distribution easier</li> </ul> <p><b>Not important:</b></p> <ul style="list-style-type: none"> <li>• In free trade area / when goods not dutiable because no duties are paid</li> <li>• For goods that just require storage therefore they do not need further re-packaging</li> <li>• Goods requiring storage for security would just use a general warehouse</li> <li>• Seasonal goods can just use ordinary warehouse</li> <li>• Some goods more suited to other warehouses, e.g. cash and carry</li> </ul> <p><b>Evaluation:</b></p> <p>Bonded warehouses are very important to importers who have to store dutiable goods and only pay the duty once the goods move out of the warehouse. This helps the importer with their cash flow and allows time to find a buyer.</p>	6	<p>Up to 2 marks for <b>describing</b> bonded warehouses</p> <p>Up to a further 2 marks for <b>analysing</b> the importance of bonded warehouses in international trade</p> <p>Up to a final 2 marks for <b>evaluating</b> whether bonded warehouses are important in international trade</p>

Question	Answer	Marks	Guidance
2(a)	<p><b>Identify the type of industry in which this dental partnership would operate.</b></p> <p>Tertiary / direct service</p>	1	
2(b)	<p><b>State <u>three</u> features of a partnership.</b></p> <ul style="list-style-type: none"> <li>• Owners are partners</li> <li>• Formed by a deed of partnership/partnership agreement</li> <li>• Minimum of 2 owners/more than one owner</li> <li>• Between 2 to 20 owners/partners</li> <li>• Decision making by partners</li> <li>• Capital provided by partners</li> <li>• Unlimited liability</li> <li>• Profits/losses shared</li> <li>• No legal existence/no legal entity</li> <li>• Privacy of accounts</li> <li>• Responsibilities/tasks shared</li> </ul>	3	

**PUBLISHED**

Question	Answer	Marks	Guidance
2(c)	<p><b>Do you think partnership is the best form of ownership for this business? Give reasons for your answer.</b></p> <p>Yes – It is going to operate as a small business / only two partners (1) so it will be still easy to control (1) it is relatively easy to set up (1) there will be increased capital (1) compared to being a sole trader (1) each partner can contribute their skills/knowledge/specialise (1) sharing responsibilities (1) sharing ideas (1) shared discussion (1) shared risks / shared losses (1) Tahir can take time off as he can be covered by Ayesha (1)</p> <p>No – Tahir will longer be his own boss (1) he will have to share profits (1) decisions may take longer (1) there can be disagreements (1) can hinder progress of the partnership (1) decisions taken by a partner will be binding on the other partner (1) there will still be unlimited liability (1) personal possessions can be taken (1) can lead to debts (1) We are not told what Ayesha's skills are (1) she may not be qualified (1) private limited company would be better (1) owners would have limited liability (1) personal possessions not at risk if the business is unsuccessful (1)</p>	3	

