



**Cambridge Assessment
International Education**

Learner Guide

Cambridge O Level Commerce 7100

For examination from 2026



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About this guide

This guide explains what you need to know about your course and examinations. You should use this guide alongside the support of your teacher.

Download and save the document to a desktop computer to be able to explore the interactive tools including the ability to make notes and use the checklists.

The Learner Guide will help you to:

- ✓ understand how you will be assessed
- ✓ understand the skills you need to have
- ✓ prepare for your Cambridge examinations
- ✓ plan your study and revision programme
- ✓ understand how to be responsible for your own learning.

The Learner Guide gives you:

- ✓ tools and approaches to learning
- ✓ examples of exam questions and a guide on how to answer them well
- ✓ revision checklists to self-assess your own understanding and knowledge of the subject.

Cambridge O Level Commerce provides an introduction to commercial activities, how these activities are affected by changes in the commercial environment and the impact they have on consumers, producers, retailers and wholesalers.

The syllabus looks at the purpose and function of major commercial activities, examining technical language, concepts, processes, decision-making procedures and the importance of communication and documentation.

Learners learn about the nature and importance of innovation and change and develop complementary skills of enquiry, interpretation and communication.

1. What you need to know

This section gives you an outline of the syllabus content for this course. Ask your teacher for more detail about each topic. You can also find more detail in the revision checklists of this guide.

The course is made up of two components.

Paper 1 **Multiple Choice**

The content for Paper 1 is divided into six topics and the paper consists of 40 multiple-choice questions.

Paper 1 will ask you to analyse diagrams and charts and perform simple calculations using basic numeracy, percentages and simple ratios.

The following assessment objectives will be assessed:

AO1: Knowledge and Understanding (45%)

AO2: Application (35%)

AO3: Analysis and Evaluation (20%)

Paper 2 **Written**

The content for Paper 2 includes the same six topics as Paper 1 and the paper consists of structured questions of varying length.

Paper 2 questions are based on commercial scenarios and some questions will contain stimulus response material. You will be required to perform simple calculations using basic numeracy, percentages and simple ratios.

The following assessment objectives will be assessed:

AO1: Knowledge and Understanding (28%)

AO2: Application (27%)

AO3: Analysis and Evaluation (45%)

Always check the syllabus for the year you are taking the examination which is available at www.cambridgeinternational.org

How you will be assessed

You will be assessed at the end of the course using two components:

- Paper 1 Multiple Choice
- Paper 2 Written

Component	Time and marks	Paper structure	Details	Percentage of qualification
Paper 1	1 hour 40 marks	This is a compulsory paper consisting of multiple-choice questions of 1 mark each mostly covering the entire syllabus. In the exam you will write your answers on an answer sheet, not on the question paper.	The topics which will be assessed in both papers include: <ol style="list-style-type: none"> 1. Commerce and production 2. Commercial operations 3. Globalisation of trade 4. Logistics of commerce 5. Aids to trade that support commerce 6. Sustainability and ethics 	30%
Paper 2	2 hours 80 marks	This is a compulsory paper consisting of structured questions. Each question in Paper 2 will have a mix of short and long answer questions. The short answer question types will comprise of 1, 2, 3 and 4-mark questions. The long answer question types will comprise of 6 and 8-mark questions. Paper 2 will have 5 questions divided into sub-parts based on a short scenario. In the exam you will write your answers on the question paper.	All of these topics have subtopics and some of the subtopics have multiple sections. There are a total of 50 sections from across six topics.	70%

2. What will be assessed

The areas of knowledge, understanding and skills that you will be assessed on are called **assessment objectives** (AOs).

The examiners take account of the following **assessment objectives** in the examination papers:

- Knowledge and understanding
- Application
- Analysis and evaluation

It is important that you know the different weightings (%) of the assessment objectives, as this affects how the examiner will assess your work. The distribution of weighting for each assessment objective in the two components is given in the table below.

It is recommended that you know which AO is being assessed for each question before formulating your answer to the question, and make a careful note on whether the question is expecting demonstration of knowledge, application, analysis, evaluation OR even a mix of all these abilities.

The long question types will expect you to demonstrate the ability to analyse and evaluate. They require higher level cognitive abilities in comparison to the ability to demonstrate knowledge, and application of knowledge. Therefore, it is strongly recommended that you familiarise yourself with what is meant by analysis and evaluation. It is also important to develop these abilities and practise how to demonstrate these abilities. Questions that ask you to analyse and evaluate carry 20% weighting in Paper 1 and 45% weighting in Paper 2.

Assessment objectives (AO)	Weightings (%)	What do you need to be able to do?
AO1 Knowledge and understanding	Paper 1 – 45%	Give precise definitions of key terms and state methods of calculating figures such as balance of trade or gross profit.
	Paper 2 – 28%	Be able to describe different commercial activities such as a supply chain or logistics. Be able to describe and explain the purpose of documents required to carry out trade and commerce.
AO2 Application	Paper 1 – 35%	Use the ideas you have learnt in commerce to:
	Paper 2 – 27%	<ul style="list-style-type: none"> • calculate figures from numbers given • complete commerce documents • select a suitable action for a given commerce situation.
AO3 Analysis and evaluation	Paper 1 – 20%	Explain the possible impacts of commercial actions to the situation described in the question material. Explain the positive and negative impacts.
	Paper 2 – 45%	Explain the meaning and possible effect of any numbers provided. Show that you understand the difference between someone's view (opinion) and facts that can be checked (evidence). Make decisions based on the evidence you have selected and explain why you have made this decision.

3. Example exam questions

Command and key words

This section will help you to understand how to identify command words and key words within exam questions, and to understand what is required in your response.

A command word is the part of the question that tells you what you need to do with your knowledge. For example, you might need to describe something, explain something, or argue a point of view. It is important that you understand the command words which indicate the approach you should take to answer the questions. Command words may be listed in the syllabus. The context of the whole question will affect the explicit meaning of the command words.

The information and advice given below, is specific to these example exam questions. In your exam, you need to pay careful attention to what each question is asking you to do.

The assessment objective of the examination question is reflected in the command word. Consider these questions:

- 1 Fig. 1.1 shows the logistics in the global supply chain of a multinational car producer. The multinational outsources its logistics activities to a freight forwarder.

