

Scheme of Work

Cambridge O Level

Commerce 7100

For examination from 2026



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# Introduction

This scheme of work has been designed to support you in your teaching and lesson planning. You can choose what approach to take and you know the nature of your institution and the levels of ability of your learners. What follows is just one possible approach you could take and you should always check the syllabus for the content of your course.

Suggestions for independent study **(I)** andformative assessment **(F)** are included. Throughout the scheme of work we have included reference to the [Sustainability Development Goals](https://sdgs.un.org/goals) (SDGs 1–17), if and where they are relevant and applicable.

Opportunities for differentiation are indicated as **Extension activities**; there is the potential for differentiation by resource, grouping, expected level of outcome, and degree of support by teacher. Timings for activities and feedback are left to the judgment of the teacher, according to the level of the learners and size of the class.

Guided learning hours

Guided learning hours give an indication of the amount of contact time you need to have with your learners to deliver a course. Our syllabuses are designed around 130 hours of classroom time. The number of hours may vary depending on local practice and your learners’ previous experience of the subject. The table below give some guidance about how many hours we recommend you spend on each topic area.

| Topics | Suggested teaching time (hours / % of the course) | Suggested teaching order |
| --- | --- | --- |
| **Commerce and production** | It is recommended that this should take about 26 hours / 20% of the course. | 1 |
| **Commercial operations** | It is recommended that this should take about 26 hours / 20% of the course. | 2 |
| **Globalisation of trade** | It is recommended that this should take about 19.5 hours / 15% of the course. | 3 |
| **Logistics in commerce** | It is recommended that this should take about 19.5 hours / 15% of the course. | 4 |
| **Aids to trade that support commerce** | It is recommended that this should take about 26 hours / 20% of the course. | 5 |
| **Sustainability and ethics** | It is recommended that this should take about 13 hours / 10% of the course. | 6 |

## Resources

You can find the endorsed resources to support Cambridge O Level Commerce on the Published resources tab of the syllabus page on our [public website](https://www.cambridgeinternational.org/programmes-and-qualifications/cambridge-o-level-commerce-7100/published-resources/)

Endorsed textbookshave been written to be closely aligned to the syllabus they support and have been through a detailed quality assurance process. All textbooks endorsed by Cambridge International for this syllabus are the ideal resource to be used alongside this scheme of work as they cover each learning objective. In addition to reading the syllabus, teachers should refer to the specimen assessment materials.

[Teaching tools](https://learning.cambridgeinternational.org/classroom/course/view.php?name=teachingtools) **–** designed to help you to deliver interactive classroom activities and engage learners.

[Tool to support remote teaching and learning](https://www.cambridgeinternational.org/support-and-training-for-schools/support-for-teachers/tools-remote-teaching-and-learning/) – find out about and explore the various online tools available for teachers and learners.

## School Support Hub

The [School Support Hub](http://www.cambridgeinternational.org/support) is a secure online resource bank and community for Cambridge teachers, where you can download specimen and past question papers, mark schemes and other teaching and learning resources. This scheme of work is available as PDF and an editable version in Microsoft Word format. If you are unable to use Microsoft Word you can download Open Office free of charge from [www.openoffice.org](http://www.openoffice.org/)

## Websites

This scheme of work includes website links providing direct access to internet resources. Cambridge International Education is not responsible for the accuracy or content of information contained in these sites. The inclusion of a link to an external website should not be understood to be an endorsement of that website or the site's owners (or their products/services).

The website pages referenced in this scheme of work were selected when the scheme of work was produced. Other aspects of the sites were not checked and only the particular resources are recommended.

## How to get the most out of this scheme of work – integrating syllabus content, skills and teaching strategies

This scheme of work provides some ideas and suggestions of how to cover the content of the syllabus. The following features help guide you through your course.

**Learning objectives** help your learners by making it clear the knowledge they are trying to build. Pass these on to your learners by expressing them as ‘We are learning to / about…’.

**Extension activities** provide your more able learners with further challenge beyond the basic content of the course. Innovation and independent learning are the basis of these activities.

**Past papers, specimen papers** and **mark schemes** are available for you to download from the [School Support Hub](http://www.cambridgeinternational.org/support).

Using these resources with your learners allows you to check their progress and give them confidence and understanding.

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**Formative assessment (F)** is on-going assessment which informs you about the progress of your learners. Don’t forget to leave time to review what your learners have learnt, you could try question and answer, tests, quizzes, ‘mind maps’, or ‘concept maps’. These kinds of activities can be found in the scheme of work.

**Suggested teaching activities** give you lots of ideas about how you can present learners with new information without teacher talk or videos. Try more active methods which get your learners motivated and practising new skills.

**Independent study (I)** gives your learners the opportunity to develop their own ideas and understanding without direct input from you.

**Sustainability Development Goals** **(SDG)** references to a focus on sustainability.

| Syllabus ref. | Learning objectives | Suggested teaching activities |
| --- | --- | --- |
| 1.1 Population Dynamics | 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. | Unfortunately, not many warehouses around the world are yet fully automated. For this reason, it may be difficult to organise a visit for learners to the fascinating world of an automated warehouse. However, a video resource may just do a good job of making learners understand the scope of automation and its purpose in warehousing.  Benefits of warehouse automation: <https://locusrobotics.com/blog/warehouse-automation-benefits#:~:text=Automation%20can%20help%20reduce%20errors,associated%20with%20manual%20data%20entry>.  Benefits of warehouse automation: [www.hairobotics.com/blog/12-benefits-warehouse-automation](https://www.hairobotics.com/blog/12-benefits-warehouse-automation)  Warehouse automation: [www.youtube.com/watch?v=P9GCoE-tHUk](https://www.youtube.com/watch?v=P9GCoE-tHUk)  Amazon’s Smart Robot Warehouses: [www.youtube.com/watch?v=Jh27vjAhE-c](https://www.youtube.com/watch?v=Jh27vjAhE-c)  **Extension activity:** In groups, learners explore online resources to find out that despite being more efficient and accurate whether automated warehouses, are more environment friendly than manned warehouses with manual operations. They should present their arguments for and against to the class. **(I)**  **(SDG 7, 8, 9, 11, 16)** |
| **Past and specimen papers** | | |
| Past/specimen papers and mark schemes are available to download from the [School Support Hub](http://www.cambridgeinternational.org/support) (F) | | |