Question	Answer	Marks	Guidance															
2(d)	<p><b>If Tahir and Ayesha decide to set up business together, they will have to purchase dental equipment needed to start trading. They could use either personal savings or a long-term loan.</b></p> <p><b>Discuss each of these two options. Which would you recommend? Give reasons for your answer.</b></p> <p><b>Personal savings:</b></p> <ul style="list-style-type: none"> <li>• The partners will not have to spend time trying to secure other sources of finance so able to buy the dental equipment immediately</li> <li>• They will be able to save money with interest paid so there will not be any interest on money borrowed</li> <li>• After using their savings, they might not have enough money left for running the partnership</li> <li>• There is the opportunity cost of putting their savings into buying dental equipment rather than a more profitable activity</li> </ul> <p><b>Long-term loan:</b></p> <ul style="list-style-type: none"> <li>• Will receive the full cost of the dental equipment so do not have to use personal savings</li> <li>• The partners can pay back over a long period of time so that repayments can be spread</li> <li>• Interest has to be added so it is more costly than personal savings</li> <li>• Risk of losing collateral if loan is not paid back so assets could be taken that the partners need to continue in business</li> </ul> <p><b>Evaluation:</b> Personal saving is the faster and easier way to secure funding to buy the dental equipment. The partners do not have to go through a lengthy application process for a loan. However, we are not told how much the dental equipment is going to cost or more importantly whether the partners have sufficient personal savings to afford it. Given the absence of this information, it might be better for the partners to consider a long-term loan.</p>	8	<table border="1"> <thead> <tr> <th data-bbox="1491 213 1608 279">Level</th> <th data-bbox="1608 213 1722 279">Mark</th> <th data-bbox="1722 213 2063 279">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="1491 279 1608 619" style="text-align: center;">3</td> <td data-bbox="1608 279 1722 619" style="text-align: center;">7–8</td> <td data-bbox="1722 279 2063 619">The candidate is able to offer a thorough evaluation of whether Tahir and Ayesha should be using personal savings or a long-term loan store cards to buy dental equipment.</td> </tr> <tr> <td data-bbox="1491 619 1608 954" style="text-align: center;">2</td> <td data-bbox="1608 619 1722 954" style="text-align: center;">5–6</td> <td data-bbox="1722 619 2063 954">Candidate offers a satisfactory analysis of the advantages and/or disadvantages of using personal savings and/or long-term loan to buy dental equipment without evaluation.</td> </tr> <tr> <td data-bbox="1491 954 1608 1257" style="text-align: center;">1</td> <td data-bbox="1608 954 1722 1257" style="text-align: center;">1–4</td> <td data-bbox="1722 954 2063 1257">Candidate demonstrates some knowledge and understanding, with application to buying dental equipment, by personal savings and long-term loan.</td> </tr> <tr> <td data-bbox="1491 1257 1608 1323" style="text-align: center;">0</td> <td data-bbox="1608 1257 1722 1323" style="text-align: center;">0</td> <td data-bbox="1722 1257 2063 1323">No creditable response.</td> </tr> </tbody> </table>	Level	Mark	Description	3	7–8	The candidate is able to offer a thorough evaluation of whether Tahir and Ayesha should be using personal savings or a long-term loan store cards to buy dental equipment.	2	5–6	Candidate offers a satisfactory analysis of the advantages and/or disadvantages of using personal savings and/or long-term loan to buy dental equipment without evaluation.	1	1–4	Candidate demonstrates some knowledge and understanding, with application to buying dental equipment, by personal savings and long-term loan.	0	0	No creditable response.
Level	Mark	Description																
3	7–8	The candidate is able to offer a thorough evaluation of whether Tahir and Ayesha should be using personal savings or a long-term loan store cards to buy dental equipment.																
2	5–6	Candidate offers a satisfactory analysis of the advantages and/or disadvantages of using personal savings and/or long-term loan to buy dental equipment without evaluation.																
1	1–4	Candidate demonstrates some knowledge and understanding, with application to buying dental equipment, by personal savings and long-term loan.																
0	0	No creditable response.																

Question	Answer	Marks	Guidance
3(a)(i)	<p><b>What is the most popular form of advertising in 2016?</b></p> <p>Television</p>	1	
3(a)(ii)	<p><b>Give an example of a method of advertising used outdoors.</b></p> <ul style="list-style-type: none"> <li>• Posters / banners</li> <li>• Billboards / digital billboards</li> <li>• Neon signs/lights</li> <li>• Hoardings</li> <li>• Side of transport vehicles/bus shelters/buildings</li> </ul>	1	
3(a)(iii)	<p><b>Calculate the total amount spent on newspaper and magazine advertising in 2020. Show your working.</b></p> <p>Answer = \$112m (2) Method = <math>14\% \times \\$800m/100</math> (1)</p>	2	
3(b)	<p><b>Explain why cinema is not a popular form of advertising?</b></p> <ul style="list-style-type: none"> <li>• Cinema advertising is only seen by a limited audience / may not reach the targeted audience (1) not everybody / less old people visit the cinema / more people watch films at home / some people cannot afford to go the cinema (1)</li> <li>• Cinema goers miss the advertisement (1) as many people come in late to see the film / talk over the adverts/not pay attention to the adverts (1)</li> <li>• It is usually seen once only (1) so the advertisement is not reinforced (1)</li> </ul>	2	