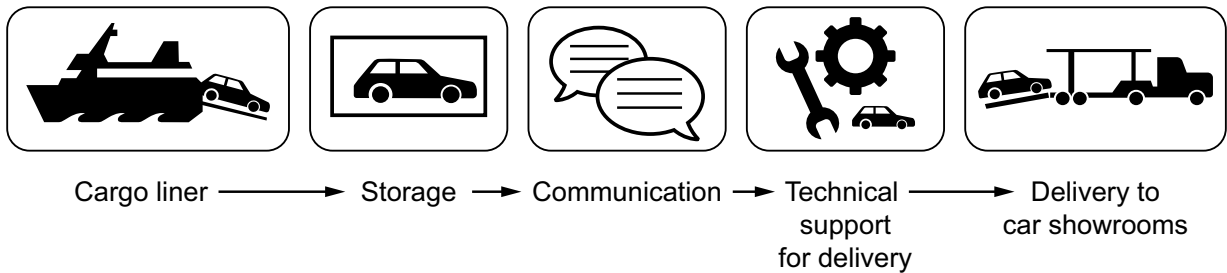


Fig. 1.1

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

- (a) (i) Define *supply chain*.

.....
..... [1]

These questions require you to be able to demonstrate knowledge. Therefore, the assessment objective of this question is AO1.

There will be questions that will ask you to describe something, or calculate, or recommend a solution or a course of action which is supported by a logical reason. Each of these questions reflect a specific assessment objective. Consider this question:

(b) Do you think businesses should sell Fairtrade products? Give reasons for your answer.

.....
.....
.....
.....
.....
..... [3]

You cannot pass a judgement supported with reasons unless you analyse and evaluate various aspects of fairtrade. Therefore, the assessment objective for this type of question is AO3.

It is important that you understand the command words which indicate the approach you should take to answer the questions. The context of the whole question will affect the explicit meaning of the command words. There may be some questions which may NOT have an explicit command word. The expected ability is implicit in the language of the question.

Now let's look more closely at some example exam questions.

The command and key words in the questions have been highlighted and their meanings explained. This should help you to understand clearly what is required.

Explain one possible disadvantage to a business of using social media for advertising. **[2 marks]**

The command word is **explain**. This command word implies that the examiner will be expecting you to be able to use your knowledge of social media as a method of advertising and say **why** this method could be disadvantageous to a business.

The question requirement is just one disadvantage. A clear statement backed by evidence is likely to get full marks. For example, one reason is that consumers can freely post negative feedback about the product and this feedback could lead to fall in sales.

Note: it is important to make a note of an important feature of this question. It is asking for one disadvantage **to a business**. There could be questions from other topics which could list disadvantages for both, the business and the consumer, which gives the opportunity to the examiner to ask a question on disadvantage either to a business or to a consumer. For example, for payment using a credit card, the question could be:

EITHER

Explain one possible disadvantage to a business of accepting payment with a credit card.

OR

Explain one possible disadvantage to a consumer of making payment with a credit card.


It is important to read the question carefully because a disadvantage to a business could be very different from a disadvantage to a consumer.

Do you think it is a good idea for a company to outsource its logistics to freight forwarders? Give reasons for your answer. **[3 marks]**

There is NO command word in this question.
It is important to carefully read and interpret the requirement of a question that has no explicit command word.
In this question the examiner is asking for your judgement on whether or not it is a good idea for a company to outsource its logistics. You may think it is a good idea or you may not think it is a good idea. When you explain your point of view it should be supported with analysis and evaluation. Your reasons must be logical and based on your knowledge of outsourcing and logistics.
For example, you may agree that it is a good idea because freight forwarders are specialists in logistics and because they provide services to many businesses, they enjoy economies of scale and therefore can give better cost price to their customers than what it would cost if logistics is done in-house.
Similarly, you may disagree that it is a good idea and support your viewpoint with valid and logical reasons.

Calculate the total annual fire and theft premium for the warehouse and the inventory of furniture. Show your working. **[3 marks]**

This is more straightforward. The question requires you to apply and/or analyse. The examiner will expect you to be able to use your knowledge to arrive at a precise answer from the given numeric information which could be in the form of a graph, chart or table.
Some questions may require you to show your workings step by step. For such questions, some marks may be awarded for steps of calculation and some marks for the final answer.

 **Answering examination questions**

In pairs, groups or individually

- think about what points to include in each answer
- think about how long your answer should be – look at the marks and the space available on the question paper. Do not write too much or too little
- now, write an example answer to the following questions.

Specimen Paper 2 – Question 2(d)

(d) Explain **one** possible disadvantage to a business of using social media for advertising.

.....
..... [2]

Specimen Paper 2 – Question 1(c)

- (c) Do you think it is a good idea for a company to outsource its logistics to freight forwarders? Give reasons for your answer.

.....

.....

.....

.....

.....

..... [3]

Specimen Paper 1 – Question 3(a)(i)

- 3 A furniture wholesaler supplies retailers with a wide range of furniture, including Fairtrade products. The wholesaler wishes to insure its warehouse and inventory against the risk of fire and theft. Fig. 3.1 shows the annual insurance premiums quoted for this.

	Value	Premium
Warehouse	\$960 000	\$1 per \$1000
Inventory of furniture	\$822 000	\$4 per \$1000

Fig. 3.1

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

- (a) (i) Calculate the total annual fire and theft premium for the warehouse and the inventory of furniture. Show your working.

.....

.....

.....

.....

.....

..... [3]

Ask your teacher for the mark scheme for the specimen papers and mark your answers to see how well you have done.

Advice and tips for the examination

- Read the instructions carefully and answer the right number of questions from the correct sections of the exam paper.
- Do not answer more questions than are needed. This will not gain you more marks.
- Plan your time according to the marks for each question. For example, a question worth 3 marks requires less time and a shorter answer, than a question worth 10 marks.
- Do not leave out questions or parts of questions. No answer means no mark.
- Read each question very carefully.
- Identify the command words in the question – underline or highlight them.
- Identify and underline the other key words in the question.
- Read all parts of a question before starting your answer. Think carefully about what is needed for each part. You will not need to repeat information.
- Look very carefully at the resource material / insert / diagrams, you are given.
- **Answer the question.** This is very important!
- Use your knowledge and understanding.
- Do not just write all you know, only write what is needed to answer the question.
- Make sure your writing is clear and easy to read. It is no good writing a brilliant answer if the examiner cannot read it.

