



**Cambridge Assessment
International Education**

Example Candidate Responses – Paper 2

Cambridge O Level Commerce 7100

For examination from 2021



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Introduction

The main aim of this booklet is to exemplify standards for those teaching Cambridge O Level Commerce 7100, and to show how different levels of candidates' performance (high, middle and low) relate to the subject's curriculum and assessment objectives.

In this booklet candidate responses have been chosen from the June 2021 series to exemplify a range of answers.

For each question, the response is annotated with a clear explanation of where and why marks were awarded or omitted. This is followed by examiner comments on how the answer could have been improved. In this way, it is possible for you to understand what candidates have done to gain their marks and what they could do to improve their answers. There is also a list of common mistakes candidates made in their answers for each question.

This document provides illustrative examples of candidate work with examiner commentary. These help teachers to assess the standard required to achieve marks beyond the guidance of the mark scheme. Therefore, in some circumstances, such as where exact answers are required, there will not be much comment.

The questions and mark schemes used here are available to download from the School Support Hub. These files are:

June 2021 Question Paper 22
June 2021 Paper 22 Mark Scheme

Past exam resources and other teacher support materials are available on the School Support Hub:

www.cambridgeinternational.org/support

How to use this booklet

This booklet goes through the paper one question at a time, showing you the high-, middle- and low-level response for each question. The candidate answers are set in a table. In the left-hand column are the candidate answers, and in the right-hand column are the examiner comments.

Example Candidate Response – high	Examiner comments
<p>(b) Explain, using an example, the importance of effective communication between a seaport and a ship at sea.</p> <p>...A ship at sea would need to communicate with a seaport so the seaport can know what to expect in terms of how big the ship is so they can make space and how much the load is so as to make arrangements to unload the ship and space for the goods unloaded. [2]</p> <p>(c) Explain one action that consumers can take to reduce plastic pollution.</p> <p>Consumers can recycle plastic materials more than once. This would drastically ^{slow} decrease plastic pollution as the plastic material would only be thrown away after a long time or would</p>	<p>3 The candidate gives a valid reason why effective communication is important.</p> <p>4 A relevant example is given. Mark for (b) = 2 out of 2</p> <p>5 An action is correctly identified.</p> <p>6 The candidate gives</p>

Answers are by real candidates in exam conditions. These show you the types of answers for each level. Discuss and analyse the answers with your learners in the classroom to improve their skills.

Examiner comments are alongside the answers. These explain where and why marks were awarded. This helps you to interpret the standard of Cambridge exams so you can help your learners to refine their exam technique.

How the candidate could have improved their answer

- (a)–(d) The candidate demonstrated good knowledge and understanding on a wide range of commercial topics. However, they needed to supply a relevant example of mechanical equipment to unload a ship's cargo. If they had studied Fig.1.1 more closely, they would have identified

This section explains how the candidate could have improved each answer. This helps you to interpret the standard of Cambridge exams and helps your learners to refine their exam technique.

Common mistakes candidates made in this question

- (a)(i) Some candidates thought the ship shown in Fig. 1.1. was a ferry.
- (b) Answers giving an example without mentioning the importance of communication.
- (c) Lacking linked explanations to actions to reduce plastic pollution.
- (e)(ii) Providing general answers on warehousing instead of specifically relating their answers to bonded warehouses.

Often candidates were not awarded marks because they misread or misinterpreted the questions.

Lists the common mistakes candidates made in answering each question. This will help your learners to avoid these mistakes and give them the best chance of achieving the available marks.

Question 1

Example Candidate Response – high

Examiner comments

1 Fig. 1.1 shows freight forwarders unloading cargo at a seaport.



Fig. 1.1

Use Fig. 1.1 to help you answer the following questions.

(a) (i) Identify the type of ship shown in Fig. 1.1.

...Container ship. 1
 [1]

(ii) Give an example of mechanised equipment used to unload cargo.

...Crane. 2
 [1]

(b) Explain, using an example, the importance of effective communication between a seaport and a ship at sea.

...Effective communication is important so that both the workers at the seaport and the workers on the ship are able to converse properly. 3
 ...in case of any danger at sea, the captain can converse properly to the people in charge at the seaport for help. 4 [2]

(c) Explain one action that consumers can take to reduce plastic pollution.

...Consumers can stop buying plastic bags and bottles rather they should create awareness about biodegradable bags to reduce plastic pollution. 5
 ...moreover, they can pressurize the government to ban plastic stems to reduce pollution. 6 [2]

1 The candidate identifies the correct type of ship in Fig. 1.1. Mark for (a)(i) = 1 out of 1

2 The candidate gives a relevant example. Mark for (a)(ii) = 1 out of 1

3 The candidate gives a valid reason why effective communication is important.

4 A relevant example is given. Mark for (b) = 2 out of 2

5 The candidate identifies a correct action.

6 The candidate gives an explanation linked to the action identified. Mark for (c) = 2 out of 2

Example Candidate Response – high, continued

Examiner comments

(d) Circle the correct answer to complete each of the following sentences.

The insurance of ships is called

7 marine OR travel

Freight forwarders help with

logistics OR currencies.

[2]

(e) Customs authorities and bonded warehouses operate at seaports.

(i) Do you think customs authorities play a useful role in trade? Give reasons for your answer.

8 Yes, Custom authorities are responsible for collecting statistical reports of imports and exports. They are also responsible for collecting tariffs. They also control importation such as detecting drugs, weapons and other trafficking. They also supervise bonded warehouses. They are responsible for ensuring safe trade within a country. I agree that custom authorities play a useful role in trade.

[4]

(ii) Evaluate the importance of bonded warehouses in international trade.

10 A bonded warehouse is a warehouses where dutiable goods are kept. 11 when the amount of duty is big or the importer does not have money to pay for duty, they have to keep their goods in a bonded warehouse. 12 goods are released only when the duty has been paid. However, importers can modify, process, pack or beautify their products in the bonded warehouse. They importer can also find a buyer locally or internationally for its goods. Then, the person buying the goods has to pay the duty so that he can get the goods. Bonded warehouses is very useful to importers. They can import heavy duty goods and sell it to other people without the need 13 to pay the duty himself. The other person has to pay it. [6]

[Total: 18]

7 The candidate circles both correct answers. Mark for (d) = 2 out of 2

8 The candidate makes a supported judgement in the first sentence.

9 The candidate makes further points of valid reasoning in support of their judgement. Mark for (e)(i) = 4 out of 4

10 There are 6 marks available: 2 marks for knowledge and understanding, 2 marks for analysis and 2 marks for evaluating how important bonded warehouses are in international trade.

11 The candidate demonstrates clear knowledge of what a bonded warehouse is used for.

12 The candidate begins to analyse the importance of a bonded warehouse to an importer.

13 The evaluation is clearly based on the points analysed. Mark for (e)(ii) = 6 out of 6

Total mark awarded = 18 out of 18

How the candidate could have improved their answer

- (a)–(d) The candidate achieved full marks with good knowledge and understanding demonstrated on a wide range of commercial topics.
- (e) The candidate successfully demonstrated effective evaluative skills in both parts of this question.