Question	Answer	Marks	Guidance
3(c)	<p><b>Explain <u>two</u> reasons for the growth of internet advertising. Give reasons for your answer.</b></p> <ul style="list-style-type: none"> <li>• Falling cost of internet access (1) due to internet price competition (1)</li> <li>• Low cost / cheaper for businesses to advertise (1) on social media / compared to e.g. television / cuts down on business costs (1)</li> <li>• Improved technology (1) faster internet access/speed (1)</li> <li>• Falling cost of smartphones (1) due to network price competition (1)</li> <li>• Can target consumers better (1) with adverts on specific websites / using people's email addresses to contact them (1)</li> <li>• Global reach (1) more consumers able to access (1)</li> <li>• Increase in use of smartphones / mobile devices (1) the web can be accessed anywhere / less people reading print media (1)</li> <li>• Can be seen 24/7 (1) web can be accessed at any time (1)</li> <li>• Increase in people using social media (1) e.g. Facebook (1)</li> <li>• Large audience / large number of users (1) access / potential for more sales / compared to e.g. newspapers (1)</li> </ul>	<b>4</b>	

Question	Answer	Marks	Guidance
3(d)	<p><b>Discuss the negative effects of advertising on consumers when buying goods and services.</b></p> <ul style="list-style-type: none"> <li>• Consumers pressurised into buying things / impulse buying they cannot afford / leads to debt</li> <li>• Some advertising uses objectionable appeal which shocks or offends</li> <li>• Body images portrayed may cause unrealistic expectations / affect self-worth</li> <li>• The advertising of unhealthy products e.g. chocolate</li> <li>• Creating an unnecessary want that is not needed because of pressure/attraction of the advert / e.g. buying an iPhone, new car</li> <li>• Product price is increased because of high cost of advertising</li> <li>• Misleading advertisements / only mentioning the good points / exploited consumer wastes money on something that does not meet their need / make poor decision in buying the product</li> <li>• Increases pollution e.g. leaflets thrown away</li> </ul> <p><b>Evaluation:</b> Advertising should have a positive effect on consumers. If advertisers deceive consumers into buying goods and services, it is not beneficial to consumers. Advertising can negatively affect consumers in different ways, for example, encouraging them to buy things they cannot afford so incurring debt, or causing low self-esteem by suggesting a particular image is the best/right/only acceptable one.</p>	<b>6</b>	<p>Up to 2 marks for <b>describing</b> negative effects of advertising for consumers</p> <p>Up to a further 2 marks for <b>analysing</b> negative effects of advertising for consumers</p> <p>Up to a final 2 marks for <b>evaluating</b> negative effects of advertising for consumers</p>

Question	Answer	Marks	Guidance
4(a)(i)	<p><b>State <u>three</u> bank services a customer can access using an ATM.</b></p> <ul style="list-style-type: none"> <li>• Withdraw cash</li> <li>• Obtain a receipt</li> <li>• Balance enquiry</li> <li>• Check/ print statement</li> <li>• Deposit</li> <li>• Transfer money between accounts</li> <li>• Make payments/pay bills</li> <li>• Top up mobile phones</li> <li>• Apply for loans</li> <li>• PIN change / unlock PIN</li> </ul>	<b>3</b>	
4(a)(ii)	<p><b>Explain <u>two</u> advantages of internet banking to a customer.</b></p> <ul style="list-style-type: none"> <li>• Convenient (1) banking can be done at home / can access balance / view transactions / make payments (1)</li> <li>• Saves money / travel costs (1) No need to spend money on transport to visit the bank (1)</li> <li>• Saves time (1) no need to wait in a bank queue / travel to a bank / can make transactions quickly (1)</li> <li>• 24/7 (1) transactions can be carried out anytime / no need to wait for bank opening hours (1)</li> <li>• Can be done anywhere (1) with an internet connection (1)</li> <li>• Cheap/quick transfer of money/payments (1) compared to traditional payment methods such as cheques or bank drafts (1)</li> <li>• Can bank on the phone (1) with mobile app (1)</li> <li>• Ease of use / no need to fill out forms (1) complete payments into and out of your account with a few simple clicks (1)</li> <li>• Higher saving rates may become available to customers (1) because banks have lower overhead costs so be able to pay more interest out (1)</li> </ul>	<b>4</b>	