4. Study skills



A reflective journal

Keeping a reflective journal is a useful way to record, analyse and reflect on how you learn. Here are some questions to get you thinking.

Which subjects are you studying? Think about what you want to achieve by studying each subject.

I am studying the subject _____ because:

What did you like about the subject when you have studied them in the past? Or what about a new subject interested you?

I like _____ because:

What skills will each subject help you develop? Are there any uses in the real world?

_____ is a good subject to learn because:

Being organised

Being organised has many benefits – circle the statements which are important for you:



How organised are you?

Tick the statements that apply to you.

	B I get overwhelmed by how much work I have and I avoid starting large tasks.	
A I always know where everything I need is, such as my notes, books, pens, highlighter pens, paper and a ruler.	B I leave homework to the last minute.	A I get my homework done on time.
	A I do my homework the day I get it.	B I often forget what homework I have.
A I write down homework and the deadlines in one place, such as a planner.	B I never know where everything I need is, such as my notes, books, pens, highlighter pens, paper and a ruler.	A I always rush my work.
B I hand in my homework late.		
A I never need to rush my work.	B I break down large tasks into smaller tasks and tick these off when I complete them.	

Count the number of A statements you ticked and the number of B statements you ticked. Read the appropriate advice below. If you ticked an equal number of each, read both sets of advice.

Mostly A: You are a well-organised person who has developed strategies that work for you.

Be careful if you agreed with '*I do my homework the day I get it*' as this might not be the most efficient strategy; you need to prioritise homework according to deadline and how long it will take, and also make sure you allow time for fun and relaxation. See the table on the next page for more ideas of how to be organised.

Mostly B: You could use some support in being more organised in order to make life easier for yourself. Try some of the suggested methods for being organised in the table on the next page, then return to the activity above at a later date to see if you score differently.

If you do some work each day, rather than leaving it all to the last minute, you will feel more in control.



How to be organised

Tick the boxes in the table below to reflect on how you work and what you will try in order to improve. Aim to try at least some of these methods.

How to be organised	I already do this	I will try this
Keep all my pens, paper and other equipment together in one place so I always know where everything is		
Keep my notes together and ordered by date as I go along; I will file them as soon as they are completed		
Use one place such as a planner to record each homework or assignment deadline as soon as I get it		
Include all activities in my planner so that I know what time I have available to work		
Estimate how long a given task will take me, then work backwards from the deadline and include some extra time to give me the date that I should start the work		
Be realistic about what I have time for		
Keep my planner up to date and check it every day		
Have a set time each day or week for completing homework or study so that it becomes part of my routine		
Prioritise homework or study according to which needs to be done first and not just which I like doing best		
Rank my homework as 1 (do it now), 2 (do it tomorrow), 3 (do it later in the week) and update the rank each day		
Break down any large assignments into smaller, more manageable tasks; each task will have its own deadline		
Tick off each homework or task once I have completed it		

Tips for good notetaking

Writing and reviewing your lesson notes helps you to remember information.

Making notes as you go along, little and often, makes it easier when you revise. It is important to ask your teacher or classmates questions if you are unsure about anything or if you have missed something.

Be prepared

- Bring different coloured pens and highlighter pens to your lesson (colour-coding makes your notes more interesting and can help with memory).
- Read your notes from the previous lesson (this helps you understand what you are being told in the current lesson and helps you to make better notes).

Listen actively

Concentrate on listening carefully – if you listen actively, you can pick out the important information instead of writing down everything.

In your own way

Your notes need to be meaningful to you, so develop your own approach.

- Develop your own shorthand, e.g. 'wi' for 'with'.
- Keep your notes simple and short.
- Use abbreviations, symbols, and diagrams.
- Start on a new page for each new lesson.
- Put a date at the start of your notes.

Focus

- Do not write down everything, focus on the important points, such as:
 - key words and concepts – for example, definitions, examples, formulae, symbols, methods, dates, events, characters, etc.
 - new information – do not write down things you already know.
- Highlight and annotate handouts.

Review

- As soon as you can, spend 15–20 minutes reading through your notes.
- Make sure your notes are clear.
- If there are gaps, ask your teacher for help to fill them.
- Summarise the information (onto cards).
- Compare your notes with a friend or classmate. This might lead to a discussion on what each of you think are the important points to know.

Read the content before you write anything down

Then go back to the start and note down any key words, dates, facts, concepts, or quotes. Now write your notes. Do not copy full sentences, write the content in your own words.

Here are some useful ways to format your notes:

Freestyle method

Just write down what you hear as the teacher says it.

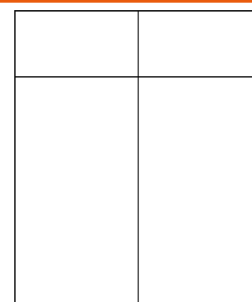
Write on handouts

Write notes at key points directly on handouts that contain notes or important information.

Charting method

Use when learning about different or contrasting factors or approaches.

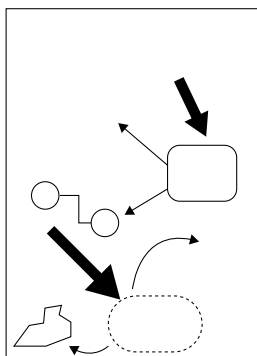
- Make a chart with a different column for each factor or approach.
- Write details in each column, placing the details so that you can easily compare items between columns.



Flow method

Learn while you listen. Create your own representation of the new information by:

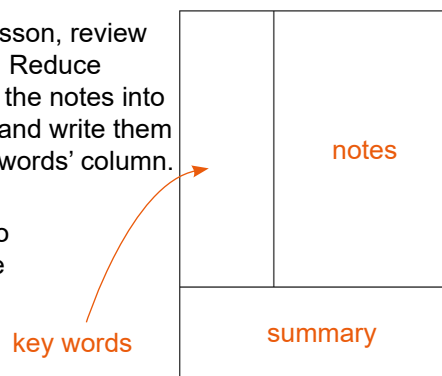
- putting what the teacher says into your own words
- using quick drawings to break down the content into simple ideas
- using arrows to link ideas together and to add supporting points
- circling or boxing different points using different lines, shapes or coloured pens.



Cornell method

Divide your page into three sections.