Example Candidate Response – middle

Examiner comments

1 Fig. 1.1 shows freight forwarders unloading cargo at a seaport.



Fig. 1.1

Use Fig. 1.1 to help you answer the following questions.

(a) (i) Identify the type of ship shown in Fig. 1.1.

Cargo ship Container ship 1

1 The candidate identifies a correct type of ship shown in Fig. 1.1.
Mark for (a)(i) = 1 out of 1

(ii) Give an example of mechanised equipment used to unload cargo.

Tractor bulldozer 2

2 A bulldozer would normally be used for clearing land rather than unloading cargo. Therefore, no mark could be awarded.
Mark for (a)(ii) = 0 out of 1

(b) Explain, using an example, the importance of effective communication between a seaport and a ship at sea.

A ship at sea would need to communicate with a seaport, so the seaport can know what to expect in terms of how big the ship is, so they can make space and how much the load is, so as to make arrangements to unload the ship and space for the goods unloaded. 3 4

3 The candidate gives a valid reason why effective communication is important.

4 A relevant example is given.
Mark for (b) = 2 out of 2

(c) Explain one action that consumers can take to reduce plastic pollution.

Consumers can recycle plastic materials more than once. This would drastically ^{slow} decrease plastic pollution as the plastic material would only be thrown away after a long time, or would not be thrown away at all. 5 6

5 An action is correctly identified.

6 The candidate gives an explanation linked to the action identified.
Mark for (c) = 2 out of 2

Example Candidate Response – middle, continued

Examiner comments

(d) Circle the correct answer to complete each of the following sentences.

The insurance of ships is called

marine OR travel.

7 Freight forwarders help with

logistics OR currencies.

[2]

(e) Customs authorities and bonded warehouses operate at seaports.

(i) Do you think customs authorities play a useful role in trade? Give reasons for your answer.

A government would not be able to know the statistics of trade in its country without customs authorities. They wouldn't know if their country has a balance of trade deficit or surplus. This could affect the government immensely. Therefore making customs authority extremely useful and important in trade. 8

[4]

(ii) Evaluate the importance of bonded warehouses in international trade.

Bonded warehouses store goods until duty is paid. This helps importers, who are planning on selling, get a place to store their goods before finding a market. At the same time, this is how governments ensure that they get their revenue when goods come in the country. The bonded warehouses help both the government and importers because without them, goods would get into the country without payment which would affect the economy and importers would have no time to find a market and a place to store their goods. 10 11

7 The candidate circles both correct answers. Mark for (d) = 2 out of 2

8 The candidate makes a judgement in the final sentence based on two relevant reasons about the collection of international statistics so that the balance of trade can be calculated. Mark for (e)(i) = 2 out of 4

9 The candidate demonstrates clear knowledge of what a bonded warehouse is used for.

10 There is some simple analysis on why a bonded warehouse is important to an importer.

11 There is further analysis on how bonded warehouses are important to both the government and to importers. However, there is no evaluation of their importance in international trade which restricts the number of marks awarded. Mark for (e)(ii) = 4 out of 6

Total mark awarded = 13 out of 18

How the candidate could have improved their answer

- **(a)–(d)** The candidate demonstrated good knowledge and understanding on a wide range of commercial topics. However, they needed to supply a relevant example of mechanised equipment to unload a ship's cargo. If they had studied Fig.1.1 more closely, they would have identified cranes as a correct answer.
- **(e)** Both parts of this question required the candidate to evaluate. If asked to evaluate, candidates should make a judgement based on weighing up points for and against what they are asked to evaluate. The response should provide a verdict as to what extent the candidate agrees with a statement, by presenting evidence and examples taken from sources that both agree with and contradict the statement in question. They should then come to a final decision as to what they judge to be the most important factor leading to their decision and provide justification, including any factors that have affected their judgement, such as the quality of information available. The argument should be supported with evidence and examples from theory and practice.
- **(e)(ii)** The candidate did demonstrate sound knowledge and understanding with some analysis but did not provide an evaluation, so they were unable to access the full range of marks.

Example Candidate Response – low

Examiner comments

Fig. 1.1 shows freight forwarders unloading cargo at a seaport.



Fig. 1.1

Use Fig. 1.1 to help you answer the following questions.

(a) (i) Identify the type of ship shown in Fig. 1.1.

Cargo ship. 1
 [1]

(ii) Give an example of mechanised equipment used to unload cargo.

machine to unload cargo. 2
 [1]

(b) Explain, using an example, the importance of effective communication between a seaport and a ship at sea.

Without a good communication the ship will not go to the direction that have been planned. Ex: - 3
 - Due weather changes. 4
 [2]

(c) Explain one action that consumers can take to reduce plastic pollution.

Consumer have to increase the use of plastic 5
 bioplastic and use ~~can~~ instead of plastic which 6
~~decre~~ increases pollution. 6

- 1 The candidate identifies the correct type of ship shown in Fig. 1.1.
Mark for (a)(i) = 1 out of 1
- 2 The example of a machine is too vague to be creditworthy.
Mark for (a)(ii) = 0 out of 1
- 3 The candidate gives a valid reason why effective communication is important.
- 4 A relevant example is given.
Mark for (b) = 2 out of 2
- 5 An action is identified.
- 6 The explanation is too vague and simply repeats the question with different wording.
Mark for (c) = 1 out of 2

Example Candidate Response – low, continued

Examiner comments

(d) Circle the correct answer to complete each of the following sentences.

The insurance of ships is called

marine OR travel.

7 Freight forwarders help with

logistics OR currencies.

[2]

7 The candidate circles one of the correct answers. Freight forwarders help with logistics, not currencies.
Mark for (d) = 1 out of 2

(e) Customs authorities and bonded warehouses operate at seaports.

(i) Do you think customs authorities play a useful role in trade? Give reasons for your answer.

Custom authorities are the people who manage half of the trade. Therefore any trade will pass through them. The advantages they will control the trade of the business. Moreover it takes capital and can take time to accept trade. 8

8 No judgement is made and there is no relevant reasoning on the work of customs authorities.
Mark for (e)(i) = 0 out of 4

..... [4]

(ii) Evaluate the importance of bonded warehouses in international trade.

Bonded warehouse are located near airport or ship. It is used to store product till the owner pays. 9
it to get it back. As long as the product is not paid it will be stored. The product is protect against theft or ^{bad} weather by the owner. 10
of the product will not move or loss. The owner can take all his time to paid it as the airport will not tell the owner to paid quickly.