# 1 Commerce and production

| Syllabus ref. | Learning objectives | Suggested teaching activities |
| --- | --- | --- |
| **1.1 Trade and commerce** | | |
| 1.1.1 Trade | The meaning of the terms trade and commerce, showing the differences between the two terms. | Give a hand-out of the glossary of commercial terms for this syllabus to each learner.  Since this is the first session of the syllabus, it is therefore imperative to create a momentum for engaging learners and captivating their interest. This could be achieved with a short and quick interactive session.  Interactive session (role play): Select 4 volunteers from the class. Use the classroom board to designate these volunteers and also define their needs. This activity will help in introducing the terms produce, production, specialisation and consumer.  **Learner A** [Name] – is a farmer who specialises in growing wheat but needs clothes and clay pots for storing wheat.  **Learner B** [Name] – is a potter who specialises in production of clay pots for storage but needs food and clothes.  **Learner C** [Name] – is a specialist in weaving clothes but needs both wheat for food and pots to store food.  **Learner D** [Name] – owns a bullock cart and uses it to transport heavy goods such as the bags of wheat. This person also needs food, clothes and pots for his family.   1. Tell the class that the 4 people who live in a small village have any NO money because the idea of money was not yet invented. 2. Ask the class what could be the ways for these four people fulfil their needs without money, and in the process make them understand the system of barter and role of transport in fulfilment of needs. 3. Create a table with 3 columns and 5 rows. In the first column the 4 traders. Learners fill each cell in the columns under the headings ‘producer of’ and ‘consumer of’ with relevant goods discussed in the earlier exercise. Create a clear distinction between the terms – producer and consumer.  |  |  |  | | --- | --- | --- | | **Trader** | **Producer of …** | **Consumer of …** | | Farmer | wheat (goods) | pots, clothes | | Potter | pots (goods) | wheat, clothes | | Weaver | clothes (goods) | wheat, pots | | Bullock cart owner | transport (service) | wheat, pots and clothes |   Conclude this interactive session with a short explanation in which the learners are told human settlements came up when humans learnt to grow food, domesticate animals, make pottery and weave clothes. They started looking at ways other than hunting to fulfil their needs. However, because it wasn’t possible for one single individual to engage in multiple activities required to satisfy various needs, humans started to become specialists in one activity according to their best ability and produced goods or services in that area of work. After all, not all individuals could become excellent potters or weavers. The exchange of goods and services was done through barter.  With the underlying motive of fulfilling basic needs, primarily food, clothing and shelter, human beings also acquired other skills such as interacting with fellow human beings for commercial purposes. Money was invented and became the primary instrument in carrying out commercial transactions. Monetary value was assigned to the goods and services. Some goods and services were cheaper in value, and others more expensive. These were beginnings of formal trade and commerce.  Once this background is delivered verbally, a video session could facilitate cognition, reinforce learning and make delivery of theory easier.  Define the terms trade and commerce. Make the learners differentiate between the two terms.  What is trade: [www.youtube.com/watch?v=EfIi79C18aE](http://www.youtube.com/watch?v=EfIi79C18aE) |
| The meaning of home trade (retail and wholesale). | Start off the lesson with a little background. For instance:  As settlements spread across a region, commercial activities started becoming more complex. Over time, urban areas (towns and cities) were established, and countries emerged. As settlements enlarged, specialisations became more embedded in society. For monetary gain, producers wanted to reach out to larger numbers of consumers. Goods had to be transported far and wide but not every small producer could travel to sell their produce. As a result, a simple **supply chain** started developing to bridge the gap between the producers and consumers. This supply chain helped to distribute goods and carry out trade and commerce in an efficient manner.  Interactive session (role play): Once again, use role play with volunteers from the class to demonstrate a simple supply chain. Designate these volunteers and define their role. This activity will also help in introducing terms such as **warehouse** and **profit**.  **Learner A** [Name] – is a farmer who grows wheat in a rural area.  **Learner B** [Name] – a person based in a small region who buys wheat **in** **bulk** from the farmer, stores it in a warehouse with the motive to supply/sell wheat to shop owners in nearby towns and villages for a profit.  **Learners C and D** [Names] – are small shop owners in a town who buy wheat in small quantities from Learner B [Name] and then supply/sell it for a small profit to general public.  **Learners E and F** [Names] – are members of general public who buy wheat from Learner C and Learner D in even smaller quantity from their local shops and pay money for their purchase.  Draw the following table. Learners identify these individuals by specific commercial terms and depict the flow of goods (wheat).   |  |  |  | | --- | --- | --- | | **Supply chain** | **Commercial term** | **Supplies to** | | Learner A (farmer) | producer | ↓ | | Learner B | wholesaler | ↓ | | Learners C and D | retailers | ↓ | | Learners E and F | end-consumers |  |   Define **home trade**. Help learners understand that when trade and commerce take place in a supply chain that exists within the boundaries of a country, it is called home trade. |
| The meaning of international trade (exports and imports). | Q&A session: Write the following statement with 2 options on the classroom board.  A trader in Bangladesh supplies clothes worth $1 million to a trader in the US. What kind of trade is this?   * Home trade * International trade   Learners choose the correct option.  Define ‘international trade’ and explain that a supply chain in international trade spreads between two or more countries. Introduce and explain the terms ‘exports’ and ‘imports’. Use the image and definitions in the learning resource to make learners understand.  International trade: <https://thecuriouseconomist.com/macroeconomics-what-is/what-is-international-trade/>  Use the image from the previous learning resource and illustrate the supply chain and flow of supply in context of international trade. Use this opportunity to introduce the term ‘import agent’.   |  |  | | --- | --- | | **Supply chain** | **Supplies to** | | Coffee farmers in Brazil | ↓ | | Wholesalers in Australia | ↓  (buying through import agents) | | Retailers in Australian towns and cities | ↓ | | End-consumers in Australia |  |   Q&A session: Draw the following table on classroom board and learners identify the exporter and importer in the trade situation described earlier.   |  |  |  | | --- | --- | --- | |  | **Exporter** | **Importer** | | Trader from the US | producer |  | | Trader from Bangladesh | wholesaler |  |   Using newspaper articles, learners should examine news related to international trade. **(I)** |
| 1.1.2 Aids to trade and logistics | The meaning of aids to trade. | Q&A session– Ask the learners the following questions:   * Person A has a sports shoes making factory. Besides installing a fire extinguisher what action could this person take to protect the factory from risk of fire? * Person A needs one more machines to increase production of shoes but does not have enough money to buy the machine. What action could Person A take to arrange money besides borrowing money from family and friends? * How can Person A make consumers aware of the kind of shoes they make? * How can Person A let their wholesaler know that their factory will supply shoes ordered wholesaler in one month’s time.   Learners should state the answer as: insurance, bank loan, advertising and communications (in that order).  Define aids to trade and make learners understand:   * these four aids to trade are ‘commercial services’ that are essential to trade and commerce * these commercial services are provided by other businesses who specialise in these services for a fee.   Ask learners what other services could be classified as aids to trade. Help them with the answer as ‘transport services’ and ‘warehousing’. |
| The types of aids to trade: communications, transport, warehousing, advertising, banking and insurance. | With terms like transport and warehouse already introduced in lesson 1.1.1, it would be fairly easy to briefly explain the role of each commercial service in trade, commerce and production. |
| The meaning of logistics | Define logistics and make learners understand that logistics is a term that sums up three commercial services: transport, freight forwarders and warehousing.  What is logistics? <https://youtube.com/watch?v=N6sgzN8vm7U&feature=shared> |
| The elements of logistics in a supply chain: transport, freight forwarders and warehousing. | Ask learners what is meant by freight forwarders. Use the suggested online resources to explain.  Freight forwarder: job description: <https://targetjobs.co.uk/careers-advice/job-descriptions/freight-forwarder-job-description>  **Extension activity**: Learners work in groups to evaluate the role and importance of the six aids to trade and reach a conclusion on which aid to trade is most important for a supply chain to function in a way that consumers are always be able to buy goods. Learners give reasons for their conclusion. **(F)**  Make learners aware of importance of transport with news from the internet sources:  <https://timesofindia.indiatimes.com/india/truck-drivers-strike-disrupts-supply-chain-across-states/articleshow/106494875.cms>  <https://theedgemalaysia.com/node/686924> |
| 1.1.3 Types of commerce | The meaning of traditional commerce: buying and selling goods and/or services at a physical location. | Ask a couple of learners what their last big purchase was, and where they bought the goods. Probe further by asking them the reason for which they chose to buy from the particular store. If they mention an online retail store instead of a physical store, ask them why they chose online and not a physical store.  Explain why physical stores are a traditional retailing model.  Trends in retailing: [www.youtube.com/watch?v=ewyTGmAIGgo](http://www.youtube.com/watch?v=ewyTGmAIGgo) |
| The meaning of ecommerce (electronic commerce): buying and selling goods and/or services via the internet/websites. | Define ecommerce.  **Group activity:** Learners in groups list down key points that compare and contrast traditional commerce and ecommerce. |
| The meaning of mcommerce (mobile commerce): buying and selling goods and/or services via a mobile device, such as a smartphone or tablet. | Define mcommerce. Use the online resources to impart further understanding.  ecommerce vs mcommerce: [www.youtube.com/watch?v=SsMEeYUV478](../../../Scheme_of_Work/7100_Commerce/www.youtube.com/watch?v=SsMEeYUV478%20)  Note: clarify last point in the video ‘the internet is not required’ means the ‘internet connection is not required because mobile devices have in-built access to the internet’.  mcommerce: [www.linkedin.com/pulse/m-commerce-why-going-mobile-important-businesses-ramesh-prasad?trk=article-ssr-frontend-pulse\_more-articles\_related-content-card](../../../Scheme_of_Work/7100_Commerce/www.linkedin.com/pulse/m-commerce-why-going-mobile-important-businesses-ramesh-prasad?trk=article-ssr-frontend-pulse_more-articles_related-content-card%20) |
| The meaning of scommerce (social commerce): buying and selling goods and/or services via social media channels. | It may be safe to assume that learning about the three variants of internet driven commerce – ecommerce, mcommerce and scommerce – would be relatively easy for the post-millennials or the iGeneration growing up in the age of TikTok. It would be difficult to envisage a learner in today’s world – in urban or rural areas – who hasn’t heard of and/or experienced mobile devices or social media.  Ask learners if they are on social media and if they have used social media for shopping. Probe further by asking them which aspect of social media aids consumers in making a decision on what to buy and from which seller to buy from.  Define scommerce. Use the videos resources to impart further understanding:  Social commerce explained: [www.youtube.com/watch?v=4RCfI3CqpA4](../../../Scheme_of_Work/7100_Commerce/2026_development/www.youtube.com/watch?v=4RCfI3CqpA4%20)  Social shopping: [www.youtube.com/watch?v=CB6cmUOoehc](../../../Scheme_of_Work/7100_Commerce/2026_development/www.youtube.com/watch?v=CB6cmUOoehc)  **Extension activity:** Learners should be asked to collect articles on the growth of ecommerce, mcommerce and scommerce in their country from newspaper and news websites and share the key points from these articles with the class. |
| 1.1.4 The relationship between production, trade and commerce | Understand how production, trade and commerce are interdependent. | Give learners a table showing a list of occupations in the left-hand column and four headings, primary, secondary, commercial service and direct service, at the top of the other columns. Learners tick the appropriate heading for each occupation. **(F)**  Using further business examples, such as a farm, learners identify how each business is dependent on each of the four headings in the table above.  Relationship between industry, commerce and direct services: <http://bellaskewl.blogspot.co.uk/2014/01/the-relationship-between-industry.html> |
| **1.2 Production** | | |
| 1.2.1 Sectors of production and specialisation | The features of primary (extractive) industries, secondary (manufacturing and construction) industries, tertiary activities (commercial services and direct services) and quaternary activities (digital technology). | By now the learners have been introduced to the terms: production, goods, services, human needs and consumers (introduced in Section 1.1.1). In this session they should define and understand various of production.  Group activity: Learners work in groups and list down examples of production (e.g. mining, farming, food processing, courier, etc). Keep giving them cues (for example, does a teacher or a lawyer or a website designer produce anything?). List down 10–12 examples (2–3 from each sector) on the board.  Impart further learning by:   1. Production 2. Each sector and sub-sector of production   Learners need to understand that both, the tangible goods and intangible services, result from production. They also need to differentiate between the two.  What is production? <https://www.youtube.com/watch?v=DDR3tpjNKOs>  Q&A: Return to the list on the board and learners classify each example as either **primary, secondary, tertiary** or **quaternary**. |
| The meaning of specialisation | Remind the learners of the term specialisation introduced in the role-play in section 1.1.1.  Ask learners if they can identify:   * any specialists from their personal experience * any specialist producers * any specialist retailers * any countries that specialise in producing certain goods and services.   Look for answers such as teachers, doctors, lawyers specialising in specific areas; producers of sportswear, sports cars, gaming consoles; retailers who sell only outdoor equipment (tents, backpacks, etc); countries such as Brazil (coffee), India (computer software), South Africa (diamonds), Bangladesh (jute and clothing items).  Define specialisation.  Introduce this topic by asking learners to consider the advantages and disadvantages of teachers specialising in particular subjects, or lawyers specialising in certain legal areas. This could be a whole-class or group discussion. Widen the discussion into a consideration of the benefits and disadvantages of specialisation in other occupations, such as those of doctors, car production workers or farm workers.  It would be useful at this point for learners to visit a factory, farm or office where workers specialise. If this is not possible, invite a person specialising in a particular activity to talk to the class.  Another starter activity would be for learners to work individually to make something (with a number of distinct stages) on their own and then to work in groups to make the same item using division of labour, or the class could be split into those working on their own and those working in groups. This could be, for example, assembling a construction toy, such as Lego, the final item being composed of a number of separate parts or components where each part/component could be constructed by a different person (a specialised task). They should make as many as they can of the same thing in a certain amount of time. The class then discusses the merits and problems of each approach. |
| 1.2.2 In-house production and outsourced production | The meaning of in-house production and outsourced production. | This could be a slightly challenging topic to understand for some learners. For this reason, a bit of creativity would be required. Use of newspaper articles, examples and videos would aid cognition.  Demonstration: Explain the term **outsourcing** in the context of iPhone. Organise one iPhone which has ‘*Designed in California. Assembled in China’* written on its back*.* Show this to the class.Ask the learners what is meant by this statement and why should Apple Inc. take services of a manufacturer based in China to produce iPhones for selling all over the world?  Explain the notion of in-house production by asking the class to identify businesses which may not fully outsource their secondary or tertiary production to other businesses. Give them examples of large hospitals with in-house specialist doctors.  Learners identify one important activity that a hospital can outsource. Look for answers such as security personnel.  Why the iPhone can’t be made in the US? [www.youtube.com/watch?v=gEmu3Dz--bM](https://www.youtube.com/watch?v=gEmu3Dz--bM)  Learners carry out research from news websites and find out the names of other businesses which outsource their production. **(I)** |
| 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. | This topic is ideal for an onsite visit to a factory that produces goods for another business. If that’s not possible, then use online resources to compare the benefits of in-house production and outsourced production.  Why is your iPhone assembled in China? [www.youtube.com/watch?v=Otpu2uwWIOM](http://www.youtube.com/watch?v=Otpu2uwWIOM)  H&M in Bangladesh: [www.youtube.com/watch?v=WY4FeUYMFzM](http://www.youtube.com/watch?v=WY4FeUYMFzM)  **Note:** Both videos would be useful resource in the later section on ethics.  [www.linkedin.com/pulse/in-house-vs-outsource-manufacturing-decision-kshitij-chaudhary](http://www.linkedin.com/pulse/in-house-vs-outsource-manufacturing-decision-kshitij-chaudhary) (use only relevant points and terms from this source and avoid using or explaining terms that are NOT within the scope of the syllabus. For example: intellectual property or capacity.)  [www.scnsoft.com/blog/in-house-development-vs-outsourcing](http://www.scnsoft.com/blog/in-house-development-vs-outsourcing) (use images on in-house development and outsourced development from this source to explain)  <https://operationsroom.wordpress.com/2013/05/09/will-the-bangladeshi-factory-collapse-change-global-apparel-supply-chains/> (use image ‘How much does it cost to make a denim t-shirt in Bangladesh versus the US?)  **Group activity:** In groups, learners evaluate in-house and outsourced production in context of an electric car manufacturer, analyse various factors and arrive at a written judgement on which would be a better option for this car manufacturer. Learners give reasons for their conclusions.  Collate the benefits of both in-house and outsourced production on classroom board to reinforce learning. **(F)** |
| 1.2.3 Global supply chains | The meaning of a global supply chain and a domestic supply chain. | By now learners have been introduced to the term supply chain. In this session, they learn more about supply chains.  Explain the key difference between a global supply chain and a domestic supply chain is that in latter the producers, and consumers are spread in two or more countries. In contrast, the producers and consumers in a domestic supply chain are based within one country.  **Group activity:** In groups, learners discuss the possible link between country specialisation and global supply chain. Make note of their answers and use the image of T-shirt supply chain on the world map from the following website link to explain why global supply chain becomes a necessity for some goods.  [www.weforum.org/impact/companies-can-navigate-disruptions-in-global-supply-chains/](http://www.weforum.org/impact/companies-can-navigate-disruptions-in-global-supply-chains/) (use the image of the t-shirt supply chain on world map in this web page to explain)  What are supply chains? (First 1.35 minutes): [www.youtube.com/watch?v=-lzrVo2n9H8](http://www.youtube.com/watch?v=-lzrVo2n9H8) |
| 1.2.4 Intermediaries in a supply chain | The role of home trade intermediaries in a supply chain: wholesaler and retailer. | Group activity: In groups, learners create a visual map of a supply chain for chocolates, bridal wear and explain how these supply chains are different.  **Extension activity:** Ask the groups to discuss and identify goods in which the role of wholesaler is slowly and steadily disappearing. Learners suggest reasons for this decline and discuss the actions wholesalers need to take to survive. Learners report back in a presentation. |
| The role of international trade intermediaries in a supply chain: agent and factor. | Learners explain the work of overseas agents, namely brokers and factors and also export merchants. Learners find the differences between brokers and factors. They need to evaluate and make a written judgement on the role of overseas agents. Learners should include statements such as ‘since they are specialists in international trade, it is far better to leave the importing and exporting of goods to experts than try to do it yourself’. It is useful to review examples of evaluations that are included in the published mark schemes for all the 6- and 8-mark questions in past examination papers.  Types of intermediaries: [www.bizmove.com/export/m7e.htm](http://www.bizmove.com/export/m7e.htm)  On the work of import agents: [www.youtube.com/watch?v=xSgDZCLD5-I](http://www.youtube.com/watch?v=xSgDZCLD5-I) |
| 1.2.5 Effects of digital technology on production | The impact of automation, e.g. using robotics in production. | Again, this is a very good topic for post-millennial Generation Z who become familiar with technology at very early stages of their life.  Once a clear definition of automation and robotics is given, this seemingly interesting topic will offer a good opportunity to develop and demonstrate the skill to analyse and evaluate the impact of robotics for both, a business and its workers.  Group activity: Assign one business to each group (mining, car manufacturing and a restaurant). Learners list down advantages and disadvantages of using automation and robots in these businesses. Further ask them to discuss and reach a conclusion whether automation has a positive or a negative impact on businesses.  Use the following online resources for making learners understand.  What is robotics? [www.youtube.com/watch?v=htjRUL3neMg](http://www.youtube.com/watch?v=htjRUL3neMg)  Car manufacturing process overview [www.youtube.com/watch?v=zQeQWGqfFN0](http://www.youtube.com/watch?v=zQeQWGqfFN0)  Pros and cons of automation in manufacturing [www.youtube.com/watch?v=fkcvUzIkNwU](http://www.youtube.com/watch?v=fkcvUzIkNwU)  **Extension activity:** Learners research news websites for news on growing use of robots in commercial activities such as logistics. They visualise the impact of automation on society if robots completely replaced humans in workplaces and make a written note of the consequences of complete robotisation in all sorts of production and commercial activities. **(I)** |
| The Impact on production of digital communication with suppliers, e.g. using electronic data interchange (EDI). | Learners have already learnt that communication is an important aid to trade.  Use the image of t-shirt supply chain in the following website and learners discuss what might happen if there was no communication between different suppliers, distributers and retailers in this global supply chain.  [www.weforum.org/impact/companies-can-navigate-disruptions-in-global-supply-chains/](https://www.weforum.org/impact/companies-can-navigate-disruptions-in-global-supply-chains/)  Ask learners what they understand by digital communication. Use the infographics in the following website to highlight the evolution of the ways of communication over centuries.  <https://coolinfographics.com/blog/2015/11/30/a-history-of-communication.html>  Ask learners what they understand by electronic data interchange (EDI). Use the videos below to explain the role of EDI in a supply chain. The videos also help introduce the terms purchase order and invoice.  EDI in the supply chain: [www.edibasics.com/edi-by-industry/edi-supply-chain/](http://www.edibasics.com/edi-by-industry/edi-supply-chain/)  What is EDI? [www.youtube.com/watch?v=zGt3JrWeDlw](http://www.youtube.com/watch?v=zGt3JrWeDlw) |
| 1.2.6 Costs involved in trade, commerce and production | 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. | **Group activity:** Learners could benefit from discussing and listing various costs associated with production, trade and commerce. Assign groups with a distinct business in a particular sector of production. E.g., gold mining (primary production); chocolate manufacturing (secondary production); healthcare services (tertiary production), and a software developer (quaternary business). Groups discuss / list costs associated with their business.  Explain different types of costs. Use the following video to explain bank charges.  Why banks charge fees? [www.youtube.com/watch?v=UVbQNHrkERI](http://www.youtube.com/watch?v=UVbQNHrkERI) ()  Give learners a handout with the following questions and they select the most appropriate cost for each commercial situation from the options: (1) advertising cost, (2) commission cost, (3) customs duties, (4) cost of inventory, (5) cost of labour, (6) packaging cost, (7) cost of transport and (8) warehousing.   |  |  | | --- | --- | | **Commercial situation** | **Cost** | | 1. What costs are associated only with international trade? |  | | 1. What cost is most important for an ecommerce business when preparing goods for shipment to customers? |  | | 1. What cost would a manufacturer of digital mobile devices incur to make consumers aware of various models of their goods? |  | | 1. What cost would be incurred by a farmer in Brazil for taking the services of an import agent in Japan? |  | | 1. What additional cost would be incurred by a fast-food business that plans to provide home delivery service? |  | | 1. What cost cannot be avoided by a wholesale supplier that needs to store goods bought in bulk from a producer? |  | | 1. What are most important recurring costs of a large software developer? |  | | 1. What costs are associated with maintaining a stock of raw material in a factory besides the cost of storage/warehousing and security? |  |   **Answers:** customs duty, packaging, advertising, commission, transport, warehousing, labour, inventory. **(F)** |
| **Past and specimen papers** | | |
| Past/specimen papers and mark schemes are available to download from the [School Support Hub](http://www.cambridgeinternational.org/support) (F)  Nov 2023 Paper 21 Question 1 | | |