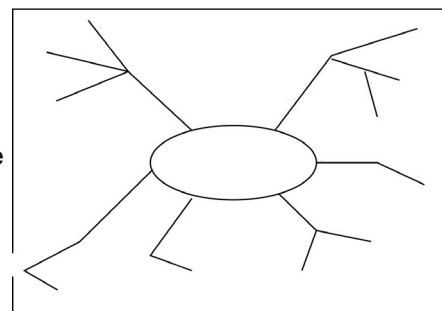
- Use the 'notes' section to make notes during the lesson.
- After the lesson, review your notes. Reduce sections of the notes into key words and write them in the 'key words' column.
- Write a summary to consolidate what you learned.



Mind map method

Write the lesson topic in the centre of your page.

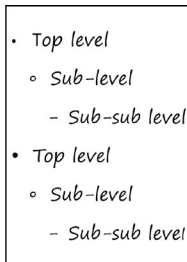
- Add a new branch for each new sub-topic.
- Add extra smaller and smaller branches for more detail; these show the connections between facts or ideas.
- Add notes using words and diagrams; use arrows to show links.
- Keep your notes short and put key words along branches.
- Use coloured pens and highlighter pens to emphasis key points.



Outline method

Use bullet points.

- Top level bullets are the key issues in the lesson.
- Sub-level bullets are details about the top-level points.
- Sub-sub level bullets provide more separation if needed.



This method is helpful if you already know the structure of the lesson and the structure of the learning point.

5. Revision and preparation

Planning your revision

Start planning your revision in plenty of time for the exams so you can develop a revision technique that works for you. A well-structured revision plan can give you the best chance of success in your examinations.

Identify the time you will spend revising and schedule time for revision.

Create a revision plan: a weekly plan will include the detail of what you will revise in the weeks up to the examination. This can then be broken down into a daily planner which will include more detail.

Write the dates and times of each of the examinations you are taking, in a calendar, diary or planner.

Work out how much time you have before each examination, so you can leave yourself plenty of time to revise.

Plan to go back to your class notes and what you have already revised to recall information and keep everything fresh in your mind. Do not only recall words and definitions, make sure you recall main ideas, how things are related or different from one another, and new examples.



It is important to have breaks to stay alert and productive

- Include one rest day per week, or break this up into shorter rest breaks across a week.
- Include at least two hours of rest before bedtime; working too late is unlikely to be productive.
- Take regular breaks during revision; revising for hours without a break will overload you.
- Have short revision sessions and short breaks between each session.
- Know ways to relax during your breaks; for example, physical exercise can be good during breaks.

It is important to be flexible and realistic

- Include most days leading up to the exams and include any days or times when you are not able to revise (for example due to attending school, eating meals, participating in sports and hobbies).
- Be honest with yourself about how much time you can really spend revising.





Revision plans

There are many different planners, calendars and timetables you can use to plan your revision. The plans provided here are just examples. The **Weekly plan** includes an overview of a week of revision leading up to the first examination. The **Daily plan** includes the detail of what you will be revising each day.

Weekly plan

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Morning							
Afternoon							
Evening							

Daily plan

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
08:00 – 09:00							
09:00 – 10:00							
10:00 – 11:00							
11:00 – 12:00							
12:00 – 13:00							
13:00 – 14:00							
14:00 – 15:00							
15:00 – 16:00							
16:00 – 17:00							
17:00 – 18:00							
18:00 – 19:00							
19:00 – 20:00							
20:00 – 21:00							

Some revision techniques

Mind maps

Mind maps are a great way to revise the links between different factors or to explore a larger topic.

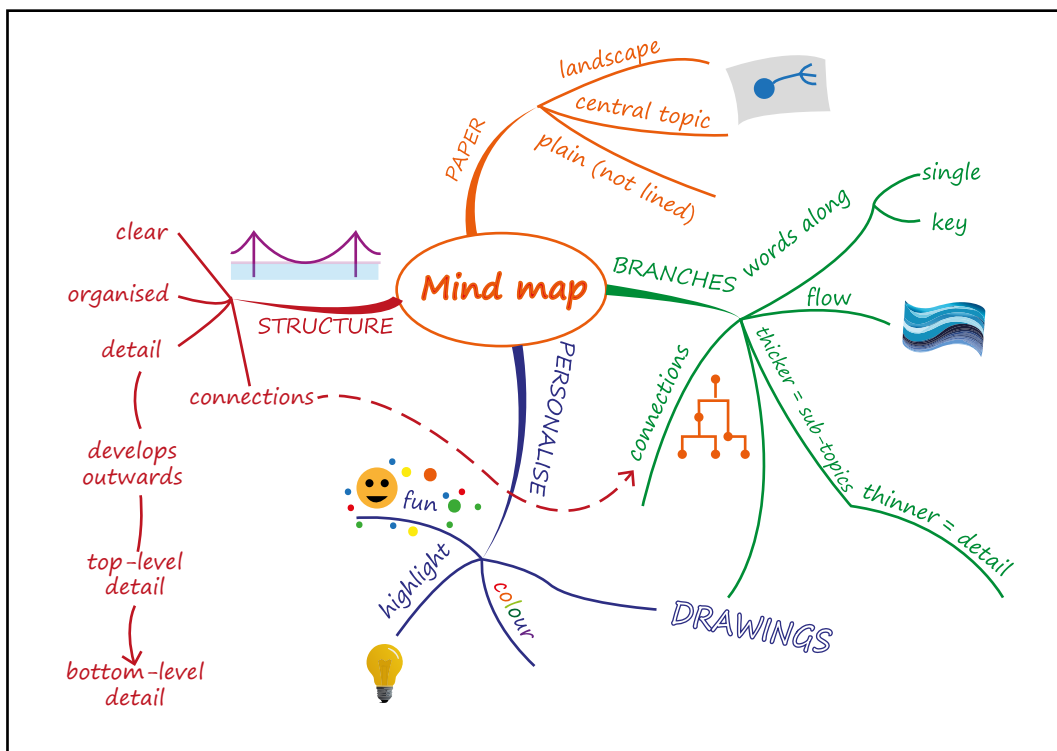
They can also be used to brainstorm your ideas.

1. Use a blank sheet of paper and turn it on its side (landscape).
2. Put the topic title in the middle of the page and build the mind map outwards using lines called 'branches'.
 - The first branches are from the central topic to sub-topics; draw these as thick lines.
 - Add new branches from the sub-topics to include more detail; draw these as thinner lines.
 - Add even more detail to a point by adding more branches.