9 There is some description of where a bonded warehouse is located and its purpose.

10 The remainder of this answer is very general and could apply to any warehouse. There is no analysis or evaluation of the importance of bonded warehouses to international trade.
Mark for (e)(ii) = 2 out of 6

Total mark awarded = 7 out of 18

How the candidate could have improved their answer

- **(a)(ii)** The candidate needed to provide a specific example of mechanised equipment used to unload cargo.
- **(c)** The candidate could have explained the relevant action identified instead of simply rewording the question.
- **(d)** More knowledge was needed about the role of freight forwarders.
- **(e)(i)** The question began with the command 'Do you think'. When this is used, the candidate should provide a thorough assessment of the evidence on one, or both, sides of an argument. The candidate can do this by explaining and developing one side of an argument and qualifying the points made, or by developing alternative arguments. They should arrive at a judgement having presented a reasoned case using examples and considering different perspectives as to how far they agree with the statement in question. They should provide a verdict as to what extent they agree with the statement. In this answer, there was no attempt to make a judgement and a lack of knowledge was shown on the role of customs authorities.
- **(e)(ii)** The candidate could have included more knowledge points, relevant analysis and evaluation.

Common mistakes candidates made in this question

- **(a)(i)** Some candidates thought the ship shown in Fig. 1.1. was a ferry.
- **(b)** Answers giving an example without mentioning the importance of communication.
- **(c)** Lacking linked explanations to actions to reduce plastic pollution.
- **(e)(ii)** Providing general answers on warehousing instead of specifically relating their answers to bonded warehouses.

Question 2

Example Candidate Response – high

Examiner comments

2 Tahir has been employed as a dentist for five years. He has recently been approached by Ayesha, a friend, who thought it would be a good idea for them to form a business partnership.

(a) Identify the type of industry in which this dental partnership would operate.

Tertiary industry / service industry. 1

[1]

(b) State three features of a partnership.

1. unlimited liability.

2. Profits and losses are shared.

3. Responsibilities are shared. 2

[3]

(c) Do you think partnership is the best form of ownership for this business? Give reasons for your answer.

No, partnership is not the best form of ownership. The partners will face unlimited liability that is in case of bankruptcy, Ayesha and Tahir's personal belongings may be seized to repay any loan taken by the business. Moreover, there may be disagreement in decision making leading to conflicts. Tahir will have to share his profits with Ayesha. Also, Tahir will not remain the only boss in the partnership business. 4

[3]

- Tahir should opt for a private limited company where he will enjoy limited liability. 5

1 The candidate correctly identifies the type of industry. Mark for (a) = 1 out of 1

2 The candidate correctly states three features of a partnership. Mark for (b) = 3 out of 3

3 The candidate makes an unsupported judgement in the first sentence, but then explains a relevant reason in the next two sentences.

4 The candidate gives a further range of reasons to support their earlier judgement.

5 The candidate supports their judgement with a justified evaluation. Mark for (c) = 3 out of 3

Example Candidate Response – high, continued

Examiner comments

(d) 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.

Discuss each of these two options. Which would you recommend? Give reasons for your answer.

6 Personal savings is money left after expenses. If they opt for personal savings, they won't have to pay any interest. They won't have to complete any documentation. They won't have to repay the money compared to loan. However, personal savings is kept for urgent uses. If they use it to purchase dental equipments, they won't be able to meet urgent needs in the future. They may not be able to get enough money needed. 7

Bank loan is borrowing money from the bank. If they choose bank loan, they will have more time to repay the long-term loan. They can ask for huge amounts at a time. They can pay the money back over small payments for a long time. However, they will have to pay interests on the loan taken. As the loan is big, the amount of interest will also be huge. Moreover, 8 bank loan is a lengthy process with long documentations. [8]

[Total: 15]

- As a dentist is a small business, I would advise Tahir and Ayesha to use their personal savings to purchase the dental equipment. They won't have any documentation to fill and they won't have any interest to pay. 9

6 There are 8 marks available for this question: 4 marks for knowledge and understanding, 2 marks for analysis and 2 marks for a recommendation evaluating whether the partnership should use personal savings or a long-term loan to buy equipment.

7 The candidate begins their argument with relevant points about the use of personal savings showing knowledge and understanding at Level 1.

8 The candidate continues their argument by providing some further Level 1 points and some Level 2 analysis on the use of a long-term loan.

9 The candidate makes a recommendation which accesses Level 3 marks. However, as there has only been one preceding point of analysis at Level 2, the candidate is unable to obtain maximum marks. Mark for (d) = 7 out of 8

Total mark awarded = 14 out of 15

How the candidate could have improved their answer

- (a) The candidate gave two answers. The first, and the correct answer, was accepted. The second answer would not have been accepted by examiners as it is only partly correct. The more precise commercial term of direct services should have been used.
- (b)–(c) The candidate achieved full marks with good knowledge and understanding demonstrated on the topics of production and business organisations. No improvements could have been made.
- (d) The candidate needed more supporting analysis to their final evaluation, as the recommendation was supported only by a repeat of the argument. More supporting evidence at Level 2 was required for full marks.

Example Candidate Response – middle

Examiner comments

2 Tahir has been employed as a dentist for five years. He has recently been approached by Ayesha, a friend, who thought it would be a good idea for them to form a business partnership.

(a) Identify the type of industry in which this dental partnership would operate.

Tertiary. 1
 [1]

(b) State three features of a partnership.

1. Two or more members.

 2. Profits or losses are shared according to the Partnership Deed.

 3. Unlimited liability. 2
 [3]

(c) Do you think partnership is the best form of ownership for this business? Give reasons for your answer.

Yes, they can share the responsibilities to make
 the work more easy ^{but} when taking
 decisions. 3 there might be conflicts in case
 the partner rejects. 4

1 The candidate correctly identifies the type of industry. Mark for (a) = 1 out of 1

2 The candidate correctly states three features of a partnership. Mark for (b) = 3 out of 3

3 The candidate makes a supported judgement in the first sentence.

4 The candidate has provided one positive and one negative reason both of which are acceptable. Mark for (c) = 2 out of 3

Example Candidate Response – middle, continued

Examiner comments

(d) 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.

Discuss each of these two options. Which would you recommend? Give reasons for your answer.

Personal Savings:
 Personal savings have lots of advantages and you don't have to pay interest each month. It may not be enough to purchase the equipment. They may not have enough money to pay to their day-to-day expenses if they buy it with their personal savings. **5**

Long-term loan:
 With long-term loan, you can have a lot of time to repay it.
 May get full money for the purchase or most of it.
 Must pay interest each month. **6**

I would recommend to use the personal savings as they don't have to pay each month with interests but in case they don't have enough money in their personal savings, they will need to take a long-term loan. **7** [Total: 15]

5 The candidate begins their argument with relevant points about the use of personal savings showing knowledge and understanding at Level 1.

6 The candidate continues their argument with points about the use of a long-term loan, continuing to show knowledge and understanding at Level 1.