# 2 Commercial operations

| Syllabus ref. | Learning objectives | Suggested teaching activities |
| --- | --- | --- |
| **2.1 Commercial Enterprises** | | |
| 2.1.1 Private and public sector enterprises | The difference between private and public sector enterprises. | Define private and public sector enterprise.  Impart further learning by comparing a public sector service (e.g. the postal service in the country) with a private sector service (e.g. a large logistics service provider providing commercial aid to trade) on parameters such as:   * ownership and control * funding * objectives * revenue and profit.   Support this learning by listing five enterprises each in public sector and private sector.  Difference between public and private sector: <http://www.tutor2u.net/business/reference/private-and-public-sector-organisations>  Public and private sector organisation: [www.youtube.com/watch?v=6AfATaoWZRs](http://www.youtube.com/watch?v=6AfATaoWZRs)  What’s private and public sector? [www.youtube.com/watch?v=Xrws9KP7Q5A](http://www.youtube.com/watch?v=Xrws9KP7Q5A) |
| 2.1.2 Types of private and public sector enterprises | The features of private sector enterprises: sole trader, cooperative, partnership, private limited company and public limited company. | The challenges in imparting learning on this topic at this level can be overcome with creativity.  Almost all countries have independent service providers such as plumbers and electricians who mostly work on their own as individuals and their business is just known by their name (e.g. Ahmed Patel Tailor). Then there are other businesses that have a distinct name which is different from the names of the business owner(s) and these names carry a certain suffix which gives an indication of the legal entity of the business (XYZ Cooperative or ABC Ltd.) These legal suffixes vary from country to country.  **Group activity:** One way to make the introduction of this topic simpler is by using aids such as product packaging, business visiting cards and letterheads as they mostly carry the business name and give an indication of the businesses’ legal entity. For example, a sole trader’s visiting card or letterhead is not likely to carry any suffix whereas a partnership or a company’s letterhead will have a distinct name followed by a legal suffix. Product packaging (e.g. toothpaste packaging) will also carry the business name and indicate its legal entity. Create sets of these items. Each set needs to have at least one item for each – a sole trader, a partnership, a cooperative, a private company, a public company and a commercial government enterprise.  Create groups of learners and give each group one set of items bringing their attention to the business name and the legal suffix (if any) on each item. Learners discuss:   * Why the legal suffixes are different for various businesses? * What kind of insight do they give on the legal structure of the business? **(I)**   This topic also provides scope for various extension activities to reinforce learning. Some of these could be:  **Extension activity:** A more challenging activity would be for learners to research the information about the different forms of business themselves, then present their findings to the class using a table of advantages and disadvantages.  **Extension activity:** Learners investigate the various forms of business in their local area. As a group or class, learners could comment on the suitability of that form for each business. **(I)**  **Extension activity:** Ask the group that initially researched partnerships to work with the group that considered the characteristics of being a sole proprietor and to discuss the possible consequences for the sole proprietor business if it became a partnership. The two groups would then have to decide what to do and why. Ask the other groups each to combine with one other group and do the same thing. If possible, invite a local entrepreneur who has changed the structure of their business, or who is considering doing so, to give a talk to the whole class. You might want to invite speakers from different businesses to talk to learners about this topic.  Learners could set up their own limited company for an enterprise activity within the school/college. This activity could then be used to connect with many other aspects of the Cambridge IGCSE Commerce syllabus.  Types of business organisations: <http://commerceforbeginning.blogspot.co.uk/search/label/Types%20of%20Business%20Organization>  <http://www.youtube.com/watch?v=7CIJwCK2ysk> |
| The features of public corporations.  The reasons for public corporations. | It is important to make learners aware that a public corporation is a part of public sector. In some countries, these are also called public service corporations. It is important to make a distinction between a public limited company in the private sector and a public corporation that may also take the form of a public limited company but is **not** necessarily created for making excessive profit. Unlike the non-profit public service institutions such as the police and the fire department, a public corporation engages in commercial activities similar to any private sector enterprise.  **Group activity**: Learners in groups research and prepare a list of public corporations in their country. In many countries railway service is provided only by a public corporation and national defence (military) goods are also produced only by public corporations. Learners state reasons for this. Look for answers that focus on motives such as protecting national interest, subsidised pricing and creating employment, etc.  Understanding public corporations – structure, governance and impact: <https://www.linkedin.com/pulse/understanding-public-corporations-structure-impact-hasan-mba-dyl0c>  Public corporations: [www.youtube.com/watch?v=ciKYOtUvUSs](http://www.youtube.com/watch?v=ciKYOtUvUSs) |
| The appropriateness of difference types of ownership in given situations. | Learners are already familiar with the features of various types of business structure. Give them the following two questions. Learners give half-page answer to each question giving reasons for their answers to both questions. **(F)**   * Which legal structure would they prefer if they were to start their own business? * In what conditions during their operations might they decide to change the legal structure of their business?   Types of business ownership explained: [www.youtube.com/watch?v=BN2cQNNvg\_4](http://www.youtube.com/watch?v=BN2cQNNvg_4) |
| 2.1.3 Multinational companies (MNCs) in the global economy | The features of multinational companies. | Write the names of two well-known businesses which are household names on the classroom board. One is a multinational (e.g. a Japanese car manufacturer) and the other has only domestic operations. Ask learners how they think these two businesses are different in terms of their:   * production/operations * supply chain * consumer markets.   Reinforce learning by defining a multinational enterprise and discussing their features. Ask for more examples of multinational enterprises from different industries in sectors of production. It is important that learners understand the difference between the home country and the host country.  What multinationals are, reasons for existence, their advantages and disadvantages: <https://corporatefinanceinstitute.com/resources/knowledge/strategy/multinational-corporation/>  Multinational companies: <https://www.youtube.com/watch?v=Gcf7RKigZSs> |
| The reasons for existence of multinational companies in the global economy. | **Group activity:** In groups, learners discuss and come up with two reasons why businesses become multinationals. Learners need to learn to evaluate the importance of multinationals in global trade. **(I)** |
| The positive and negative impacts on a country of multinational companies locating in the country. | **Group activity:** Use a case study of a multinational enterprise that wants to set up business in your country to evaluate the merits and demerits of multinationals for the host country. Ask the groups to discuss whether they think it is good for their country to encourage and invite multinationals to conduct production, trade and commerce in the domestic market.  Each group needs to nominate a person and present key points they discussed concluding with a recommendation whether the MNC should be allowed or not allowed to set up operations in the country, justifying their decisions. **(I)** |
| 2.1.4 Franchises | The features of franchises. | A slightly challenging topic to begin with but once fundamentals are understood, learners should find the concept of franchises interesting.  To bring greater clarity it is important to ensure that the concept of franchises is also linked to the private sector and the legal structure (most franchisees are private sector companies, mostly formed as a private limited company which enters into franchise agreement with the franchisor companies. Franchisors can be multinational companies or large domestic companies).  How franchising works: [www.youtube.com/watch?v=rG-EkVJFv2Q](http://www.youtube.com/watch?v=rG-EkVJFv2Q)  What is franchising: [www.youtube.com/watch?v=OeAS57ThFt8](http://www.youtube.com/watch?v=OeAS57ThFt8) |
| The advantages and disadvantages of franchises. | Once again this is a good topic to develop high-level cognitive skills such as the ability to analyse and evaluate. This topic also offers opportunities to introduce terms such as: brand, trademark, banking loans and funding.  **Role play:** Select three volunteers from the classroom. Assign roles:   * **Learner 1:** A businessperson who is planning to take up a franchise of a well-known fast-food brand. * **Learner 2:** A businessperson who wants to set up business as a sole trader. * **Learner 3:** A bank manager who has been approached by both, Learner 1 and Learner 2, for getting a bank loan. Both Learner 1 and Learner 2 present their plan to the bank manager, who then must decide which of the two businesspeople is a better candidate for getting the bank loan. This decision should be supported with a justified and logical reason.   Advantages and disadvantages of franchising: [www.nibusinessinfo.co.uk/content/advantages-and-disadvantages-franchising](https://www.nibusinessinfo.co.uk/content/advantages-and-disadvantages-franchising)  Buy a franchise or start a business: [www.youtube.com/watch?v=4VKKI59514Y](http://www.youtube.com/watch?v=4VKKI59514Y)  How much McDonald’s franchise owners really make per year: [www.youtube.com/watch?v=kr\_iqkRcLHU](https://www.youtube.com/watch?v=kr_iqkRcLHU) |
| 2.1.5 Physical and ecommerce location factors | The physical location factors: labour, markets, transport, power, raw materials, competition, suppliers, communication and government influence. | Every type of business requires factors of production and a market to sell. There are many factors which determine the suitability of a location for a business to succeed.  **Group activity:** In groups, learners discuss possible business locations for different businesses, e.g. a convenience store, a car repair garage, a shoe factory and a power station. For each business, they should rank the factors which will influence the choice of business location by putting them in order of priority. This should help learners to understand the factors that influence different businesses.  **Extension activity:** learners investigate the incentives, both in their country and in one other country, that are aimed at encouraging businesses to locate there.  **Extension activity:** Learners research, either online or in local newspapers, into a business that has just set up in a new location. They should investigate the factors that might have influenced this choice of location for this business. **(I)**  **Extension activity:** In groups, learners discuss possible business locations for different businesses, e.g. a supermarket, a car repair garage, a tinned pea factory and a power station. For each business, they should rank the factors which will influence the choice of business location by putting them in order of priority. This should help learners to understand the factors that influence different businesses.  **Extension activity:** learners investigate the incentives, both in their country and in one other country, that are aimed at encouraging businesses to locate there.  Business location: [www.tutor2u.net/business/reference/business-location-introduction](http://www.tutor2u.net/business/reference/business-location-introduction)  Choosing a business location: [www.youtube.com/watch?v=T1dg\_KAy3tI](http://www.youtube.com/watch?v=T1dg_KAy3tI)  Choosing business property: [www.nibusinessinfo.co.uk/content/choose-right-location-your-business-premises](http://www.nibusinessinfo.co.uk/content/choose-right-location-your-business-premises) |
| the ecommerce location factors: wi-fi, warehousing, technology specialists and logistics.  The appropriateness of physical and ecommerce location factors in given situations. | The Internet has dramatically transformed the world of trade and commerce. While manufacturing still requires large physical locations, there is a big transformation in how retail enterprises choose location for their operations, particularly the ones that are purely internet or app-based businesses.  Continue discussion from the last topic with an example of an online furniture retailer or an app-based taxi operator. Once again present the two options for location:   * in a small industrial estate with some factories   OR   * on a shopping street in a busy city centre surrounded with tourist attractions.   Learners give reasons of choosing one location over the other. List down the factors on the board and conclude which would be a better location.  Learners are already familiar with the term omnichannel. They analyse factors for an omnichannel supermarket that offers same day home delivery service. The two options for the retailer are:   * a small industrial estate with some factories   OR   * a shopping mall in a busy city centre.   Learners give reasons of choosing one location over the other. List down the factors on the board. Take a note whether learners consider availability of space for a warehouse to store food and other items as an important factor in locating this supermarket.  Choosing the perfect business location: [www.twoteachers.co.uk/post/choosing-the-perfect-business-location-key-factors-for-success-and-growth](http://www.twoteachers.co.uk/post/choosing-the-perfect-business-location-key-factors-for-success-and-growth)  Factors influencing business location explained: [www.youtube.com/watch?v=eU2VMJ2d1ks](https://www.youtube.com/watch?v=eU2VMJ2d1ks) |
| **2.2 Outsourcing** | | |
| 2.2.1 Growth of outsourcing | The growth of outsourcing: contract manufacturing and logistics | Learners have been made familiar with the term outsourcing in Section 1.2.2. This topic explains how outsourcing has now become an integral part of most supply chains, especially in areas of manufacturing of goods and provision of logistics services.  Identify a factory that manufactures goods (electronics or clothing) for a multinational retailer and arrange a visit to the factory which includes an interactive Q&A session with a senior manager at the factory. Learners need to seek answers to questions such as:   * How does the manufacturing outsourcing arrangement work? Is there a legal agreement between the retailer and the manufacturing factory? * Are there any penalties if the factory fails to supply items on time to the retailer? * How does the retailer benefit from the arrangement? * How does the factory benefit from the arrangement? * Does the factory also outsource any of its activities, such as transportation to a specialist logistics service provider? * If yes, how does the factory benefit from outsourcing logistics to a specialist service provider?   **Extension activity:** Learners research online resources on the types of businesses in which manufacturing outsourcing is very common. They also need to identify the areas of manufacturing or services in which their own country specialises as an outsourcing destination for foreign multinationals. For example, Bangladesh is one of the largest producers of clothes for multinational brands. Similarly, a large number of Western businesses outsource their computer software development to India because it has a large IT workforce. |