Question	Answer	Marks	Guidance
4(b)	<p><b>Discuss whether moving towards a cashless society will benefit consumers when buying goods and services. Give reasons for your answer.</b></p> <p>Cashless society is consumers buying goods and services using electronic methods of payment.</p> <p><b>Arguments for a cashless society:</b></p> <ul style="list-style-type: none"> <li>• Transactions at time of payment are faster and more accurate</li> <li>• Essential for online shopping</li> <li>• No need for currency exchange while travelling internationally</li> <li>• Less crime as there is no tangible money to steal</li> </ul> <p><b>Arguments against a cashless society:</b></p> <ul style="list-style-type: none"> <li>• Exposes personal information to a possible data breach</li> <li>• Hackers may take money and there will be no alternative source</li> <li>• Technology problems can leave you with no access</li> <li>• Those without bank accounts will be unable to make transactions</li> </ul> <p><b>Evaluation:</b> The ease and convenience of conducting financial transactions is probably the biggest motivator to become a cashless society. Consumers will no longer need to carry cash, plastic cards, or even queue up for ATM withdrawals which will make their lives easier / waste less time. However, the trend towards a cashless society will depend on people's willingness to adapt to digital methods of payment and as many people do not like change, it will not benefit consumers who still prefer to pay in cash or do not have a bank account.</p>	<b>6</b>	<p>Up to 2 marks for <b>describing</b> a cashless society</p> <p>Up to a further 2 marks for <b>analysing</b> whether a cashless society will benefit customers</p> <p>Up to a final 2 marks for <b>evaluating</b> whether a cashless society will benefit customers</p>

Question	Answer	Marks	Guidance
5(a)(i)	<p><b>Name the document in Fig 5.1.</b></p> <p>Credit Note</p>	1	
5(a)(ii)	<p><b>Calculate the figures labelled (ii)-(iv) to complete the table shown in Fig. 5.1.</b></p> <p>\$5600 (1)</p>	3	
5(a)(iii)	\$1120 (1)		
5(a)(iv)	\$4480 (1)		
5(b)	<p><b>Should trade discount be given to customers? Give reasons for your answer.</b></p> <p>Yes – offered to trade/regular customers (1) encourages customers to buy more / in bulk / more often (1) increases sales / attracts more customers (1) clears production lines / stocks (1) and creates customer loyalty / good relationships (1) ensuring repeat business (1) stops them from going to competition (1) retail customers can resell at a higher price (1) obtain more profit (1)</p> <p>No – it is money lost (1) discounts add to up to significant sums over time (1) this can have a negative effect on sales revenue (1) and ultimately profit (1)</p>	3	

Question	Answer	Marks	Guidance												
5(c)	<p><b>Which of these statements about the wholesale trade are TRUE and which are FALSE?</b></p> <table border="1" data-bbox="338 379 1335 643"> <thead> <tr> <th></th> <th>TRUE</th> <th>FALSE</th> </tr> </thead> <tbody> <tr> <td>The wholesaler breaks bulk by buying in small quantities.</td> <td></td> <td>✓</td> </tr> <tr> <td>Export merchants are rewarded by profit</td> <td>✓</td> <td></td> </tr> <tr> <td>Cash and carry wholesalers offer hire purchase to retailers</td> <td></td> <td>✓</td> </tr> </tbody> </table>		TRUE	FALSE	The wholesaler breaks bulk by buying in small quantities.		✓	Export merchants are rewarded by profit	✓		Cash and carry wholesalers offer hire purchase to retailers		✓	3	
	TRUE	FALSE													
The wholesaler breaks bulk by buying in small quantities.		✓													
Export merchants are rewarded by profit	✓														
Cash and carry wholesalers offer hire purchase to retailers		✓													