7 Although the candidate makes a recommendation with some reasoning, they are unable to access Level 3 marks as there is no Level 2 supporting analysis in their answer.
 Mark for (d) = 4 out of 8

Total mark awarded = 10 out of 15

How the candidate could have improved their answer

- (a)–(b) The candidate achieved full marks with good knowledge and understanding demonstrated on the topics of production and features of a partnership. There was no room for improvement in this answer.
- (c) The candidate needed to either develop their reasoning further on the point raised or provide more reasons to support their judgement.
- (d) It would have been useful to clearly define both personal savings and long-term loan at the start of the answer, then to provide supporting analysis linked to the Level 1 points given. Without any Level 2 supporting analysis, the evaluation was not able to gain any marks.

Example Candidate Response – low

Examiner comments

2 Tahir has been employed as a dentist for five years. He has recently been approached by Ayesha, a friend, who thought it would be a good idea for them to form a business partnership.

(a) Identify the type of industry in which this dental partnership would operate.

~~Private dental company~~ Tertiary industry. 1 [1]

(b) State three features of a partnership.

1. Share of profit ~~with~~ between 2 parties only.

2. No need to invest large amount of capital.

3. Easy to control. 2 [3]

(c) Do you think partnership is the best form of ownership for this business? Give reasons for your answer.

Yes, as when they will get profit, they will share it ^{among} themselves only. It is a form of business which can be very easy to control. 3

(d) 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.

Discuss each of these two options. Which would you recommend? Give reasons for your answer.

Long-term loan can be more appropriate for them as a partnership can pay a small amount monthly ^{or} annually. The money they received by giving ~~pro~~ customers their service, can be used to give cover the loan slowly. Compared with personal savings, it may be a deficit for them as if they buy dental equipments, they will not earn a revenue. Their income will be spent on buying equipment. 4 5

1 The candidate correctly identifies the type of industry. Mark for (a) = 1 out of 1

2 The candidate correctly identifies one feature of possible partnership features. Two and three are advantages rather than features. Mark for (b) = 1 out of 3

3 The candidate makes a supported judgement in the first sentence. The second sentence is not a valid reason. Mark for (c) = 1 out of 3

4 The candidate makes one point concerning the use of a long-term loan which is at Level 1.

5 The remainder of the answer does not contain any further relevant points, for Level 1 or Level 2. Mark for (d) = 1 out of 8

Total mark awarded = 4 out of 15

How the candidate could have improved their answer

- **(a)** The candidate achieved full marks with good knowledge and understanding demonstrated on the topic of production.
- **(b)** The question asked candidates to state three features whereas the candidate stated one feature and two advantages instead. To improve their answer, the candidate needed to focus on features. The candidate needed to know the difference between a feature and an advantage.
- **(c)** The candidate needed to either develop their reasoning on the one point raised or provide more reasons to support their judgement.
- **(d)** The candidate was awarded a Level 1 mark for knowledge. The rest of the answer lacked any supporting analytical comments or evaluation, so no further marks were awarded.

Common mistakes candidates made in this question

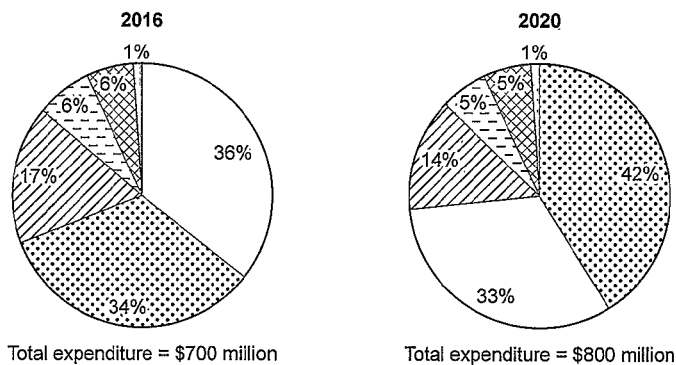
- **(a)** Ignoring the context of the question, so answers were sometimes too vague and could refer to any business.
- **(b)** Some responses stated advantages rather than features of a partnership.
- **(c)** Some candidates did not develop their reasoning sufficiently for this question.
- **(d)** Some answers did not support knowledge points with analytical explanation. Candidates who did make a recommendation did not always justify it.

Question 3

Example Candidate Response – high

Examiner comments

3 Fig. 3.1 shows the percentage (%) of expenditure on different forms of advertising in a country in 2016 and 2020.



Total expenditure = \$700 million

Total expenditure = \$800 million

- television ■ internet ▨ newspaper + magazine
- ▤ outdoor ▩ radio □ cinema

112000000

Fig. 3.1 Percentage (%) spent on advertising in a country in 2016 and 2020

Use Fig. 3.1 to help you answer the following questions.

(a) (i) What is the most popular form of advertising in 2016?

Television 1

[1]

(ii) Give an example of a method of advertising used outdoors.

Billboards 2

[1]

(iii) Calculate the total amount spent on newspaper and magazine advertising in 2020. Show your working.

$\frac{14}{100} \times 800000000 = \112 million 3

1 The correct answer is selected. Mark for (a)(i) = 1 out of 1

2 A valid example of outdoor advertising is given. Mark for (a)(ii) = 1 out of 1

3 The candidate calculates the correct answer using the correct method. Mark for (a)(iii) = 2 out of 2

Example Candidate Response – high, continued

Examiner comments

(b) Explain why cinema is not a popular form of advertising.

Nowadays, people don't go to watch a movie in cinema. They watch movies online (Netflix). And even if few people are in a cinema hall, they would not like to watch any advertisement. They are there to watch only the movie. [2]

4

(c) Explain two reasons for the growth of internet advertising. Give reasons for your answer.

1. Change in way of living, people now use internet a lot (especially youngsters). They use Facebook, Instagram and Twitter a lot. [5]

5

2. When advertising a product on the internet, it cost nothing money but some it's better to advertise in the internet as it is cheap way of advertisement advertising. [4]

6

(d) Discuss the negative effects of advertising on consumers when buying goods and services.

7. The consumer may not need that product but the advertisement may the consumer feel like he/she needs the product. Therefore, they spend money for nothing. [8] To add more, the consumer may want to become like the model who is advertising. For example, a skinny boy is watching an advertisement of a perfume and a body builder is doing that advertisement, then a boy will go to the gym and start to work-out to become like the body builder. When watching an advertisement of food. For e.g. KFC advertisement. The food in the advertisement look so good, but in reality it is not like that. [6]

9

[Total: 16]

4 The candidate makes one point concerning the use of a long-term loan which is at Level 1. Mark for (b) = 2 out of 2

5 The remainder of the answer does not contain any further relevant points, for Level 1 or Level 2.

6 It is not correct to say that internet advertising costs no money. However, the candidate does give a reason by stating it was cheaper for businesses to advertise, but there was no linked explanation. Mark for (c) = 3 out of 4

7 There are 6 marks available: 2 marks for knowledge and understanding, 2 marks for analysis and 2 marks for evaluating the negative effects of advertising on consumers.