| **2.3 Retailing** | | |
| 2.3.1 Types of retailers | 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. | Learners are already familiar with the term retailing from an earlier section. At their age, learners should already be having real-life experience of buying from and interacting with various types of retailers, be it an ice cream vendor visiting their neighbourhood in a mobile van/cart, a small-scale convenience store, a branded store in a mall or an online store. For this reason, learners are likely to relate to this topic more easily.  Plan a visit to a local shopping area. Learners draw a map of the shopping area and during the visit to identify the different types of retailers (department stores, speciality shops, markets, multiples, etc.). Learners should use different colours to show these different types on their maps. Learners should also make a note of the characteristics of each type of retailer: range of goods sold, prices charged, whether there is self-service or personal service, any customer facilities such as a café. Elicit feedback in the classroom. **(F)**  There are many videos of street markets around the world; show two of these in order to demonstrate the similarities between markets, even in different parts of the world.  Types of retailers: <https://courses.lumenlearning.com/clinton-marketing/chapter/reading-types-of-retailers/>  Major types of retailers:<https://openstax.org/books/principles-marketing/pages/18-2-major-types-of-retailers>  What is retail: [www.youtube.com/watch?v=HaA2hBxiz24](http://www.youtube.com/watch?v=HaA2hBxiz24)  Hypermarket: [www.youtube.com/watch?v=jC-xfDLFxSs](http://www.youtube.com/watch?v=jC-xfDLFxSs)  Differences between department stores and multiple chain stores: [www.youtube.com/watch?v=zhBV6d4YBXc](http://www.youtube.com/watch?v=zhBV6d4YBXc) |
| Reasons why the small-scale retailer often survives, e.g. personal service, flexible opening hours and additional services provided. | This topic is good for a formative assessment. Learners write a short answer to the question below:  Discuss reasons for which convenience stores are still able to attract customers in spite of the growth of the supermarkets and online stores?  Mom-and-pop shops versus big retailers: [www.arrowheadgrp.com/blog/mom-and-pop-shops/](https://www.arrowheadgrp.com/blog/mom-and-pop-shops/) (Mom-and-pop shops versus big retailers)  Survival of the British corner shop: [www.theguardian.com/uk-news/2023/oct/17/like-a-cat-with-nine-lives-how-the-british-corner-shop-has-survived-and-thrived](https://www.theguardian.com/uk-news/2023/oct/17/like-a-cat-with-nine-lives-how-the-british-corner-shop-has-survived-and-thrived) |
| 2.3.2 Retail selling techniques | The different types of retail selling techniques: branding, own brands, logos, packaging, self-service, after‑sales service, barcoding, direct mail, loyalty programmes, informal credit and cash on delivery. | This topic can become engaging with a Q&A session that is aided with packages of branded products and own brands, loyalty cards, etc.  Put these questions to the learners and seek answers:   * What role does a brand play in success of a product? * How does a branded product help increase sales in a retail store? * Why do most supermarkets also sell products carrying their own brand besides other branded products? * What role does packaging play in selling a product? * What role does a bar-code play on packaging? * What does customer loyalty mean? * Why is customer loyalty important for a retailer? * What do they understand by informal credit? * Does the convenience shop in their neighbourhood offer informal credit? And are they loyal to this shop because of informal credit?   Importance of branding and packaging: <https://bizfluent.com/about-5552663-importance-packaging-branding-marketing.html>  Packaging tips: [www.youtube.com/watch?v=mIrHQUJVnIA](https://www.youtube.com/watch?v=mIrHQUJVnIA)  The topic of computers aiding retailing can be linked with barcoding. Show the video on how the EPoS system works and get learners to answer questions about it on a worksheet that you’ve prepared in advance. [www.youtube.com/watch?v=7VVKtPge-zw](http://www.youtube.com/watch?v=7VVKtPge-zw) |
| 2.3.3 Digital retail trends | 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. | Retail is undergoing a big transformation since the arrival of the Internet and other digital technologies. How far the trends mentioned in this topic have been adopted by retailers and have become a part of routine shopping experience for consumers varies from country to country. However, it is important to know these trends because sooner than later they are likely to get adopted across the world.  **Group activity:** In groups, learners research online sources and prepare a presentation on digital trends changing retail stores across the world, and how the adoption of digital technology compares with the consumer retail experience in their own country. For example, some of the trends they could explore are:   * Is dropshipping a growing trend in their country? * Are supermarkets taking an omnichannel approach? * Are retail outlets in their country adopting self-service checkouts? If not, then what’s the reason for that. * How prevalent is the use of QR codes in commercial activities in their country?   Trends in retailing: [www.youtube.com/watch?v=ewyTGmAIGgo](http://www.youtube.com/watch?v=ewyTGmAIGgo)  Self-service checkouts: [www.youtube.com/watch?v=SGnZ2GAjgXI](http://www.youtube.com/watch?v=SGnZ2GAjgXI)  What is dropshipping? [www.youtube.com/watch?v=1TR\_6oWuWD8](http://www.youtube.com/watch?v=1TR_6oWuWD8)  What is dropshipping? Pros and Cons: [www.youtube.com/watch?v=kMMzhIr8i8k](http://www.youtube.com/watch?v=kMMzhIr8i8k)  Three types of subscription business models: [www.youtube.com/watch?v=aVFlBT8a26k](http://www.youtube.com/watch?v=aVFlBT8a26k)  Introduction Amazon Go: [www.youtube.com/watch?v=NrmMk1Myrxc](http://www.youtube.com/watch?v=NrmMk1Myrxc)  Learn how the Just Walk Out technology experience works: [www.youtube.com/watch?v=j9iNEhn4NmE](http://www.youtube.com/watch?v=j9iNEhn4NmE) |
| 2.3.4 Effects of ecommerce on traditional commerce | 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. | A topic ideal for developing learners’ ability to analyse and evaluate whether or not businesses should integrate ecommerce into their operations.  Give a scenario to learners, for example:  *In addition to their traditional supply chain comprising of wholesalers and retailers, a manufacturer of ladies’ handbags wants to develop another downstream supply chain which will allow them to sell directly to consumers through their ecommerce website.*  In a one-page answer, learners demonstrate the ability to evaluate the advantages and disadvantages of ecommerce versus traditional commerce and conclude whether or not this direct-to-consumer ecommerce supply chain will have a more positive impact compared to the existing traditional supply chain. **(F)** |
| **2.4 Wholesaling** | | |
| 2.4.1 Functions and importance of the wholesaler | 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. | Unlike a retailer, a wholesaler is a relatively invisible entity in the supply chain for consumers. For this reason, learners may find it difficult to understand the importance of wholesalers in a supply chain particularly in the day and age when learners are capable of buying some goods directly from the manufacturers and omnichannel retailers.  However, in many countries wholesalers are still a robust intermediary in the supply chain of many products. There also exist dedicated wholesale markets for various goods such as fruits and vegetables, fish and meat in most parts of the world.  Try to arrange a class visit to a wholesaler, and provide learners with a worksheet of questions covering the goods for sale, the wholesaler’s main customers, where they obtain their supplies, what method of selling they use and their main services.  During the visit, learners make a sketch of the layout of the wholesaler’s warehouse. If you cannot visit a wholesaler, learners could design a questionnaire and, after looking through their local trade directory, write to or telephone a wholesaler to obtain answers.  Initiate a debate in the class between those who believe ecommerce will eliminate the role of a wholesaler and those who believe there will always be a role for a wholesaler, even if the wholesale services are modified to meet the needs of their customers.  What is a wholesaler: <https://squareup.com/gb/en/glossary/wholesaler>  <http://www.youtube.com/watch?v=f_l7JfLfO0k>  What is a wholesaler? Definition and meaning: <https://marketbusinessnews.com/financial-glossary/wholesaler-definition-meaning/>  The functions of wholesalers: <http://commerceforbeginning.blogspot.co.uk/2010/08/wholesale-trade.html>  The role of the wholesaler in the chain of distribution: [www.youtube.com/watch?v=JzLoo8cFJBI](http://www.youtube.com/watch?v=JzLoo8cFJBI)  Ask learners what they understand by cash and carry wholesaler and voluntary chain stores. Emphasise that despite the growth of ecommerce, there are certain types of wholesalers that play a critical role in the supply chain of day-to-day goods.  SPAR International and the voluntary trading model: <https://thespargroup.com/pdf/SPAR_International_and_the_voluntary_trading_model_2021.pdf>  The future of wholesale distribution: [www.youtube.com/watch?v=84rG8H7y1eI](http://www.youtube.com/watch?v=84rG8H7y1eI)  Why choose Booker Wholesale – your Cash and Carry: [www.youtube.com/watch?v=3MEO2IeSMmg](http://www.youtube.com/watch?v=3MEO2IeSMmg) |
| **2.5 Trading documents** | | |
| 2.5.1 Documents of home trade | Different types of documents used in home trade: enquiry, quotation, order, invoice, delivery note, credit note, statement of account and receipt. | Give learners an activity using home trade documents. In groups, learners place each set of numbered home trade documents in the correct order. Follow this up by drawing a diagram to show the correct sequence.  In groups learners design their own documents for a new business, creating a wall chart to display and share their ideas.  Home trade documents:  <http://www.advance-africa.com/documents-used-in-home-trade-1.html>  <http://www.youtube.com/watch?v=490Vi7dMRt0> |
| 2.5.2 Documents of international trade | Different types of documents used in international trade: certificate of origin, bill of lading, air waybill and documentary credit (letters of credit). | This is a highly theoretical topic. It is suggested that the knowledge imparted at this stage should be reinforced when an expert is invited to give a talk on the challenges faced by exporters (Topic 3.1.2).  **Group activity**: At this stage a good way to learn about the various documents is through research carried out by groups of learners. Each group should be given one term (e.g. certificate of origin or bill of lading) and told to explore the meaning, purpose and application of the document. Each group then explains to the class what they have understood. Any gaps in knowledge should be filled. **(I)** |
| 2.5.3 Digital use of trading documents | The stages of the online ordering process: from buyer browsing website to receiving order. | **Group activity**: Ask groups of learners to prepare and present one-page flowchart depicting the entire ordering process for a retailer placing an order for multiple items on a wholesaler’s website. Highlight gaps and correct the process if needed. **(F)** |
| Identifying digital technology in trading documents, e.g. digital signatures, secure access, cloud-based storage, electronic receipts and etickets. | Learners of this age should already be familiar with ordering online. Ask some of the learners to bring the electronic receipt of their last online purchase.  Learners list down other areas in which digital technology has made transactions between buyers and sellers (suppliers and service providers) easier and smoother. They could be asked to do independent research to understand how digital technologies and laws are changing trading documents.  Electronic signatures: <https://www.tradefinanceglobal.com/legal/electronic-signatures/>  the legal weight of electronic signatures: <https://www.youtube.com/watch?v=gAACw--Hzd4>  What is an electronic contract: <https://www.youtube.com/watch?v=fhxHHd7n-2M> |
| **2.6 Communication** | | |
| 2.6.1 Types of communication | The distinction between different types of communication: written, oral, electronic and visual communication. | **Role play:** Ask for eight volunteers from the class. Create four pairs and name them A, B, C and D teams. In each of the four teams, one learner acts as a buyer, the other as a supplier of sports goods.   * Ask each buyer to place a similar simple purchase order - a list of items, for example two basketballs, three badminton rackets, four golf clubs, etc. * Ask buyer A to send the purchase order in written words (no images or emojis) to supplier A either as email or text. * Buyer B should communicate the order to supplier B orally (spoken words). * Buyer C needs to write the order on paper and give it to supplier C. * Buyer D needs to use numbers and emojis (visual) for items to communicate the order to supplier D through social media such as WhatsApp.   Ask suppliers to supply the goods to their respective buyers. Check the result and highlight if the difference in types of communication chosen has led to any errors in receiving the correct items.  Ask learners which type of communication they think is most effective and why? Whether emojis when used in a written or electronic business communication makes good visual communication? What other examples of visual communication could be used in business communication.  Types of communication: <https://www.uopeople.edu/blog/types-of-communication-back-to-basics/>  Types of communication: <https://humanfocus.co.uk/blog/the-four-types-of-communication-and-when-to-use-them/>  Forms of communication: [www.youtube.com/watch?v=n7RTRLTIuYw](http://www.youtube.com/watch?v=n7RTRLTIuYw)  Types of communication: [www.youtube.com/watch?v=7BlYJVr7M2U](http://www.youtube.com/watch?v=7BlYJVr7M2U) |
| 2.6.2 Methods of communication | The different methods of communication: letter, telephone, face to face, videoconferencing, email, web-based chat (including chatbots), social media and posters | Learners could investigate the communication methods used in one type of business organisation, e.g. a shop. They could analyse what problems exist and how communication could be improved for the organisation.  Provide communications from other commercial situations or learners find out the information themselves.  It is important to cover various methods of communication and discuss their suitability in a range of different commercial situations.  Communication methods: [www.tutorialspoint.com/management\_concepts/communication\_methods.htm](http://www.tutorialspoint.com/management_concepts/communication_methods.htm) |
| 2.6.3 Factors that affect communication | 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 | Learners are given a small set of multiple-choice quiz with 4 options for each question. The evaluative questions are based on scenarios for which either of these factors – cost / urgency / importance / secrecy / distance / networks – is the most likely factor to influence the choice of the method of communication. **(F)** |
| **Past and specimen papers** | | |
| Past/specimen papers and mark schemes are available to download from the [School Support Hub](http://www.cambridgeinternational.org/support) (F)  Nov 2022 Paper 22 Question 1, 2, 4  Jun 2023 Paper 23 Question 1, 2, 3, 5  Nov 2023 Paper 21 Question 2, 5  Nov 2023 Paper 22 Question 4 | | |