This creates a hierarchy of information from 'overview (the thick branches) to 'fine detail' (thinnest branches).

3. Write single key words or phrases along a branch and add drawings for visual impact.
4. Use different colours, highlighter pens, symbols and arrows to highlight key facts or issues.

It is a good idea to use a large piece of plain paper and lots of coloured pens.

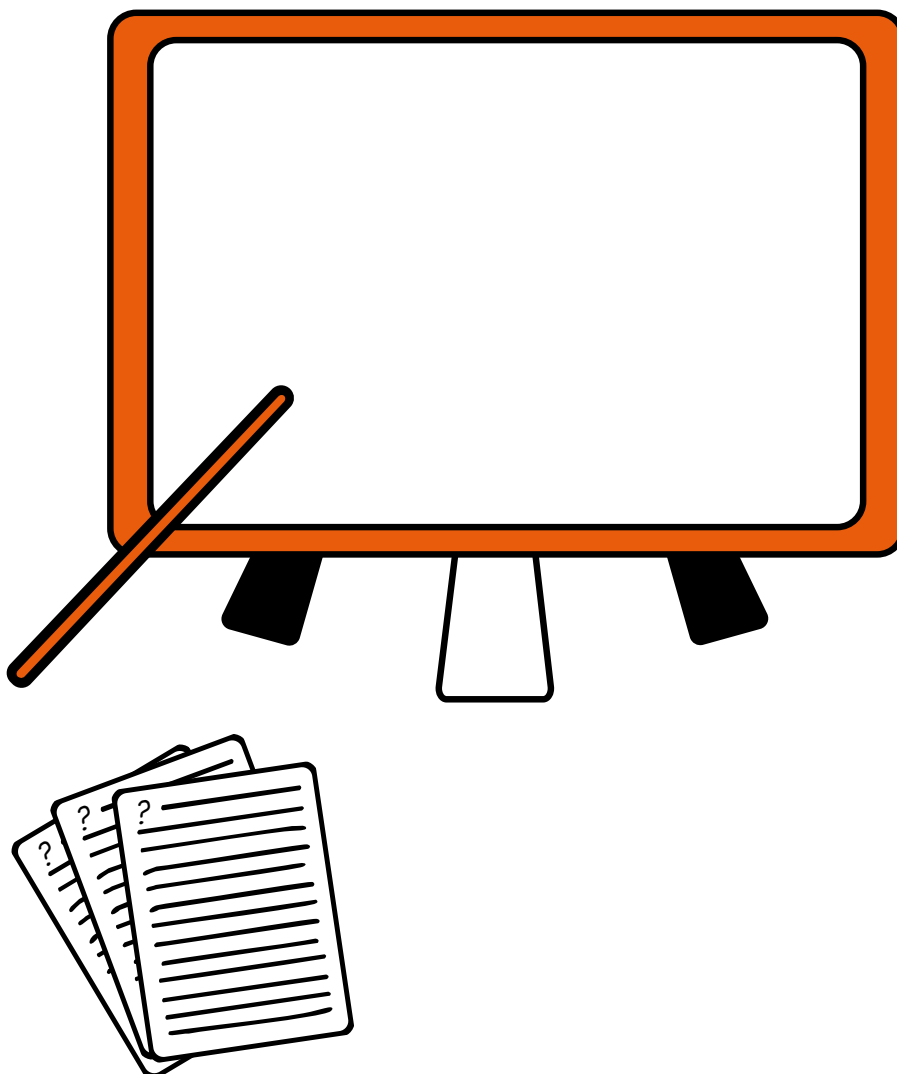


Teach the topic

This is a very simple but effective technique that focuses on knowledge recall. It tests the brain and rehearses the information you need to know for a certain topic and so will help your revision.

1. Create some topic cards with key bullet points of information on. Leave space for ticks.
2. Give these to your parents, family, friends or whoever you want.
3. Give yourself 10 minutes maximum to teach your audience the main points of the topic. You could use a mini-whiteboard or flipchart to help.
4. Your audience tick off all the points you mention in your presentation and give you a final score.

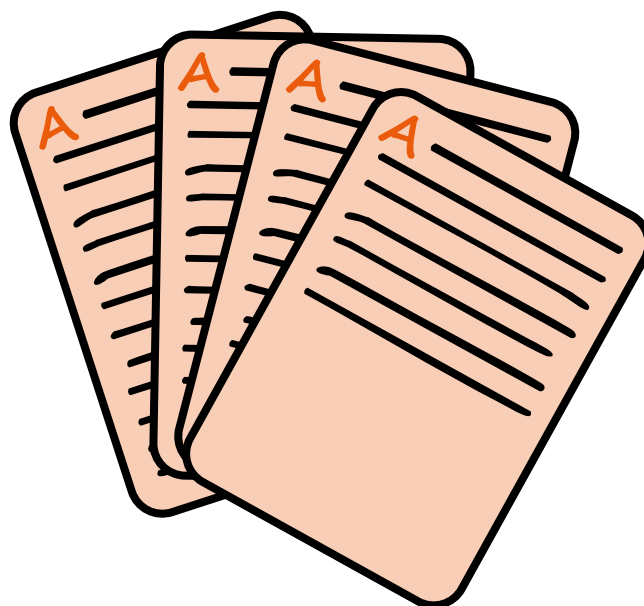
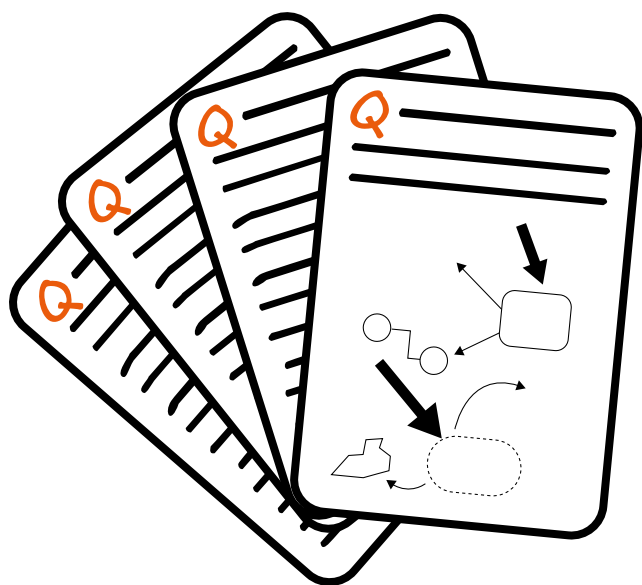
The brain loves competition, so if you do not score full marks you can repeat and try again the next day or compete against friends. This system of repeat and rehearsal is very effective, especially with more complex topics, and does not take much preparation.