8 The candidate describes and analyses a negative effect.

9 The candidate describes and analyses 2 more negative effects. However, as there is no evaluation, the candidate cannot access the final two marks. Mark for (d) = 4 out of 6

Total mark awarded = 13 out of 16

How the candidate could have improved their answer

- (a) The candidate achieved full marks by applying their answers effectively to Fig. 3.1. No areas of improvement could be identified for this question.
- (b) The answer clearly linked the explanation to a valid reason.
- (c) Two reasons for the growth of internet advertising were identified: greater use of social media and cost. The second reason needed further explanation.
- (d) The candidate made a good attempt at describing and analysing negative effects of advertising for consumers. However, there was no attempt at evaluation which is needed to obtain higher marks in this question.

Example Candidate Response – middle

Examiner comments

- 3 Fig. 3.1 shows the percentage (%) of expenditure on different forms of advertising in a country in 2016 and 2020.

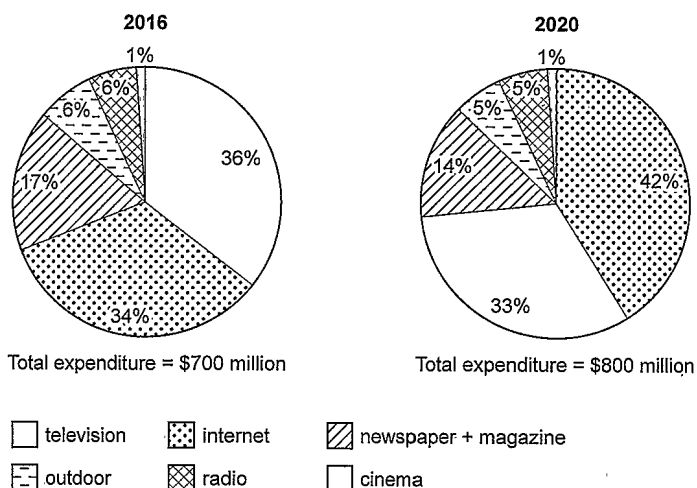


Fig. 3.1 Percentage (%) spent on advertising in a country in 2016 and 2020

Use Fig. 3.1 to help you answer the following questions.

- (a) (i) What is the most popular form of advertising in 2016?

Television 1 [1]

- (ii) Give an example of a method of advertising used outdoors.

Billboards 2 [1]

- (iii) Calculate the total amount spent on newspaper and magazine advertising in 2020. Show your working.

$100 \times 14 \div 800 = 1.75$ 3

1 The candidate selects the correct answer.
Mark for (a)(i) = 1 out of 1

2 A valid example of outdoor advertising is given.
Mark for (a)(ii) = 1 out of 1

3 An incorrect method is used to calculate an incorrect answer so no marks can be awarded.
Mark for (a)(iii) = 0 out of 2

Example Candidate Response – middle, continued

Examiner comments

(b) Explain why cinema is not a popular form of advertising.

Because nowadays people watch from their homes, technology is advanced so not everybody finds the need to go to the cinema. 4 [2]

(c) Explain two reasons for the growth of internet advertising. Give reasons for your answer.

1. Since technology is advanced, people of all ages use internet so it is easier to reach out to the customers through internet. 5

2. Most of the customers nowadays are online because they prefer shopping from home. 6

4 The candidate sufficiently explains a relevant reason. Mark for (b) = 2 out of 2

5 The candidate gives a relevant reason for the growth of internet advertising with a linked explanation.

6 The growth of online shopping is not a reason for the growth of internet advertising. This response required further explanation to be creditworthy. Mark for (c) = 2 out of 4

(d) Discuss the negative effects of advertising on consumers when buying goods and services.

~~Advantages. The consumers~~

Negative effects:- The goods ^{services} might not be exactly as shown on the advertisement. 7

- They might fall into fake advertisement. 7

- They might end up wasting money with something that they did not really need. 8

7 The response identified two negative effects of advertising on consumers.

8 The last sentence analyses a negative effect of advertising on consumers. Mark for (d) = 3 out of 6

Total mark awarded = 9 out of 16

How the candidate could have improved their answer

- (a)(iii) The candidate did not use the correct formula, therefore, the calculation was incorrect.
- (b) The answer clearly linked their explanation to a valid reason.
- (c) Only one of the two explained reasons given was valid.
- (d) The candidate made some attempt at describing and analysing one negative effect of advertising for consumers. As there was no attempt at evaluation, only three marks were awarded.

Example Candidate Response – low

Examiner comments

3 Fig. 3.1 shows the percentage (%) of expenditure on different forms of advertising in a country in 2016 and 2020.

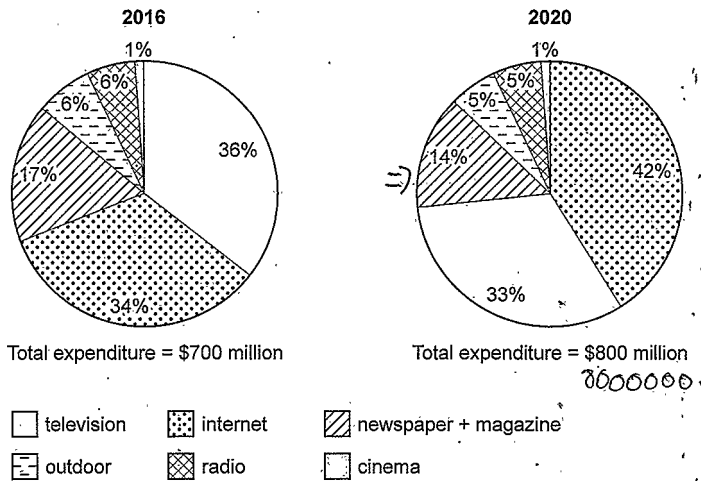


Fig. 3.1 Percentage (%) spent on advertising in a country in 2016 and 2020

Use Fig. 3.1 to help you answer the following questions.

(a) (i) What is the most popular form of advertising in 2016?

Internet..... 1
 [1]

(ii) Give an example of a method of advertising used outdoors.

Billboards..... 2
 [1]

(iii) Calculate the total amount spent on newspaper and magazine advertising in 2020. Show your working.

14 × 100 = 5714..... 3
 8000000.....