# 3 Globalisation of trade

| Syllabus ref. | Learning objectives | Suggested teaching activities |
| --- | --- | --- |
| **3.1 International trade** | | |
| 3.1.1 Benefits of international trade to a country | 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. | Learners can play the international trade game [www.economicsnetwork.ac.uk/showcase/sloman\_game](http://www.economicsnetwork.ac.uk/showcase/sloman_game). The game needs no computing facilities and uses only very basic equipment, such as scissors, pencils, rulers and paper; preparing the materials for the game usually takes about 20–30 minutes and, except for paper, all the materials can be reused. Follow the instructions provided in the resource and debrief the activity focusing on the benefits of international trade and the interdependence of countries in a global world. Make sure that you spend 20 minutes de-briefing the outcomes of the game. **(F)**  The benefits of international trade: <http://benefitof.net/benefits-of-international-trade/>  The importance of international trade: [www.youtube.com/watch?v=HfN8BnRJryQ](http://www.youtube.com/watch?v=HfN8BnRJryQ)  Why countries trade: <https://youtu.be/-IW8ZzY3xt8?feature=shared> |
| 3.1.2 Challenges of international trade to importers and exporters | 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. | Most countries have governmental organisations set up to aid exporters and importers. These organisations also have regional offices. It is strongly recommended that an official from one of the governmental trade organisations is invited to deliver a talk about the difficulties faced by exporters and importers when buying and selling abroad. This can be supported by watching a video. Learners write a description of the difficulties for international trade, using the notes that they made from the visiting speaker’s talk and watching the video. **(I)**  One of the most challenging aspects of international trade is the fluctuation in exchange rate. Create groups of learners and give them a figure in local currency. Ask them to follow the rate of US Dollars against the local currency for one week and calculate the amount and create a chart of the amount they will need to pay and will receive in US dollars on each day of the week. Make them understand how little fluctuation in rate changes the payment received or made. **(I)**  International business challenges: <https://www.usemultiplier.com/blog/challenges-in-international-business>  Challenges of international trade: <https://online.hbs.edu/blog/post/challenges-of-international-business>  International trade difficulties: [www.youtube.com/watch?v=O3aGldrnybI](http://www.youtube.com/watch?v=O3aGldrnybI) |
| 3.1.3 Balance of Trade and Balance of Payments | The difference between Balance of Trade and Balance of Payments. | This is a slightly complex topic. Learners need to understand that countries earn revenue when exporters (domestic business enterprises) sell goods and services to international buyers. At the same time, countries experience outflow of money from, when importers (domestic business enterprises) in the country make payments for the goods and services bought from international suppliers.  A good example to explain this would be:  The purchase of aircrafts by the country’s airlines from a big aircraft manufacturer in a foreign country would require payments to be made outside the country. The international tourists who are likely to travel to the country using the airlines’ new aircrafts would spend money in the country on tourism services.  The differences between balance of trade and balance of payments: <http://keydifferences.com/difference-between-balance-of-trade-and-balance-of-payment.html>  Balance of trade and balance of payments: [www.youtube.com/watch?v=YlQgeyKV-QM](http://www.youtube.com/watch?v=YlQgeyKV-QM) |
| Calculation and interpretation of Balance of Trade and Balance of Payments from given figures. | Working in pairs or threes, learners research the current account position of a particular country and then calculate its Balance of Trade and Balance of Payments, and the possible consequences of the deficit/surplus. They should then make a presentation. At the end of the presentation, hold a class discussion on the similarities and differences of the consequences of having a Balance of Payments deficit or surplus. **(F)** |
| How commercial activities affect the Balance of Trade and Balance of Payments. | **Group activity:** Give two countries to each group of learners and they research the Balance of Trade and Balance of Payments position for both countries (e.g. Indonesia and the United States). Groups find out from online resources:   * the good and service most imported by the US from Indonesia (value US$) * the good and service most exported by the US to Indonesia (value US$) * the Balance of Trade position between Indonesia and the US * the Balance of Payment position between Indonesia and the US.   Divide the class into two groups. Start a debate on what steps can Indonesia take to improve the Balance of Trade and Balance of Payments position with the other countries.  **Extension activity:** To improve learners’ critical thinking start another debate by linking sustainability with Balance of Trade. Ask the two groups whether or not it is a good idea for Indonesia to cut down its rainforests so that more land can be used for palm oil farming for exports to further improve its Balance of Trade with other countries.  **(SDGs 1, 2, 8, 10, 11, 12, 13 and 15)** |
| 3.1.4 Free trade, trading blocs, trade restrictions and sources of support for exporters | The meaning of free trade. | A theoretical topic that is best learnt through research. Learners can bring news articles on free trade and discuss them in the classroom. At the same time, they can be asked to explore news items that give insight into protectionism. Learners can debate whether countries should preference to free trade over protectionism and justify their arguments. **(I)** |
| The features of a trading bloc. | Features of a trading bloc are best learnt with the aid of a video.  What trading blocs are: [www.youtube.com/watch?v=L4PberOpCZ8](http://www.youtube.com/watch?v=L4PberOpCZ8)  Trade blocs: [www.youtube.com/watch?v=YDUq0DINhYk](http://www.youtube.com/watch?v=YDUq0DINhYk) |
| The advantages and disadvantages of joining a trading bloc. | **Group activity:** In groups, learners find out if their country is a member of any trading bloc. They should research online resources to understand if their country has benefitted more from its membership of a trading bloc, and if yes, then in what ways? Similarly, they need to find out the disadvantages of joining the trading bloc. Each group should present their finding to the class. **(F)**  Trading blocs – Pros and Cons: <https://www.economicshelp.org/blog/glossary/trading-blocks-pros-and-cons/>  Understanding the impacts of tariffs and trading blocs on global trade: <https://www.twoteachers.co.uk/post/understanding-the-impacts-of-tariffs-and-trading-blocs-on-global-trade>  Trading blocs: [www.youtube.com/watch?v=4w2gcyeooTM](http://www.youtube.com/watch?v=4w2gcyeooTM) |
| The types of trade restrictions: tariffs, quotas and embargoes. | Learners have already acquired knowledge about free trade. Now they need to comprehend the opposite side of the spectrum, which is trade restrictions. A video would help in imparting knowledge.  **Group activity:** In groups, learners research online resources and make their class aware of at least one example of trade restrictions they have learnt about from newspapers or news websites. **(F)**  Tariff and trade barriers: [www.investopedia.com/articles/economics/08/tariff-trade-barrier-basics.asp](https://www.investopedia.com/articles/economics/08/tariff-trade-barrier-basics.asp)  Why countries restrict trade: [www.youtube.com/watch?v=Y2X3KPilAt0&t=32s](http://www.youtube.com/watch?v=Y2X3KPilAt0&t=32s)  Types pf trade restrictions.: [www.youtube.com/watch?v=\_e2gQxN1OBg](http://www.youtube.com/watch?v=_e2gQxN1OBg) |
|  | The potential effects of trade restrictions on commercial activities. | Give groups of learners the following scenario for an independent discussion.  Bangladesh exports more than US$ 40 billion worth of clothing items. The United States is the biggest importer of clothing items from Bangladesh. However, most of the raw material (mainly cotton) for the clothing items manufactured in Bangladesh is imported from China, Indonesia and India. What would be the impact on the commercial activities of Bangladesh, China, Indonesia and India if the United States were to increase import tariffs or impose a quota on the number of clothing items? **(I)**  EU move on Chinese textiles under fire: <https://www.aljazeera.com/news/2005/8/20/eu-move-on-chinese-textile-under-fire> |
|  | The sources of support for exporters: international trade fairs, cheaper bank loans and insurance guarantees. | Once again, this is a highly theoretical topic that is best **combined with Topic 3.1.2**  Learners should be encouraged to ask questions from the expert invited for the talk on the kind of support extended to exporters of the country by the government and other agencies to increase commercial activities and improve the country’s Balance of Trade and Balance of Payment position. |
| **3.2 Global supply chain management** | | |
| 3.2.1 Global supply chains | 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). | In recent years, the term ‘chain of distribution’ has been replaced by the term ‘supply chain’.  **Group activity:** Choose a set of goods. Suggested:   * an apple * a bottle of jam * a MNC branded t-shirt * a mobile phone.   Give each group of learners one item and ask them to visually depict the flow of the good on a chart, clearly indicating where it originates, all the intermediate stages it passes through, and the final point of consumption (e.g. for a bottle of jam it would be the farmer, the food processor, the distributor, the wholesaler, the retailer and the customer).  From Farm to Fork: How does a food supply chain work?: <https://foodengine.eu/newsletter/from-farm-to-fork-how-does-a-food-supply-chain-work/> |
| The features of global supply chain management: upstream, the enterprise and downstream. | **Group activity:** In groups, learners use the supply chain they have drawn for their item in the earlier section. Ask them to highlight the activities/parts in the chain that would be considered as upstream activities and activities/parts in the chain that would be considered as downstream activities by marking these as either U or D.  Supply chain explained: <https://mfgtec.org/supply-chain-explained/>  The upstream and the downstream of the supply chain explained: <https://www.youtube.com/watch?v=sK4yWhZ8Hlk> |
| 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. | The fundamental learning in this topic is that the commercial activity of a business can satisfy the needs and wants of its consumers efficiently only when the suppliers are reliable. The need to have reliable suppliers increases for a business which has a global supply chain because of the challenges of distance, communication and logistics.  **Group activity:** In groups, leaners discuss and list down the positive impact that suppliers can have on the commercial success of a business. Learners can consider a car manufacturing company known for its high-quality cars manufactured in one country but with suppliers of various parts located all over the world. **(I)**  The benefits of supplier relationship management: <https://www.winman.com/blog/bid/366854/the-benefits-of-supplier-relationship-management>  How do suppliers have an impact on the supply chain?: <https://zignify.net/how-do-suppliers-have-an-impact-on-the-supply-chain/#:~:text=Suppliers%20are%20the%20unsung%20heroes%20of%20the%20supply%20chain.,operation%20of%20the%20supply%20chain>  **Extension activity:** Ask learners that as car manufacturer looks for suppliers, who can supply the best quality goods at the lowest price at the right time. However, how will it affect the business of the car manufacturer if their supplier saves costs by giving poor working conditions to their workers and by wrongful disposal of waste material at their production facility?  **(SDGs 1, 2, 3, 6, 7, 8, 10, 11, 12, 13, 14 and 15)** |
| 3.2.2 Global supply chain risks | 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. | The understanding of this topic would come when learners answer a fundamental question: What is the aim of a well-functioning supply chain?  The answer to this question is simple. The aim is to make available to the customers the right product in right quantity at the right time.  Learners need to know that the present-day global supply chains are fraught with risks of disruption due to the complexity of distance, the need for various modes of transportation and expectations of consumers.  **Group activity:** In groups, learners discuss and list down the potential risks that could disrupt the upstream and downstream activities in a supply chain. This is a good opportunity to highlight the ethical risks posed by suppliers’ activities because of which a supply chain can breakdown or consumers may protest against production practices. Use the following resources to deliver knowledge.  **Group activity:** In groups, learners research online news websites and bring examples of disruptions to supply chains caused by various natural and man-made causes. They should also make an attempt to learn how supply chain risks are assessed and the steps businesses take to reduce these risks, especially in a complex global supply chain. **(I)**  Ten of the top supply chain risks: <https://www.sap.com/insights/supply-chain-risks.html>  Top supply chain risks and how to mitigate them: <https://www.netsuite.com/portal/resource/articles/inventory-management/supply-chain-risks.shtml>  Apple supplier Foxconn pledges better working conditions: [www.youtube.com/watch?v=ZduorbCkSBQ](http://www.youtube.com/watch?v=ZduorbCkSBQ)  Supply chain crisis explained through the journey of a single sweater: [www.youtube.com/watch?v=TRGHI6eP4HU](https://www.youtube.com/watch?v=TRGHI6eP4HU)  Ash in the supply chain: [www.forbes.com/sites/davos/2010/05/17/ash-in-the-supply-chain/](https://www.forbes.com/sites/davos/2010/05/17/ash-in-the-supply-chain/)  Apple supplier Foxlink halts production after fire: [www.reuters.com/technology/apple-supplier-foxlink-halts-production-indian-facility-after-massive-fire-2023-02-27/](https://www.reuters.com/technology/apple-supplier-foxlink-halts-production-indian-facility-after-massive-fire-2023-02-27/) |
| **Past and specimen papers** | | |
| Past/specimen papers and mark schemes are available to download from the [School Support Hub](http://www.cambridgeinternational.org/support) (F)  Nov 2023 Paper 21 Question 3  Nov 2022 Paper 23 Question 3 | | |