Question	Answer	Marks	Guidance																	
5(d)	<p><b>Many clothing retailers find it difficult to compete with online retailers.</b></p> <p><b>Two possible solutions are:</b></p> <ul style="list-style-type: none"> <li>• <b>Develop a social media presence</b></li> <li>• <b>Provide a customer loyalty card programme</b></li> </ul> <p><b>Discuss each of these solutions. Recommend a course of action. Give reasons for your answer.</b></p> <p>Social media and marketing using social media platforms to promote goods and services is an increasingly popular means of communication. Customer loyalty card programme offers rewards to customers for the purchases they make.</p> <p><b>Social media presence:</b></p> <ul style="list-style-type: none"> <li>• Increases trust among consumers as a good impression can be made, e.g. if a celebrity is seen wearing the clothes, or the opposite if reviews are poor</li> <li>• Improves brand awareness as content can go viral, but not if PR is bad</li> <li>• Increases online sales because of quick links to retailer websites</li> <li>• Improves customer service and relations as consumers like to interact on social media by asking questions and giving feedback</li> </ul> <p><b>Customer loyalty card programme:</b></p> <ul style="list-style-type: none"> <li>• a good way to attract new customers and to retain customers</li> <li>• Increases sales as customers take advantage of sales promotions</li> <li>• Clothing retailers track and analyse customer shopping habits so they can target loyalty offers to specific customers, e.g. specific brands or types of clothing</li> <li>• Increases market e.g. recommend a friend and receive an extra reward</li> </ul>	8	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="1496 217 1608 280">Level</th> <th data-bbox="1608 217 1720 280">Mark</th> <th data-bbox="1720 217 2063 280">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="1496 280 1608 584" style="text-align: center;">3</td> <td data-bbox="1608 280 1720 584" style="text-align: center;">7–8</td> <td data-bbox="1720 280 2063 584">The candidate is able to offer a thorough evaluation of whether clothing retailers should be developing a social media presence or providing a customer loyalty card.</td> </tr> <tr> <td data-bbox="1496 584 1608 919" style="text-align: center;">2</td> <td data-bbox="1608 584 1720 919" style="text-align: center;">5–6</td> <td data-bbox="1720 584 2063 919">Candidate offers a satisfactory analysis of the advantages and/or disadvantages to clothing retailers of developing a social media presence or providing a customer loyalty card.</td> </tr> <tr> <td data-bbox="1496 919 1608 1254" style="text-align: center;">1</td> <td data-bbox="1608 919 1720 1254" style="text-align: center;">1–4</td> <td data-bbox="1720 919 2063 1254">Candidate demonstrates some knowledge and understanding, with application to clothing retailers, of developing a social media presence or providing a customer loyalty card.</td> </tr> <tr> <td data-bbox="1496 1254 1608 1318" style="text-align: center;">0</td> <td data-bbox="1608 1254 1720 1318" style="text-align: center;">0</td> <td data-bbox="1720 1254 2063 1318">No creditable response.</td> </tr> </tbody> </table> <p data-bbox="1496 1358 1939 1422">Note: Can obtain up to 7 marks for discussing one option.</p>			Level	Mark	Description	3	7–8	The candidate is able to offer a thorough evaluation of whether clothing retailers should be developing a social media presence or providing a customer loyalty card.	2	5–6	Candidate offers a satisfactory analysis of the advantages and/or disadvantages to clothing retailers of developing a social media presence or providing a customer loyalty card.	1	1–4	Candidate demonstrates some knowledge and understanding, with application to clothing retailers, of developing a social media presence or providing a customer loyalty card.	0	0	No creditable response.
Level	Mark	Description																		
3	7–8	The candidate is able to offer a thorough evaluation of whether clothing retailers should be developing a social media presence or providing a customer loyalty card.																		
2	5–6	Candidate offers a satisfactory analysis of the advantages and/or disadvantages to clothing retailers of developing a social media presence or providing a customer loyalty card.																		
1	1–4	Candidate demonstrates some knowledge and understanding, with application to clothing retailers, of developing a social media presence or providing a customer loyalty card.																		
0	0	No creditable response.																		

<b>Question</b>	<b>Answer</b>	<b>Marks</b>	<b>Guidance</b>
5(d)	Example of Evaluation: In terms of cost, social media costs very little to run once it is set up, although it takes time to build up relationships with consumers and for posts to be shared. Loyalty rewards programmes can be more expensive to monitor and manage. Also, the promotions offered may reduce profit if not enough sales are made. So social media is recommended for clothing retailers to be more competitive, especially as fashion trends change so quickly.		