Question and answer (Q & A) cards

This is very similar to 'Teach the topic', but less formal and less public for those who dislike performing in front of others. It tests knowledge recall and rehearses the information you need to know for a certain topic.

1. Pick a topic and create two sets of cards: question cards and answer cards. You might find it helpful to make the question cards a different size or use different coloured card for answers.
2. Make sure you have the topic, or something appropriate depending on what you are focusing on, as a heading on each card. The questions should test your knowledge and understanding of key areas of the course.
3. A friend or family member uses the cards to test you in short 5 or 10 minute periods at any time during the day.
4. You could also do this alone by reading the questions to yourself, giving the answer and then checking the correct answer card.
5. This game can be adapted by using the cards to find matching pairs: turn all cards face down across the space in front of you. Turn over two cards, leaving them where they are. If they match (one is a question card and the other is the corresponding answer card) pick up the pair and put them to one side. If they do not match, try to remember where they are and what is on each card, then turn them back over. Turn over two other cards. Continue until you have matched all pairs.



Question paper and mark schemes

Looking at past question papers and the mark scheme helps to familiarise yourself with what to expect and what the standard is.

1. Ask your teacher for past paper questions with mark schemes for the course; ask your teacher for help to make sure you are answering the correct questions and to simplify the mark scheme.
2. Identify which topic a given question relates to so that you have a bank of questions for each topic; you might need to ask your teacher to help you do this.
3. Once you have finished revising a topic or unit, time yourself answering some appropriate exam questions. Check the mark schemes to see how well you would have scored or give the answers to your teacher to check.
4. Add details or notes to the mark scheme where you missed out on marks in your original answers using a different coloured pen. Use these notes when you revise and try the question again later.

You can find plenty of past exam papers and mark schemes on the Cambridge website.



6. Revision checklists



The following checklists include information from the syllabus that you should revise. The lists do not contain all the detailed knowledge you need to know, just an overview. For more detail see the syllabus and talk to your teacher.

When you have revised something from the checklist, use the R, A and G tick boxes to record how confident you feel about it:

R (**RED**) means you are unsure and lack confidence in that area; you might want to focus your revision here and possibly talk to your teacher for help.

A (**AMBER**) means you are reasonably confident in a topic but need some extra practice.

G (**GREEN**) means you are very confident in a topic.

As your revision progresses, you can concentrate on the **RED** and **AMBER** topics, to turn them into **GREEN** topics. You might find it helpful to highlight each topic in red, amber, or green to help you prioritise.

You can use the 'Comments' column to:

- add more information about the details for each point
- include a reference to a useful resource
- add learning aids such as rhymes, poems, or word play
- highlight areas of difficulty or things that you need to talk to your teacher about.

Paper 1 and Paper 2

1 Commerce and production

Syllabus content	What do you know?	R	A	G	Comments
1.1 Trade and commerce					
1.1.1 Trade	<ul style="list-style-type: none"> The meaning of the terms trade and commerce, showing the differences between the two terms The meaning of home trade (retail and wholesale) The meaning of international trade (exports and imports) 				
1.1.2 Aids to trade and logistics	<ul style="list-style-type: none"> The features of primary (extractive) industries, secondary (manufacturing and construction) industries, tertiary activities (commercial services and direct services) and quaternary activities (digital technology) The meaning of specialisation The advantages and disadvantages of specialisation for an individual, factory and country 				
1.1.3 Types of commerce	<ul style="list-style-type: none"> The meaning of traditional commerce: buying and selling goods and/or services at a physical location The meaning of ecommerce (electronic commerce): buying and selling goods and/or services via the internet/websites The meaning of mcommerce (mobile commerce): buying and selling goods and/or services via a mobile device, such as a smartphone or tablet The meaning of scommerce (social commerce): buying and selling goods and/or services via social media channels 				
1.1.4 The relationship between production, trade and commerce	<ul style="list-style-type: none"> Understand how production, trade and commerce are interdependent 				

Syllabus content	What do you know?	R	A	G	Comments
1.2 Production					
1.2.1 Sectors of production and specialisation	<ul style="list-style-type: none"> The features of primary (extractive) industries, secondary (manufacturing and construction) industries, tertiary activities (commercial services and direct services) and quaternary activities (digital technology) The meaning of specialisation The advantages and disadvantages of specialisation for an individual, factory and country 				
1.2.2 In-house production and outsourced production	<ul style="list-style-type: none"> The meaning of in-house production and outsourced production The benefits of in-house production over outsourced production, including control on quality and information The benefits of outsourced production over in-house production, including accessing expertise and cost savings 				
1.2.3 Global supply chains	<ul style="list-style-type: none"> The meaning of a global supply chain and a domestic supply chain 				
1.2.4 Intermediaries in a supply chain	<ul style="list-style-type: none"> The role of home trade intermediaries in a supply chain: wholesaler and retailer The role of international trade intermediaries in a supply chain: agent and factor 				
1.2.5 Effects on digital technology on production	<ul style="list-style-type: none"> The impact of automation, e.g. using robotics in production The impact on production of digital communication with suppliers, e.g. using electronic data interchange (EDI) 				
1.2.6 Costs involved in trade, commerce and production	<ul style="list-style-type: none"> Identifying the different types of costs used in trade, commerce and production: advertising, bank charges, commission, customs duties, inventory, labour, packaging, transport, utilities and warehousing Complete simple calculations of costs in given situations 				