# 4 Logistics in commerce

| Syllabus ref. | Learning objectives | Suggested teaching activities |
| --- | --- | --- |
| **4.1 Transport** | | |
| 4.1.1 Transport | The three functions of transport in the supply chain: time, place and quantity. | Have a classroom discussion to identify and explain the reasons why transport is needed. **(F)**  Ask learners how would they feel if the goods they need to buy during the festive season (right time) are not available in the store they usually buy from (right place) because of the disruption in road transport due to flooding? Or if the store runs out of stock and is not able to get new stock (right quantity) on time due to a truckers’ strike? Highlight the three functions of transport.  Role of transport in a supply chain: <https://datascopewms.com/blog/what-is-the-role-of-transport-within-the-supply-chain/>  The importance of transportation: [www.linkedin.com/pulse/importance-transportation-supply-chain-industry-olivia-braswell](https://www.linkedin.com/pulse/importance-transportation-supply-chain-industry-olivia-braswell)  Transportation in supply chain: [www.youtube.com/watch?v=yg0Rjk85R9Y](https://www.youtube.com/watch?v=yg0Rjk85R9Y) |
| The types and methods of transport: 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. | Learners work in groups to identify examples of different forms of road, rail, air and sea transport.  Methods of transport: <http://commerceforbeginning.blogspot.co.uk/search/label/Transportation>  Advantages and disadvantages of road transport in India: [www.economicsdiscussion.net/articles/advantages-and-disadvantages-of-road-transport-inindia/2191](http://www.economicsdiscussion.net/articles/advantages-and-disadvantages-of-road-transport-inindia/2191)  Methods of transport: [www.youtube.com/watch?v=LTw13-tn438](https://www.youtube.com/watch?v=LTw13-tn438)  Advantages of road transport over road transport: [www.youtube.com/watch?v=vlK1MvtC6\_I](https://www.youtube.com/watch?v=vlK1MvtC6_I) |
| The appropriateness of factors affecting choice of method of transport in given situations: nature of goods, urgency, cost, security, distance and reliability of transporter. | Learners consider a range of situations, either taken from endorsed textbooks or examples appropriate to your country and evaluate the best choice of transport for each one. For example, a bakery distributing bread around a town would normally use road transport.  Use a case study of a business owner who owns their own transport to help learners evaluate the benefits of this. Hold a class debate where two sides look at the pros and cons of a business owning its own transport.  Methods of transport: <http://commerceforbeginning.blogspot.co.uk/search/label/Transportation>  Methods of transport: [www.youtube.com/watch?v=LTw13-tn438](http://www.youtube.com/watch?v=LTw13-tn438)  Advantages and disadvantages of road transport in India: [www.economicsdiscussion.net/articles/advantages-and-disadvantages-of-road-transport-inindia/2191](https://www.economicsdiscussion.net/articles/advantages-and-disadvantages-of-road-transport-in-india/2191)  Advantages of road transport over road transport: [www.youtube.com/watch?v=vlK1MvtC6\_I](https://www.youtube.com/watch?v=vlK1MvtC6_I) |
| The features of containerisation, including transshipment. | It would be useful to watch a video on containerisation and identify various features of containers and containerisation. For example: large boxes, made of metal, easy to stack and easy to move across wide range of transport including ships, rail and road.  Containerisation: [www.economicshelp.org/blog/7637/trade/containerisation/](https://www.economicshelp.org/blog/7637/trade/containerisation/)  Containerisation: [www.youtube.com/watch?v=gAs01Xr1U8w](https://www.youtube.com/watch?v=gAs01Xr1U8w) |
| The advantages and disadvantages of containerisation. | **Group activity:** In groups, learners list advantages and disadvantages of using containers and the reasons why goods are increasingly being transported using containers. Encourage discussion and direct it with pointed questions as different groups share their key points. |
| **4.2 Warehousing** | | |
| 4.2.1 Warehousing | The functions of warehousing in the supply chain: links with seasonal production, demand, protecting supply and price stability and logistics postponement. | Learners consider what they think to be the functions of a warehouse. Build up their existing knowledge with detailed explanation, supported by a word search on warehouse functions. **(F)**  Learners find out the difference between seasonal production and seasonal demand, with examples of both. They can then analyse and evaluate the effects of seasonal production and seasonal demand on warehousing. **(I)**  Use videos to explain the importance of logistics postponement, which is also called ‘supply chain postponement’ or ‘delayed product configuration’.  Warehouse functions: [www.absolute.co.com/2017/05/26/warehousing-types-functions/](https://www.absolute.co.com/2017/05/26/warehousing-types-functions/)  What is supply chain postponement: [www.supplychaintoday.com/supply-chain-postponement-strategy/](https://www.supplychaintoday.com/supply-chain-postponement-strategy/)  Logistic postponement: <https://study.com/academy/lesson/video/logistic-postponement-definition-purpose.html> |
|  | The different types of warehouse: bonded, cold storage, cash and carry and regional distribution centres (RDCs). | This is also a theoretical topic that’s best understood by either reading or watching relevant videos. Another way to acquire knowledge on warehouses to arrange a visit to one of the large warehouses, if possible. Follow up theory class with a short quiz that requires learners to match the type of a warehouse to its description.  The function of a warehouse: <https://uk.indeed.com/career-advice/career-development/function-of-warehouse>  Types of warehouses: [www.yourarticlelibrary.com/retailing/warehouses-types-5-types-of-warehouses-explained/48302](https://www.yourarticlelibrary.com/retailing/warehouses-types-5-types-of-warehouses-explained/48302)  What is a warehouse? Types of warehouses and how they work: [www.youtube.com/watch?v=cm\_USl3Amtw](http://www.youtube.com/watch?v=cm_USl3Amtw)  Custom bonded warehouse: [www.youtube.com/watch?v=L\_yn-Egy9sw](http://www.youtube.com/watch?v=L_yn-Egy9sw) |
|  | 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. | Unfortunately, not many warehouses around the world are yet fully automated. For this reason, it may be difficult to organise a visit for learners to the fascinating world of an automated warehouse. However, a video resource may just do a good job of making learners understand the scope of automation and its purpose in warehousing.  Benefits of warehouse automation: <https://locusrobotics.com/blog/warehouse-automation-benefits#:~:text=Automation%20can%20help%20reduce%20errors,associated%20with%20manual%20data%20entry>.  Benefits of warehouse automation: [www.hairobotics.com/blog/12-benefits-warehouse-automation](https://www.hairobotics.com/blog/12-benefits-warehouse-automation)  Warehouse automation: [www.youtube.com/watch?v=P9GCoE-tHUk](https://www.youtube.com/watch?v=P9GCoE-tHUk)  Amazon’s Smart Robot Warehouses: [www.youtube.com/watch?v=Jh27vjAhE-c](https://www.youtube.com/watch?v=Jh27vjAhE-c)  **Extension activity:** In groups, learners explore online resources to find out that despite being more efficient and accurate whether automated warehouses, are more environment friendly than manned warehouses with manual operations. They should present their arguments for and against to the class. **(I)**  **(SDG 7, 8, 9, 11, 16)** |
| **Past and specimen papers** | | |
| Past/specimen papers and mark schemes are available to download from the [School Support Hub](http://www.cambridgeinternational.org/support) (F)  Nov 2022 Paper 22 Question 1, 3  Jun 2023 Paper 23 Question 5 | | |