1 An incorrect answer is given. Mark for (a)(i) = 0 out of 1

2 A valid example of outdoor advertising is given. Mark for (a)(ii) = 1 out of 1

3 An incorrect method is used to calculate an incorrect answer so no marks can be awarded. Mark for (a)(iii) = 0 out of 2

Example Candidate Response – low, continued	Examiner comments
<p>(b) Explain why cinema is not a popular form of advertising.</p> <p>⇒ People may not pay attention with advertising in cinemas.</p> <p>⇒ Maybe people are no more interested to go to cinema at all. 4 [2]</p>	<p>4 The candidate gives two valid explanations why the cinema is not a popular form of advertising. Mark for (b) = 2 out of 2</p>
<p>(c) Explain two reasons for the growth of internet advertising. Give reasons for your answer.</p> <p>1. Maybe people businesses are facing lose and their product are not sold or not popular enough.</p> <p>2. In one way, maybe a business wants to get more customers abroad, then he/she does advertising everywhere. 5 [4]</p>	<p>5 Neither reason given shows sufficient knowledge nor understanding about the growth of internet advertising to score any marks. Mark for (c) = 0 out of 4</p>
<p>(d) Discuss the negative effects of advertising on consumers when buying goods and services.</p> <p>Sometimes, customers may face false advertising which means that, for e.g, the customers saw the price of the product is reduced in the advertising but when he went to buy it, the price has not change. Another problem is that sometimes customers don't get these products on discounts, because of bulk buying due to lower price. 7 6</p>	<p>6 The candidate describes a negative effect and analyses it.</p> <p>7 This is not a negative effect of advertising on consumers. Mark for (d) = 3 out of 6</p> <p>Total mark awarded = 6 out of 16</p>

How the candidate could have improved their answer

- **(a)(i)** The candidate incorrectly used the data for 2020 instead of 2016. This highlights the importance of reading the question carefully.
- **(a)(iii)** The candidate did not use the correct formula, therefore, the calculation was incorrect.
- **(b)** The candidate gave relevant reasoning.
- **(c)** The candidate needed to provide valid reasons for the growth of the internet.
- **(d)** The candidate made some attempt at describing and analysing one negative effect of advertising for consumers. As there was no attempt at evaluation, only 3 marks were awarded.

Common mistakes candidates made in this question

- **(a)(iii)** Some answers used the correct calculation method but gave an incorrect final answer.
- **(b)** Some candidates did not develop their answers sufficiently with further points of explanation.
- **(c)** Some candidates gave reasons for the growth of online shopping instead of internet advertising or repeated the same reason again, using different wording.
- **(d)** Candidates identified negative effects of advertising on consumers but found difficulty in analysing and then evaluating the effects. A small minority of candidates gave positive effects of advertising which was not required by the wording of the question.

Question 4

Example Candidate Response – high

Examiner comments

4 Banks offer a number of electronic banking services to their customers, including ATMs and internet banking.

(a) (i) State **three** bank services a customer can access using an ATM.

1. Withdrawal of cash. [1]
2. Deposit of cash into their individual accounts. [2]
3. Checking account balances. [3]

(ii) Explain **two** advantages of internet banking to a customer.

1. It is more convenient for the customers as they do not have to wait in long lines or leave the comfort of their homes. [2]
2. It reduces costs for the customers e.g. transport costs to go to the bank. Customers can simply make transactions, withdraw money etc. without having to spend so much money. [4]

(b). Discuss whether moving towards a cashless society will benefit consumers when buying goods and services. Give reasons for your answer.

- 4 Moving into a cashless society would mean that consumers no longer need to carry cash about. They could simply use debit cards, credit cards instead. A benefit of this is that consumers are less prone to robbery as they do not have any money on them. Also, it is more convenient to carry a debit card than to carry wads of cash. It gives them more sense of security. Although, a disadvantage of this is that they would be more prone to fraud and card theft. Consumers may be misled misled and therefore lose their card details to someone else. Consumers will benefit from a cashless society as there is more security and convenience although fraudulent acts may increase. [6]

1 The candidate correctly states three ATM bank services. Mark for (a)(i) = 3 out of 3

2 The candidate identifies a relevant advantage and then explains why it is an advantage to a customer.

3 The candidate identifies a different advantage and then explains why it is an advantage to a customer. Mark for (a)(iii) = 4 out of 4

4 There are 6 marks available: 2 marks for knowledge and understanding, 2 marks for analysis and 2 marks for discussing whether moving towards a cashless society will benefit consumers.

5 The candidate begins by demonstrating clear knowledge of a cashless society.

6 The candidate analyses a reason how a cashless society will benefit consumers.

7 The candidate analyses a reason how a cashless society will not benefit consumers.

8 This is a justified evaluation based on effective reasoning of analysed points. Mark for (b) = 5 out of 6

Total mark awarded = 12 out of 13

How the candidate could have improved their answer

- **(a)** The candidate achieved full marks with good knowledge and understanding demonstrated on ATM banking services and the advantages to a customer of using internet banking.
- **(b)** The candidate started off their answer well by defining the concept of a cashless society with some analysis. There was an evaluation but as it was based on only one Level 2 analysed point, 5 marks were awarded. It needed stronger analysis in the body of the answer to obtain full marks.

Example Candidate Response – middle

Examiner comments

4 Banks offer a number of electronic banking services to their customers, including ATMs and internet banking.

(a) (i) State **three** bank services a customer can access using an ATM.

1. Withdraw cash
2. Check ^{bank} balance
3. Put money into their bank. 1

[3]

(ii) Explain **two** advantages of internet banking to a customer.

1. It is easy for working population, they don't have to go at the bank, they can do it online. 2
2. Avoid queues - for people who ~~are~~ waste their time or can't stand in queues they can do it online. 3

(b) Discuss whether moving towards a cashless society will benefit consumers when buying goods and services. Give reasons for your answer.

Cashless society means not to use liquid cash, use only credit cards or cheque, etc. 4

It may be very appealing to some people who don't like to carry cash with them. It is also a very easy way to make purchase as with the advance of technology, people can pay by their credit cards almost every where or just use internet banking. However, there are still people who like to carry their cash around with them in case of emergency. 5

[6]

1 The candidate correctly states three ATM bank services. It does not matter that the word 'withdraw' is misspelt as the intention is clear. Mark for (a)(i) = 3 out of 3

2 The candidate identifies a relevant advantage and explains why it is an advantage to a customer.

3 The candidate identifies a different advantage and explains why it is an advantage to a customer. Mark for (a)(ii) = 4 out of 4

4 The candidate begins by demonstrating some knowledge and understanding of what a cashless society means.

5 The remainder of the answer is a simple description without any analysis or evaluation. Therefore, it can only be awarded marks for describing a cashless society. Mark for (b) = 2 out of 6

Total mark awarded = 9 out of 13

How the candidate could have improved their answer

- (a) The candidate achieved full marks with good knowledge and understanding demonstrated on ATM banking services and the advantages to a customer of using internet banking.
- (b) The candidate started off their answer well by defining the concept of a cashless society. The rest of the answer described consumers' views of a cashless society. The command word for this question was discuss, which required candidates to examine an issue in detail by addressing a range of key ideas and reasons for and against the issue and make a judgement. In this answer, there was no attempt to analyse or to arrive at an evaluated decision.

Example Candidate Response – low

Examiner comments

4 Banks offer a number of electronic banking services to their customers, including ATMs and internet banking.

(a) (i) State **three** bank services a customer can access using an ATM.

1. They can deposit money using an Automatic teller machine.
2. They can check their balance using an ATM.
3. They can withdrawal money with an ATM and received a bank Statement [3]

(ii) Explain **two** advantages of internet banking to a customer.