2 Commercial operations

Syllabus content	What do you know?	R	A	G	Comments
2.1 Commercial enterprises					
2.1.1 Private and public sector enterprises	<ul style="list-style-type: none"> The difference between public and private sector enterprises 				
2.1.2 Types of private and public sector enterprises	<ul style="list-style-type: none"> The features of private sector enterprises: sole trader, cooperative, partnership, private limited company and public limited company The features of public corporations The reasons for public corporations The appropriateness of different types of ownership in given situations 				
2.1.3 Multinational companies (MNCs) in the global economy	<ul style="list-style-type: none"> The features of multinational companies The reasons for the existence of multinational companies in the global economy, the positive and negative impacts on a country of multinational companies locating in the country 				
2.1.4 Franchises	<ul style="list-style-type: none"> The features of franchises The advantages and disadvantages of franchises 				
2.1.5 Physical and ecommerce location factors	<ul style="list-style-type: none"> The physical location factors: labour, markets, transport, power, raw materials, competition, suppliers, communication and government influence The ecommerce location factors: wi-fi, warehousing, technology specialists, and logistics The appropriateness of physical and ecommerce location factors in given situations 				

Syllabus content	What do you know?	R	A	G	Comments
2.2 Outsourcing					
2.2.1 Growth of outsourcing	<ul style="list-style-type: none"> The growth of outsourcing: contract manufacturing and logistics 				
2.3 Retailing					
2.3.1 Types of retailers	<ul style="list-style-type: none"> The different types of small-scale and large-scale retailers: itinerant retailers, vending machines, independent retailers, street markets, speciality shops, online retailers, multiple chain stores, supermarkets, hypermarkets and department stores The features of each type of retailer The advantages and disadvantages of each type of retailer Reasons why the small-scale retailer often survives, e.g. personal service, flexible opening hours and additional services provided 				
2.3.2 Retail selling techniques	<ul style="list-style-type: none"> The different types of retail selling techniques: branding, own brands, logos, packaging, self service, aftersales service, barcoding, direct mail, loyalty programmes, informal credit and cash on delivery 				
2.3.3 Digital retail trends	<ul style="list-style-type: none"> The different types of digital retail trends: omnichannel retailing, cashless stores, Electronic Point of Sale (EPoS), click and collect, self-service checkouts, subscription commerce, QR codes, Virtual Reality (VR) showrooms, dropshipping, mobile phone/smartphone apps and multi-channel retailing 				
2.3.4 Effects of ecommerce on traditional commerce	<ul style="list-style-type: none"> The positive impacts of ecommerce on traditional commerce, e.g. 24/7 selling opportunities, more potential customers, increased revenue, targeted marketing and reduced operating store costs The negative impacts of ecommerce on traditional commerce, e.g. increased costs (delivery, staff training and larger warehousing space) and website maintenance 				
2.4 Wholesaling					
2.4.1 Functions and importance of the wholesaler	<ul style="list-style-type: none"> The functions and services provided by the wholesaler The importance of the wholesaler to the manufacturer and retailer Reasons why the independent wholesaler survives: cash and carry and voluntary chains 				

Syllabus content	What do you know?	R	A	G	Comments
2.5 Trading documents					
2.5.1 Documents of home trade	<ul style="list-style-type: none"> Different types of documents used in home trade: enquiry, quotation, order, invoice, delivery note, credit note, statement of account and receipt 				
2.5.2 Documents of international trade	<ul style="list-style-type: none"> Different types of documents used in international trade: certificate of origin, bill of lading, air waybill and documentary credit (letters of credit) 				
2.5.3 Digital use of trading documents	<ul style="list-style-type: none"> The stages of the online ordering process: from buyer browsing website to receiving order Identifying digital technology in trading documents, e.g. digital signatures, secure access, cloud-based storage, electronic receipts and etickets 				
2.6 Communication					
2.6.1 Types of communication	<ul style="list-style-type: none"> The distinction between different types of communication: written, oral, electronic and visual communication 				
2.6.2 Methods of communication	<ul style="list-style-type: none"> The different methods of communication: letter, telephone, face to face, videoconferencing, email, web-based chat (including chatbots), social media and posters 				
2.6.3 Factors that affect communication	<ul style="list-style-type: none"> The appropriateness of factors affecting choice of method of communication in given situations: urgency, cost, security, distance, availability of networks and importance of the message 				

3 Globalisation of trade

Syllabus content	What do you know?	R	A	G	Comments
3.1 International trade					
3.1.1 Benefits of international trade to a country	<ul style="list-style-type: none"> The benefits of international trade to a country: wider choice of goods, higher standard of living, lower cost of imports, more investment and creation of jobs 				
3.1.2 Challenges of international trade to exporters and importers	<ul style="list-style-type: none"> The challenges of international trade to exporters and importers: distance, language, methods of payment, documentation, transport, customs duties, non-payment, currencies, foreign exchange rates, competition and different legal systems 				

Syllabus content	What do you know?	R	A	G	Comments
3.1.3 Balance of Trade and Balance of Payments	<ul style="list-style-type: none"> The difference between Balance of Trade and Balance of Payments Calculation and interpretation of Balance of Trade and Balance of Payments from given figures How commercial activities affect the Balance of Trade and Balance of Payments 				
3.1.4 Free trade, trading blocs, trade restrictions and sources of support for exporters	<ul style="list-style-type: none"> The meaning of free trade The features of a trading bloc The advantages and disadvantages of joining a trading bloc The types of trade restrictions: tariffs, quotas and embargoes The potential effects of trade restrictions on commercial activities The sources of support for exporters: international trade fairs, cheaper bank loans and insurance guarantees 				
3.2 Global supply chain management					
3.2.1 Global supply chains	<ul style="list-style-type: none"> The different types of global supply chains: simple supply chain (supplier to manufacturer to consumer) and complex supply chains (supplier to agent to wholesaler to retailer to consumer) The features of global supply chain management: upstream, the enterprise and downstream The importance of suppliers in the global supply chain The benefits of global supply chain management: lower cost of production, lower labour costs, lower cost of purchasing, advancement in logistics and communication 				
3.2.2 Global supply chain risks	<ul style="list-style-type: none"> The risks to global supply chains: environmental (e.g. pollution, deforestation), natural disasters, financial, ethical, technological and political risks The importance of risk assessment in the global supply chain 				

4 Logistics in commerce

Syllabus content	What do you know?	R	A	G	Comments
4.1 Transport	<ul style="list-style-type: none"> • The three functions of transport in the supply chain: time, place and quantity • The types and methods of transport: <ul style="list-style-type: none"> – road: delivery vans, trucks, couriers – rail: freight trains – air: freight planes – sea: ferry, tanker, container ship, cargo liner – pipeline • The advantages and disadvantages of different methods of transport • The appropriateness of factors affecting choice of method of transport in given situations: nature of goods, urgency, cost, security, distance and reliability of transporter • The features of containerisation, including transshipment • The advantages and disadvantages of containerisation 				
4.2 Warehousing	<ul style="list-style-type: none"> • The functions of warehousing in the supply chain: links with seasonal production, demand, protecting supply and price stability and logistics postponement • The different types of warehouse: bonded, cold storage, cash and carry and regional distribution centres (RDCs) • The uses of automation in warehousing: robotics, automated sorting and voice picking • The benefits of warehouse automation: lower labour costs, less human error, improved picking accuracy, improved inventory control and improved customer service 				