# 5 Aids to trade that support commerce

| Syllabus ref. | Learning objectives | Suggested teaching activities |
| --- | --- | --- |
| **5.1 Advertising** | | |
| 5.1.1 Types of advertising | The purposes of advertising. | Learners are likely to have experience a plethora of advertising stimuli and perhaps have their own favourite advertisements. For this reason, they are likely to enjoy the topic of advertising. Introduce this topic by asking a simple question: Why do businesses advertise? Follow it up with suggested resources blow.  Types of advertising: <http://commerceforbeginning.blogspot.co.uk/2010/08/advertising.html>  Functions, importance and purpose of advertising: [www.themediaant.com/blog/functions-of-advertising/](http://www.themediaant.com/blog/functions-of-advertising/)  The purposes of advertising: [www.youtube.com/watch?v=s32voK6UgBw](../../../Scheme_of_Work/7100_Commerce/2026_development/www.youtube.com/watch?v=s32voK6UgBw) |
| The types of advertising: informative, persuasive, collective (generic) and competitive.  The advantages and disadvantages of the different types of advertising. | **Group activity:** In groups, learners collect a variety of advertisements for different products from magazines and categorise them into the respective advertising types.  Each group should also discuss the advantages and disadvantages of these different types of advertising and present them in the class. **(I)** |
| 5.1.2 Methods of traditional and digital advertising | 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. | Working in groups, learners invent a product and give it a brand name (or, to save time, select an existing type of product and rebrand it). Each group should then design the packaging for their product, suggest and explain what advertising media they would use to advertise it, design the advertisement(s) and present their ideas to the other groups using a wall poster. In the debriefing, it is important to evaluate the factors which led learners to choose a particular medium or media over others. **(F)**  Different forms of advertising [www.thebalancesmb.com/different-types-of-advertising-methods-38548](http://www.thebalancesmb.com/different-types-of-advertising-methods-38548)  Advertising methods: <http://www.youtube.com/watch?v=Qc0DW5gj7LY>  Choice of media:  [www.youtube.com/watch?v=CzksdLVD7iY](http://www.youtube.com/watch?v=CzksdLVD7iY)  <http://commerceforbeginning.blogspot.co.uk/2010/09/considerations-governing-choice-of.html> |
| 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. | Learners will be well aware of pop-up and banner advertisements on the internet, and advertising on their mobile phones and social media sites. Building on their knowledge, learners work in groups to identify and describe three modern advertising trends, then report back to the rest of the class.  Mobile and text marketing: [www.marketingdonut.co.uk/direct-marketing/mobile-and-text-marketing/mobile-and-text-marketingoverview](http://www.marketingdonut.co.uk/direct-marketing/mobile-and-text-marketing/mobile-and-text-marketingoverview)  Digital marketing in five minutes: [www.youtube.com/watch?v=bixR-KIJKYM](http://www.youtube.com/watch?v=bixR-KIJKYM)  Why digital advertising matters: [www.youtube.com/watch?v=6Y3jq00fwk0](https://www.youtube.com/watch?v=6Y3jq00fwk0)  Social media advertising: <http://www.youtube.com/watch?v=9m45nVsvvEY>  Product placement in movies: <http://www.youtube.com/watch?v=bfysPadNzcw> |
| The advantages and disadvantages of different methods of traditional and digital media for advertising campaigns. | **Group activity:** Here is an opportunity to improve higher cognitive skills.  Ask groups of learners to evaluate traditional media and digital media for a sports footwear. They should write a one- page answer concluding whether traditional media or digital media or both would produce better results in terms of reaching customers, creating awareness and increasing sales.  Each group should justify their answer. |
| 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. | **Group activity:** Give one product to each group of learners from a set of products that includes: coffee, sports shoe, toothpaste and 4-wheel SUV car.  Ask each group to choose method(s) of advertising for their product. Ask them to give reasons for their choice of method(s). **(I)** |
| 5.1.3 Methods of appeal used in advertising | 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. | Show a collection of television advertisements and learners write down what method of appeal each advertisement is attempting to use. Hold a class discussion then view the advertisements again to share feedback.  **Extension activity:** Working in groups, learners choose a product and prepare a 30 second television advertisement to promote it. They then act it out for the rest of the class and other learners decide what method of appeal each advert is using and whether that appeal is appropriate for the product.  **Extension activity:** Learners are expected to research online sources on social media influencers and list down key points on reasons why social media influencers are increasingly playing an important role in advertising of goods and services.  13 best advertising appeals frequently used by brands: <https://blog.getmanifest.ai/advertising-appeals/>  What are advertising appeals: [www.youtube.com/watch?v=-5piPLLOhog](http://www.youtube.com/watch?v=-5piPLLOhog)  How influencers have transformed modern marketing: [www.youtube.com/watch?v=gbbEXnRG9d8](http://www.youtube.com/watch?v=gbbEXnRG9d8) |
| 5.1.4 Sales promotion | The meaning of sales promotion. | It is important to draw a clear distinction between advertising and sales promotion in this topic. Learners could attempt to explain how the two are different. Use the following video resources to deliver learning.  Difference between advertising and sales promotion: <https://smallbusiness.chron.com/difference-between-advertising-sales-promotions-3377.html>  How McDonalds uses advertising and sales promotion? [www.youtube.com/watch?v=XI2qK1UASxI](http://www.youtube.com/watch?v=XI2qK1UASxI)  What is sales promotion? [www.youtube.com/watch?v=QNkqrjvwXDU](http://www.youtube.com/watch?v=QNkqrjvwXDU) |
|  | The methods of sales promotion: point of sale, special offers, sponsorship, displays, competitions, coupons, sales periods, loss leaders, free gifts and free samples. | Learners look at magazine and newspaper advertisements to identify examples of sales promotions used to sell goods or services and the reasons for using them. This work can be presented as a report to the rest of the class. **(I)**  A visit to a local supermarket is a good way to view a range of sales promotions taking place. Again, a talk by a member of staff on the use of sales promotions would be beneficial here.  Types of sales promotion: [www.youtube.com/watch?v=BDcTSTMKfbE](http://www.youtube.com/watch?v=BDcTSTMKfbE)  Techniques of sales promotion: [www.youtube.com/watch?v=96v8vjhL4Ok](https://www.youtube.com/watch?v=96v8vjhL4Ok)  What is sales promotion and different tools used in sales promotion: [www.youtube.com/watch?v=AjxVqbyUDo8](https://www.youtube.com/watch?v=AjxVqbyUDo8)  Pros and cons of promotional pricing: [www.indeed.com/career-advice/career-development/promotional-pricing-pros-and-cons](https://www.indeed.com/career-advice/career-development/promotional-pricing-pros-and-cons)  **Extension activity:** Start a debate by asking learners whether or not promotional pricing is a good long-term way to increase the number of consumers. |
|  | The factors affecting choice of sales promotion methods in given situations: business type, competitors, cost, nature of product, new/old product and timing. | **Group activity:** Give one product to each group of learners from a set of products that includes: coffee, sports shoe, toothpaste and 4-wheel SUV car.  Each group discuss and arrive at a conclusion on what would be the best sales promotion method(s) for their product. Ask them to give reasons for their choice of method(s). |
| **5.2 Banking** | | |
| 5.2.1 Banking services | The different types of banking services:   * 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). | Banking is a practical service without which both individuals and businesses cannot function. There is an exhaustive list of services that banks offer. Some of these services have undergone a radical transformation as a result of the Internet.  There could be two approaches to learning topics 5.2.1 and 5.2.2.   1. Research oriented   or   1. Q&A with an expert.   Either of the two approaches can be adopted.  **Research oriented**: In groups, learners research on a particular bank in your country. They could then give a presentation to the rest of the class, summarising their findings. The websites of banks usually provide a great deal of relevant information. **(I)**  Learners could visit a branch of a commercial bank or, if that is not possible, go on the website of a commercial bank, and find out as much as they can about the activities of the bank. They could make a poster summarising all of these financial activities.  **Q&A with an expert:** Arrange for a banking professional to give a talk on banking services to the class. This could be very doable as this offers banks the opportunity to market their services to a new set of young customers. To make this Q&A session effective, learners compile a list of questions that fully cover the scope of this topic and different types of digital banking from topic 5.2.2. Check the list of questions and make sure the list includes questions on digital banking, internet banking and mobile banking. Seek volunteers, giving each one question to ask.  Assess learning with a quiz for learners to match different bank services to the correct definitions, e.g. ‘pay regular bills at regular intervals’ and ‘standing order’. **(F)**  How banking works: [www.investopedia.com/terms/b/bank.asp](http://www.investopedia.com/terms/b/bank.asp)  Unbundling the traditional banking service: [www.cashfree.com/learning/unbundling-the-traditional-banking-services/](http://www.cashfree.com/learning/unbundling-the-traditional-banking-services/) This is mostly generic but with some India specific points.  Functions of commercial banks: [www.pw.live/exams/commerce/functions-of-commercial-banks/](http://www.pw.live/exams/commerce/functions-of-commercial-banks/)  Bank services: [www.youtube.com/watch?v=tsYJFHDekhU](http://www.youtube.com/watch?v=tsYJFHDekhU) |
|  | The appropriateness of choosing banking services in given situations. | **Role play**: Seek two volunteers, appoint one as a businessperson looking for finance to buy 10 computers for staff. The other is a bank manager.  Ask the manager to advise on the most suitable way to finance these computers, the terms and conditions and the costs that the business will incur to get and repay money. |
| 5.2.2 Digital technology in banking | The different types of digital banking: internet banking and mobile banking. | Learning on this topic should be combined with the approaches taken to understand Topic 5.2.1. |
|  | 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). | These two topics should be used to evaluate the impact of digital banking and its wider impact on how banking infrastructure and transactions will be shaped in future. Start by showing video(s) on the future of banking and the idea of a cashless society. You can use the links below or select your own.  **Group activity:** Create groups of learners. Let each group compile a list of advantages and disadvantages of digital banking for the banks, consumers and society at large. Ask them to present their points and conclude whether digital banking is beneficial or not beneficial for customers and society. They are required to justify their conclusion. **(I)**  What is digital banking? <http://www.securities.io/what-is-digital-banking/>  Digital banking Q&A: [www.youtube.com/watch?v=TfXOpNGvZ7Q](http://www.youtube.com/watch?v=TfXOpNGvZ7Q)  Pros and cons of a cashless society: [www.thebalance.com/pros-and-cons-of-moving-to-a-cashless-society-4160702](http://www.thebalance.com/pros-and-cons-of-moving-to-a-cashless-society-4160702)  Cashless society getting closer: [www.youtube.com/watch?v=faTTx\_EceO4](http://www.youtube.com/watch?v=faTTx_EceO4)  What is online banking? <http://www.thebalance.com/what-is-an-online-bank-315204>  Online banking advantages and disadvantages: [www.youtube.com/watch?v=fx1BTyOmYk8](http://www.youtube.com/watch?v=fx1BTyOmYk8) |
| **5.3 Insurance** | | |
| 5.3.1 Purposes of insurance | The purposes of insurance: risk reduction, compensation, financial protection, business confidence and investment. | It would fair to assume that at their stage in life, learners are likely to be adventurous than to pay attention to the risks that come with it. For this reason, one of the ways to introduce the topic of insurance is to make learners aware of the fact that their parents would have paid money to cover their car or motorbike against the potential risk of accident. Learners should check with their parents the amount of money paid and get familiar with the term ‘insurance premium’.  Learners should also explore if their parents pay any other type of insurance. This will help bring understanding on why insurance is important. Ask some of the learners to bring the receipt of their motor vehicle insurance premium to the classroom for demonstration.  Link the importance of insurance with business by asking them to imagine the loss a business is likely to suffer if the premises from which it operates is destroyed by fire. It is important to emphasise that the purpose of insurance is NOT just compensation against loss but also bring confidence and reduce risks.  Business insurance – the basics: [www.nibusinessinfo.co.uk/content/purpose-business-insurance](http://www.nibusinessinfo.co.uk/content/purpose-business-insurance)  Different purposes of insurance cover: [www.youtube.com/watch?v=JMAem5c9yqM](http://www.youtube.com/watch?v=JMAem5c9yqM) |
| 5.3.2 Types of insurance risk | The different types of insurance risk: consequential loss, employer’s liability, fire, motor, premises, public liability and theft. | Once the importance of insurance is understood, it might be easy to understand different kinds of risks.  Learners imagine that they have just bought a shop or a factory and ask them to work in groups to suggest some of the insurance risks that they might want to insure their property against. **(F)** A number of business risks should be mentioned.  Learners think about the types of insurance risks that affect them as private individuals, and that they might need to insure against. A range of ideas, from travel to pet insurance, will hopefully result.  Business insurance: [www.starlingbank.com/resources/business-guides/what-business-insurance-do-i-need/](https://www.starlingbank.com/resources/business-guides/what-business-insurance-do-i-need/)  Types of business insurance: [www.nimblefins.co.uk/business-insurance/types-business-insurance-uk](https://www.nimblefins.co.uk/business-insurance/types-business-insurance-uk)  Classification of insurance: [www.youtube.com/watch?v=BI0la3MyrRI](http://www.youtube.com/watch?v=BI0la3MyrRI) |
|  | The calculation of insurance premiums. | Going back to the shop and factory examples in 5.3.2, learners suggest factors that they think an insurance company will take into account when deciding the premium for the insurance risks they thought of.  Learners view different quotations from insurance company websites/insurance comparison websites and make decisions on the best value provided. **(I)**  Factors affecting premiums: <http://classroom.synonym.com/statistics-used-determining-insurance-rates-7257.html>  What is an insurance premium: [www.youtube.com/watch?v=5ZoVWJrOPVk](http://www.youtube.com/watch?v=5ZoVWJrOPVk) |
|  | The use of insurance documents: proposal form, cover note and policy. | Stage an accident, for example, someone lying on the floor with a chair tipped over. Work through with the learners the actions that need to be taken in order to make an insurance claim.  Provide images of scenes where insurance claims can be made, such as a burgled room (with a list of items missing), a (non-serious) car accident, for example. In pairs, learners create a flow chart to show the sequence of steps involved in effecting a claim.  How to make an insurance claim: [www.moneyadviceservice.org.uk/en/articles/making-an-insurance-claim](http://www.moneyadviceservice.org.uk/en/articles/making-an-insurance-claim) |
| **5.4 Sources of finance and commercial performance** | | |
| 5.4.1 Ways in which entrepreneurs and commercial enterprises raise finance | The meaning of entrepreneurship. | This is a topic good for inviting an entrepreneur for a talk on how they started their business, why they started the business and where did they get the money to start their business. Encourage Q&A session in the end.  Combine this topic with the last topic in this section ‘the meaning and use of financial terms’. Provide learners with a list of financial terms and ask them to clarify from the speaker what successful entrepreneurship means in terms of the financial terms (revenue, profit and even costs). For example:   1. Where did the initial capital to start the business come from? 2. How do they increase their sales and revenue? 3. What steps do they take to achieve a healthy profit? 4. What kind of assets does their business have? 5. How do they manage their liabilities? 6. How do they manage their working capital? 7. Do they seek trade discounts when buying goods for their operations? 8. What kind of costs are incurred in conduct of business? 9. Is insurance premium also a cost incurred by them? 10. How do they keep their business costs low?   Entrepreneurship: [www.investopedia.com/terms/e/entrepreneur.asp](https://www.investopedia.com/terms/e/entrepreneur.asp)  Who is an entrepreneur? [www.youtube.com/watch?v=aozlwC3XwfY](https://www.youtube.com/watch?v=aozlwC3XwfY) |
|  | 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 advantages and disadvantages of each source of finance.  The appropriateness of choice of source of finance in given situations. | In this topic two important points need to be reinforced regarding finance/money/funds are:   1. businesses need finance on a constant basis, when starting up and during operations; and 2. finance takes two forms - short-term and long-term.   This topic is important not just for understanding different short-term and long-term sources of finance but also for demonstrating the ability to analyse and evaluate these sources in a given commercial situation. For example, why choose a bank loan instead of retained profits for a new factory building? The amount required, the interest rates charged and the objectives of the business will be some of the factors for learners to consider here. Make sure they understand the implications of the different alternatives in terms of the amount of capital that could be raised and the risks involved.  A short multiple-choice quiz could be used to assess understanding of the suitable source of finance for different business needs (for example, purchase of machinery, purchase of stock, expansion, payment to supplier, etc). **(F)**  Sources of finance: [www.tutor2u.net/business/reference/sources-of-finance-for-a-startup-or-small-business](http://www.tutor2u.net/business/reference/sources-of-finance-for-a-startup-or-small-business)  Sources of finance: [www.youtube.com/watch?v=JSIfwHDpkro](http://www.youtube.com/watch?v=JSIfwHDpkro) (sources of finance)  Sources of finance: [www.youtube.com/watch?v=Jj0LJQlee14](http://www.youtube.com/watch?v=Jj0LJQlee14) (Sources of finance)  What is crowdfunding? [www.youtube.com/watch?v=XMNEDhRoD8g](http://www.youtube.com/watch?v=XMNEDhRoD8g) |
|  | The meaning and use of financial terms: sales, revenue, profit, working capital, assets and liabilities, interest, capital, cash discounts and trade discounts. | Combine the learning of these financial terms with the Q&A session with the entrepreneur.  Create a short assessment that asks learners to match the term to its definition. **(F)** |
| 5.4.2 Commercial calculations | The calculation of revenue, gross profit, gross profit margin, profit for the year (net profit), working capital and mark-up percentage. | The ability to calculate follows from the understanding of the financial terms. Once learners have understood the financial terms through their interaction with the entrepreneur in the earlier section, provide a list of formulae to them. Make them work in groups, carry out calculations from the figures provided to them and present their answers. **(I)** |
| 5.4.3 Improving commercial performance | 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. | Divide the class into four groups. Each group will research one of the four methods required to improve commercial performance, then report back to the whole class, giving a presentation of their findings. **(F)**  Methods of improving profit: [www.tutor2u.net/business/reference/methods-of-improving-profit](http://www.tutor2u.net/business/reference/methods-of-improving-profit)  Methods of improving sales turnover: [www.youtube.com/watch?v=Q4JrQa9nXLg](http://www.youtube.com/watch?v=Q4JrQa9nXLg) |
| **Past and specimen papers** | | |
| Past/specimen papers and mark schemes are available to download from the [School Support Hub](http://www.cambridgeinternational.org/support) (F)  Nov 2022 Paper 22 Question 1, 4, 5  Jun 2023 Paper 23 Question 1, 3  Nov 2023 Paper 21 Question 4, 5  Nov 2023 Paper 22 Question 2, 3, 5 | | |