1. The customer can transfer money from one account to another account. [2]
2. The customer ~~can~~ can refill their mobile phone and Internet banking is available 24/7 hours. [3]

(b) Discuss whether moving towards a cashless society will benefit consumers when buying goods and services. Give reasons for your answer.

I think that moving towards a cashless society will not be benefit for the consumers because nowadays they are various method of security to protect our money. Such as using Internet banking this will better to have an current account rather than to carry a large amount of money and with an current account the consumers will have details about the deposit and withdrawal of money. The Internet banking is more safest to transfer money from one account to another. [6]

1 The candidate correctly states three ATM bank services. In fact, this candidate gives a fourth service in the final point. It is important to note that adding an extra service did not score any more marks and may have wasted valuable time.
Mark for (a)(i) = 3 out of 3

2 The candidate identifies a relevant advantage but does not explain why it was an advantage to a customer.

3 The first part of this answer does not count as an advantage. However, there is a relevant advantage identified in the second part of the answer, but without an explanation.
Mark for (a)(ii) = 2 out of 4

4 There is some understanding of the concept of a cashless society in this first sentence.

5 The answer strays into the topic of internet banking rather than a cashless society.
Mark for (b) = 1 out of 6

Total mark awarded = 6 out of 13

How the candidate could have improved their answer

- **(a)** The candidate achieved full marks with good knowledge and understanding demonstrated on ATM banking services.
- **(b)** The candidate identified two advantages to a customer using internet banking, however they needed to explain these.
- **(b)** There was some attempt to define the term 'cashless society', but the answer was mainly directed to using internet banking, which was the previous question. Candidates must ensure they read the questions.

Common mistakes candidates made in this question

- **(a)(i)** Giving similar ATM bank services that were expressed in different ways or stating advantages of using an ATM.
- **(a)(ii)** Not explaining the advantages to show how internet banking helped the consumer.
- **(b)** Confusing cashless society with the inability to buy goods and services and not supporting knowledge points with analysis.

Question 5

Example Candidate Response – high

Examiner comments

5 WW Wholesalers supplies clothing. The commercial document in Fig. 5.1 has been sent to a customer.

(a) Complete (i)–(iv) on the document. [4]

(i) Credit Note

WW Wholesalers
Faisalabad
Pakistan

CC Clothing Retailers
Lahore
Pakistan

30 April 2021

Quantity	Code	Description	Unit price (\$)	Total (\$)
70	LJ179	Ladies jacket	80	(ii) <u>5600</u>
			Trade discount 20%	(iii) <u>1120</u>
			Total	(iv) <u>4480</u> 1

Fig. 5.1 Commercial document

(b) Should trade discount be given to customers? Give reasons for your answer.

Yes, trade discount encourages bulk buying when customers are given trade discount, they are more encouraged to buy in larger quantities as they are getting ~~discount~~ discount. This will prevent them from buying to other competitors. And the wholesaler will be able to ~~buy~~ buy even greater amount from the manufacturer. **3**

(c) Which of these statements about the wholesale trade are TRUE and which are FALSE?

Tick (✓) TRUE or FALSE in the correct column.

	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.		✓ 4

1 The candidate accurately completes all four parts of this commercial document to obtain maximum marks.
Mark for (a) = 4 out of 4

2 The candidate gives a justified reason why trade discount should be given. However, there is repetition as bulk buying is the same as buying in large quantities.

3 There is a relevant reason that a wholesaler, by offering trade discount, stops buyers from going to competitors. The final sentence is not awarded marks as there is repetition with bulk buying.
Mark for (b) = 2 out of 3

4 The three correct statements are ticked.
Mark for (c) = 3 out of 3

Example Candidate Response – high, continued

Examiner comments

(d) Many clothing retailers are finding it difficult to compete with online retailers.

Two possible solutions are:

- Develop a social media presence
- Provide a customer loyalty card programme

Discuss each of these solutions. Recommend a course of action. Give reasons for your answer.

5 when clothing retailers will develop a social media presence they will be able to do advertising and sales promotion online. they will be able to provide specific details about their fashion, their designs and their prices. developing a social media will help to increase sales as the advertisement will reach a large targeted audience. 6 moreover, clothing retailers will be able to target international customers. it's targeted market will increase. the retailers won't have to pay any fee for a social media presence. 7 8

A loyalty card is given by retailers to their customers to keep their loyalty. they usually receive points on the loyalty card after every purchase and at the end of the year, they received a gift voucher from the retailer. this is a very interesting way as it prevent consumers from buying with online retailers. 9

I would advise the clothing retailers to develop a social media presence as it is free of charge. And also, more people surf on the internet nowadays so the advertisement and sales programme can be seen by many people and the clothing retailer will be able to compete with other online retailers. 10

5 There are 8 marks available: 4 marks for knowledge and understanding, 2 marks for analysis and 2 marks for a recommendation evaluating whether clothing retailers should use social media or loyalty cards to compete against online retailers.

6 The candidate begins their argument with points about the use of social media showing relevant knowledge and understanding at Level 1.

7 The candidate continues their argument by providing Level 1 points and some Level 2 analysis on the benefits of using social media.

8 This point about retailers not paying for social media advertising is incorrect.

9 The candidate continues their argument by providing Level 1 points and some Level 2 analysis on the benefits of using loyalty reward cards.

10 A recommendation is made achieving Level 3 marks. As two relevant Level 2 points of analysis have already been made, the candidate is able to obtain maximum marks.
Mark for (d) = 8 out of 8

Total mark awarded = 17 out of 18

How the candidate could have improved their answer

- (a) The candidate achieved full marks by applying data correctly to a credit note document.
- (b)–(c) The candidate achieved good marks with good knowledge and understanding demonstrated on the topics of trade documents and wholesaling.
- (d) The candidate demonstrated sound knowledge, with some analysis, of both social media and loyalty cards. There was effective reasoning to the recommended course of action. Although this candidate has made one factual error, it did not prevent them from gaining maximum marks.

Example Candidate Response – middle

Examiner comments

5 WW Wholesalers supplies clothing. The commercial document in Fig. 5.1 has been sent to a customer.

(a) Complete (i)–(iv) on the document. [4]

(i) Delivery Note 1

WW Wholesalers
Faisalabad
Pakistan

CC Clothing Retailers
Lahore
Pakistan 30 April 2021

Quantity	Code	Description	Unit price (\$)	Total (\$)
70	LJ179	Ladies jacket	80	(ii) <u>5 600</u>
			Trade discount 20%	(iii) <u>1 120</u>
			Total	(iv) <u>4 480</u> 2

Fig. 5.1 Commercial document

(b) Should trade discount be given to customers? Give reasons for your answer.

Yes, because if discounts are offered to customers they will come to shop there more frequently in order to receive the discount. In some cases customers may become loyal customers that will always return to buy more due to discounts. Offering discounts may attract more customers which would mean more sales and more profits. [3]

(c) Which of these statements about the wholesale trade are TRUE and which are FALSE? 3

Tick (✓) TRUE or FALSE in the correct column.