5 Aids to trade that support commerce

Syllabus content	What do you know?	R	A	G	Comments
5.1 Advertising					
5.1.1 Types of advertising	<ul style="list-style-type: none"> The purposes of advertising The types of advertising: informative, persuasive, collective (generic) and competitive The advantages and disadvantages of the different types of advertising 				
5.1.2 Methods of traditional and digital advertising media	<ul style="list-style-type: none"> The methods of traditional advertising media: television, radio, cinema, newspapers (local and national), magazines/trade journals, leaflets/flyers, packaging, direct mail, sponsorship, catalogues/brochures, posters, transport vehicles, window displays, point of sale displays, signboards and word of mouth The methods of digital advertising media: social media advertising and other internet advertising (including websites, search engines), display advertisements, video advertisements, email marketing, digital billboards and social media influencers The advantages and disadvantages of different methods of traditional and digital media for advertising campaigns The appropriateness of the factors affecting choice of method of advertising in given situations: audience, cost, cultural and legal considerations, flexibility to change, local and international market coverage, multi-channel advertising, timing and type of product 				
5.1.3 Methods of appeal used in advertising	<ul style="list-style-type: none"> The different types of methods of appeal used in advertising: emotion, fear, humour, rational, ambition, social acceptance, romantic, adventure, music, endorsement by celebrities and social media influencers The appropriateness of methods of appeal used in advertising in given situations 				
5.1.4 Sales promotion	<ul style="list-style-type: none"> The meaning of sales promotion The methods of sales promotion: point of sale, special offers, sponsorship, displays, competitions, coupons, sales periods, loss leaders, free gifts and free samples 				

Syllabus content	What do you know?	R	A	G	Comments
	<ul style="list-style-type: none"> The factors affecting choice of sales promotion methods in given situations: business type, competitors, cost, nature of product, new/old product and timing 				
5.2 Banking					
5.2.1 Banking services	<ul style="list-style-type: none"> The different types of banking services: <ul style="list-style-type: none"> accounts: current and deposit/savings customer services: ATM, night safe, foreign currency, financial advice and telephone banking payments: cash, cheque, credit card, debit card, store card, credit transfer, standing order, direct debit, electronic transfer and documentary credit (letter of credit) sources of finance: loan, overdraft, mortgage and hire purchase The appropriateness of choosing banking services in given situations 				
5.2.2 Digital technology in banking	<ul style="list-style-type: none"> The different types of digital banking: internet banking and mobile banking The advantages and disadvantages of digital banking The impact of digital banking: closure of bank branches, more digital-only banks and less use of cash (cashless society) 				
5.3 Insurance					
5.3.1 Purposes of insurance	<ul style="list-style-type: none"> The purposes of insurance: risk reduction, compensation, financial protection, business confidence and investment 				
5.3.2 Types of insurance risk	<ul style="list-style-type: none"> The different types of insurance risk: consequential loss, employer's liability, fire, motor, premises, public liability and theft 				
5.3.3 How enterprises make use of insurance	<ul style="list-style-type: none"> The use of pooling of insurance risk The calculation of insurance premiums The use of insurance documents: proposal form, cover note and policy The role of an insurance broker 				

Syllabus content	What do you know?	R	A	G	Comments
5.4 Sources of finance and commercial performance					
5.4.1 Ways in which entrepreneurs and commercial enterprises raise finance	<ul style="list-style-type: none"> • The meaning of entrepreneurship • The sources of short-term finance: trade credit, debt factoring, hire purchase, leasing, sale and leaseback, overdraft, selling assets, owner's savings and retained profit • The sources of long-term finance: ordinary and preference shares, loans, debentures, venture capital and crowdfunding • The advantages and disadvantages of each source of finance • The appropriateness of choice of source of finance in given situations • The meaning and use of financial terms: sales, revenue, profit, working capital, assets and liabilities, interest, capital, cash discounts and trade discounts 				
5.4.2 Commercial calculations	<ul style="list-style-type: none"> • The calculation of revenue, gross profit, gross profit margin, profit for the year (net profit), working capital and mark-up percentage <ol style="list-style-type: none"> 1. Revenue (Sales or Turnover) = Selling price per unit × Number of units sold 2. Gross profit = Revenue – Cost of Sales (the cost of purchasing inventory) 3. Gross profit margin (%) = Gross profit ÷ Revenue × 100 4. Net profit/net loss for the year = Gross profit – Expenses 5. Working capital = Current assets – Current liabilities 6. Mark-up percentage = (Average Selling Price – Unit Cost) ÷ Unit Cost 				
5.4.3 Improving commercial performance	<ul style="list-style-type: none"> • The methods to improve sales turnover, profit, mark-up and working capital, e.g. reducing expenses, increasing mark-up, changing prices, improving advertising, introducing new products in given situations 				

6 Sustainability and ethics

Syllabus content	What do you know?	R	A	G	Comments
6.1 Sustainability					
6.1.1 Purpose of sustainability in the supply chain	<ul style="list-style-type: none"> The purpose of sustainability in the supply chain: making commercial processes eco-friendly and environmentally responsible for future generations 				
6.1.2 Actions to improve sustainability	<ul style="list-style-type: none"> Actions to improve sustainability: using sustainable materials in the production process, implementing sustainable logistics, reducing packaging, selling eco-friendly products, recycling and reducing waste, reducing the need for returns and exchanges, offering digital resale marketplaces, offering free repair services and water stewardship 				
6.2 Ethics					
6.2.1 Ethics and ethical issues in commerce	<ul style="list-style-type: none"> The meaning of ethics The role of fair trade in commerce Ethical issues in commerce: misleading advertising and harmful disposal of products 				
6.3 Consumer protection	<ul style="list-style-type: none"> The reasons for consumer protection The actions taken by buyers and sellers to resolve consumer protection complaints 				

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