# 6 Sustainability and ethics

| Syllabus ref. | Learning objectives | Suggested teaching activities |
| --- | --- | --- |
| **6.1 Sustainability** | | |
| 6.1.1 Purpose of sustainability in the supply chain | The purpose of sustainability in the supply chain: making commercial processes eco-friendly and environmentally responsible for future generations. | It won’t be wrong to say that learners of this day and age would be experiencing a lot of external stimuli on the need for the society to become environmentally friendly.  The term ‘sustainability’ is a more recent alternative to often used terms eco-friendly or environment friendly. Sustainability is a broader term that covers and links humans, planet and commercial activity. Therefore, it would be apt to define the term sustainability. Learners need to explore the definition of sustainability. From there on they need to create a strong linkage between sustainability and commercial activity.  Learners could be asked to work in groups to discuss the examples of sustainability or lack of sustainability they witness in the commercial activities in their towns and cities (for example, too much packaging, dumping of industrial waste into rivers, etc.) and what impact these might create on future generations.  What is sustainability? [www.youtube.com/watch?v=zx04Kl8y4dE](https://www.youtube.com/watch?v=zx04Kl8y4dE)  What is sustainability? [www.youtube.com/watch?v=99VrWNJyJ3E](http://www.youtube.com/watch?v=99VrWNJyJ3E)  EU and Malaysian Palm Oil: [www.nytimes.com/2024/03/14/business/economy/malaysia-palm-oil-european-union.html](https://www.nytimes.com/2024/03/14/business/economy/malaysia-palm-oil-european-union.html) |
| 6.1.2 Actions to improve sustainability | 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. | **Group activity:** Give each group of learners one business from one sector of production (for example, mining or fast food or hotel or ecommerce). They prepare a poster highlighting in the production process of these businesses to improve sustainability.  Guide to a sustainable business: <https://blog.shorts.uk.com/sustainable-business-practices>  What is water stewardship? [www.youtube.com/watch?v=C57n5n-MYLY](http://www.youtube.com/watch?v=C57n5n-MYLY)  Sustainable hotel practices:  [www.youtube.com/watch?v=giUk6K\_Xh54](http://www.youtube.com/watch?v=giUk6K_Xh54)  Climate watch: Cosmetic industry re-examines plastic packaging: [www.youtube.com/watch?v=h6YGyHWfU8Q](http://www.youtube.com/watch?v=h6YGyHWfU8Q) |
| **6.2 Ethics** | | |
| 6.2.1 Ethics and ethical issues in commerce | The meaning of ethics. | This may be a relatively challenging topic for learners. Combine this topic with the last topic in this section ‘ethical issues in commerce: misleading advertising and harmful disposal of products’ to create a wider scope for examples and case studies on what is perceived as ethical and unethical behaviour in trade and commerce.  Role play: A role play is suggested for starting a discussion on ethics and its meaning. For example, select three volunteers from the classroom:   * One learner displays a placard which is a dummy advertisement of a mobile service provider (use a fictitious business name). The advertisement claims: ‘Our mobile network reaches every part of the country – be it plains, mountains, middle of a forest or river.’ * The other two learners then get up acting to call from their mobile phones and raising their placard carrying the words: ‘No Signal’.   Ask the learners what’s wrong with the advertisement. Note relevant points given by learners. Link the points to the term ethics. Define ethics.  Ethical and environmental considerations: [www.bbc.co.uk/bitesize/guides/z66rbdm/revision/1#](http://www.bbc.co.uk/bitesize/guides/z66rbdm/revision/1)  Ethics: [www.youtube.com/watch?v=zPsoFhUDLuU](http://www.youtube.com/watch?v=zPsoFhUDLuU)  Misleading advertisement: [www.youtube.com/watch?v=gVZvmUadkfw](http://www.youtube.com/watch?v=gVZvmUadkfw) |
|  | The role of fair trade in commerce. | There is a growing trend towards fair trade in commerce. Consumers are demanding products which are sourced ethically and are neither exploitative of the primary suppliers nor workers involved at any stage in the supply chain. Therefore, there is a strong linkage between ethics and fair trade. There are many online resources on this topic including videos and news articles. The link to the fairtrade organisation’s website is a useful resource.  Use this topic to encourage independent research and prepare presentations on various products that are could be brought under fair trade and the positive impact that would make. **(F)**  Fairtrade facts and benefits: [www.uwe.ac.uk/about/values-vision-strategy/sustainability/fairtrade-facts-and-benefits#a5229fcc4-9086-49fb-963f-5967966a7d0e](http://www.uwe.ac.uk/about/values-vision-strategy/sustainability/fairtrade-facts-and-benefits#a5229fcc4-9086-49fb-963f-5967966a7d0e)  What is fairtrade? [www.youtube.com/watch?v=rBLr4ivCGDQ](https://www.youtube.com/watch?v=rBLr4ivCGDQ)  Clipper tea brand: [www.youtube.com/watch?v=axzws1WOxPo&t=12s](http://www.youtube.com/watch?v=axzws1WOxPo&t=12s)  How fairtrade is tackling the climate crisis: [www.youtube.com/watch?v=0xQP6tVlcxg](http://www.youtube.com/watch?v=0xQP6tVlcxg) |
|  | Ethical issues in commerce: misleading advertising and harmful disposal of products. | Let the learning on this topic flow from the first topic ‘What is ethics?’. Combine the two for better understanding. |
| **6.3 Consumer protection** | | |
| 6.3.1 Consumer protection | The reasons for consumer protection  The actions taken by buyers and sellers to resolve consumer protection complaints. | The learners are consumers too. They already have experience in buying goods and services for personal use. In the process of purchase to consumption learners may have experienced faulty goods and services. For these reasons, this is a topic they would relate with.  Ask learners about the instances of when they felt the need to complain to the seller for faulty goods or services they consumed. Ask them if they used a formal channel to make a complaint or just complained in an informal way, and whether they claimed a refund or an exchange.  Every country has its own set of consumer protection laws. Learners research their country’s consumer protection act and create a list of key points that explain the scope of the act. **(I)**  Consumer protection: www.bbc.co.uk/schools/gcsebitesize/business/marketing/marketingmixrev3.shtml  How to make a complaint: [www.youtube.com/watch?v=Pt8y8fJr6qA](http://www.youtube.com/watch?v=Pt8y8fJr6qA) |
| **Past and specimen papers** | | |
| Past/specimen papers and mark schemes are available to download from the [School Support Hub](http://www.cambridgeinternational.org/support) (F)  Nov 2023 Paper 21 Question 3 | | |

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