	TRUE	FALSE
The wholesaler breaks bulk by buying in small quantities.	<input type="checkbox"/>	<input checked="" type="checkbox"/> 4
Export merchants are rewarded by profit.	<input type="checkbox"/>	<input checked="" type="checkbox"/> 5
Cash and carry wholesalers offer hire purchase to retailers.	<input type="checkbox"/>	<input checked="" type="checkbox"/> 6

1 The candidate gives an incorrect answer. A delivery note does not usually show the prices of goods as it is not necessary for the delivery person to know how much the goods cost.

2 The candidate accurately completes all three parts of the totals.
Mark for (a) = 3 out of 4

3 The candidate gives a range of relevant reasons to support their earlier judgement of 'yes' in the first sentence.
Mark for (b) = 3 out of 3

4 This is a correctly ticked answer.

5 This is an incorrectly ticked answer.

6 This is a correctly ticked false answer.
Mark for (c) = 2 out of 3

Example Candidate Response – middle, continued

Examiner comments

(d) Many clothing retailers are finding it difficult to compete with online retailers.

Two possible solutions are:

- Develop a social media presence
- Provide a customer loyalty card programme

Discuss each of these solutions. Recommend a course of action. Give reasons for your answer.

Developing a social media presence would require starting an online website, advertising on social media platforms and internet communication with customers. They could create a website. Creating all this would require an IT specialist to make it further more they would need the IT expert to maintain it. This would be very expensive and if it doesn't payout it would be a huge loss. On the other hand providing a customer loyalty programme is giving customers certain incentives as benefits of being a regular and loyal customer. This would be cheap than the other alternative. The benefits could be in the form of discounts or promotions. The customers would have exclusive items only reserved for them. In conclusion I recommend the customer loyalty card programme due to cheapness and better chance of efficiency.

7 The candidate begins their argument with relevant knowledge and understanding at Level 1 with points about the use of social media.

8 The candidate continues their argument by providing Level 1 points and some Level 2 analysis of the drawbacks of using social media.

9 The candidate continues their argument by providing Level 1 points, but without Level 2 analysis of the benefits of using reward cards.

10 The candidate makes a recommendation, but the reasoning is too vague to be awarded Level 3. Mark for (d) = 5 out of 8

Total mark awarded = 13 out of 18

How the candidate could have improved their answer

- (a) The candidate achieved three of the marks available by applying data correctly to a commercial document. The clue to the correct answer of credit note to part (i) was the fact that the document contained the words 'goods damaged in transit'.
- (b) The candidate supported their judgement with relevant reasoning, so this could not be improved on.
- (c) In the second statement, there was a lack of knowledge on overseas intermediaries.
- (d) The candidate started off their answer well by demonstrating knowledge and understanding of both social media and loyalty cards. There was some analysis of social media presence, but the recommended course of action was vague and lacked justification.

Example Candidate Response – low

Examiner comments

5 WW Wholesalers supplies clothing. The commercial document in Fig. 5.1 has been sent to a customer.

(a) Complete (i)–(iv) on the document. [4]

(i) Commercial document Note 1

WW Wholesalers
Faisalabad
Pakistan

CC Clothing Retailers
Lahore
Pakistan

30 April 2021

Quantity	Code	Description	Unit price (\$)	Total (\$)
70	LJ179 GOODS DAMAGED IN TRANSIT	Ladies jacket	80	(ii) \$5600 \$5600
			Trade discount 20%	(iii) \$290
			Total	(iv) \$5900

Handwritten calculations: $70 \times 80 = 5600$, $5600 - 290 = 5310$ (crossed out), $5600 - 290 = 5310$ (written).
 Markers: 1, 2, 3, 4, 5, 6

Fig. 5.1 Commercial document

(b) Should trade discount be given to customers? Give reasons for your answer.

By trade discount the cost is to give discount of the number of product buy. Therefore if the customer can discount he would buy more and buy many to get discount whereas he would buy to much.

[3]

(c) Which of these statements about the wholesale trade are TRUE and which are FALSE?

Tick (✓) TRUE or FALSE in the correct column.

	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]

1 The candidate gives an incorrect answer and is simply repeating the wording in the question.

2 The candidate correctly calculates the total cost of goods before the trade discount.

3 The candidate incorrectly calculates trade discount at 5%, not 20%.

4 The candidate is not able to obtain a mark as they have added the trade discount to the total instead of deducting it. Based on the 'own figure rule', if they had subtracted their incorrect figure for trade discount from the total, they could have earned a mark. Mark for (a) = 1 out of 4

5 The candidate shows understanding of what trade discount is with some supported reasoning. Mark for (b) = 2 out of 3

6 The three correct statements are ticked. Mark for (c) = 3 out of 3

Example Candidate Response – low, continued	Examiner comments
<p>(d) Many clothing retailers are finding it difficult to compete with online retailers.</p> <p>Two possible solutions are:</p> <ul style="list-style-type: none"> • Develop a social media presence • Provide a customer loyalty card programme <p>Discuss each of these solutions. Recommend a course of action. Give reasons for your answer.</p> <p>By developing a social media presence the retailer will be more close closer to the customer. Therefore he can satisfy their requirement as. Moreover it is takes time to do it and the retailer have to be 24 hours on it. whereas provide a customer loyalty card programme. are a are a card given to customer so that they get discount on it. Advantage is that the customer will buy in the retailer and he will do anything to get discount against.</p>	<p>7 The candidate has limited knowledge and understanding of the use of social media.</p> <p>8 The candidate makes one correct point at Level 1, that loyalty card holders may receive discounts, but this is then repeated and cannot be rewarded again. There is no supporting Level 2 analysis. Mark for (d) = 1 out of 8</p> <p>Total mark awarded = 7 out of 18</p>

How the candidate could have improved their answer

- (a) The candidate did not identify a specific commercial document to part (i) and miscalculated parts (iii) and (iv).
- (b) The candidate needed to either develop their reasoning on the one point raised or provide more reasons to support their judgement.
- (c) The candidate achieved full marks with good knowledge and understanding demonstrated on the topic of wholesaling.
- (d) The candidate was awarded one Level 1 mark for knowledge. The rest of the answer lacked any supporting analytical explanations or evaluation.

Common mistakes candidates made in this question

- (a) Adding the trade discount to the total cost instead of subtracting it.
- (b) Some candidates mistook trade discount for cash discount or did not justify their reasoning.
- (c) Confusing social media with internet websites. Not reaching a final recommended course of action. Others offered a recommended course of action but did not support with earlier analysis.

Cambridge Assessment International Education
The Triangle Building, Shaftesbury Road, Cambridge, CB2 8EA, United Kingdom
t: +44 1223 553554
e: info@cambridgeinternational.org www.cambridgeinternational.org

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