

Skills Exercises

AO2 Application

Cambridge O Level Commerce 7100

For examination from 2026



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Introduction

Cambridge O Level Commerce attracts a variety of learners from many different backgrounds. For learners, the subject provides knowledge and understanding of the nature of commercial activities, how these changes are affected by the dynamic commercial environment and the impact they have on national and international consumers, producers, wholesalers and retailers. Candidates learn about innovations such as digital technologies and develop an appreciation of how commerce influences decision-making in real life.

Skills and why they are important?

Skills are the key to success. The performance of candidates in Cambridge O Level Commerce exams have shown a range of areas where improvement would be helpful. These areas of improvement tend to centre around the assessment objectives (AOs) of the course and we have addressed these AOs in a series of exercises and activities.

- AO1 Knowledge and Understanding
- AO2 Application
- AO3 Analysis and Evaluation

Skills Exercises make use of examination questions and data and include activities and worksheets to help skills development and incorporate suggested teaching approaches, such as group work, discussion, structured support and writing in sequence. They do not attempt to cover all possible aspects of the examinations, only those problem areas which have presented consistently over time.

How will these skills be developed?

Skills Exercises aim to help learners develop skills in:

- using knowledge to answer examination questions
- using commercial contexts given in the examination papers to make answers relevant
- developing skills in analysis and evaluation, including understanding analysis and making judgements.

Skills Exercises provide suggestions so you can have confidence that the materials you prepare and use in the classroom are building skills and resilience in your learners. This document should be used alongside the other teaching and learning resources provided on the [School Support Hub](#).

AO2 Application

To assess AO2 Application learners need to be able to:

- apply knowledge and understanding of terminology, concepts, processes and trends
- use relevant data and information in written, visual and numerical forms, including simple calculations.

The following table contains some command words that might indicate to learners that application is required in the question.

| Common word | |
|-------------|---|
| Calculate | Work out from given facts, figures or information |
| Explain | Set out purposes or reasons / make the relationships between things clear / say why and/or how and support with relevant evidence |
| Give | Produce an answer from a given source or recall/memory |
| Outline | Set out the main points |

Exercise 1: Key terms and formulae used in commercial calculations

Cambridge O Level Commerce has terminology that learners need to know and understand. This will help learners to recognise and interpret what is happening in the world of commerce. Learners need to select, organise, analyse and apply this knowledge as required in the examination.

Activity 1: Knowing terms used in commercial calculations

Give learners a set of cards. Each card has a commercial term on the left-hand side and an explanation of another commercial term on the right-hand side.

Learners match the explanations to the commercial terms to create a complete set of terms used in commercial calculations. **Worksheet 1: Match the definition to the key term** can be used as an example of this activity or replaced with other commercial financial terms from the syllabus. Go through the worksheet with learners to check they understand what is required of the task. For this activity learners may work individually or in pairs.

Use **Worksheet 1: Match the definition to the key term answers** and ask learners to peer assess each other's work. Lead a feedback discussion, checking that learners have the correct terms used in financial calculations and understand the explanation of each term.

Activity 2: Knowing formulae used in commercial calculations

The ability to use numbers is an essential part of the Cambridge O Level Commerce syllabus. Learners should be able to complete calculations by using the data provided in both the multiple choice and written examination papers. Knowing the formulae will enable learners to complete these calculations. There are a range of formulae that learners need to know. Some of these formulae may look similar to others or have very subtle differences.

Give learners a set of incomplete formulae. Learners should complete the formulae by filling in the missing word.

Worksheet 2: Complete the formula can be used as an example of this activity. Lead a class discussion, checking that learners have the correct answers and addressing any misconceptions.

Activity 3: Applying calculations to the formulas

It is important for learners to be able to complete calculations using the data provided in the examination papers.

Learners should then complete the calculations individually.

Worksheet 3: Applying calculations to the formulas can be used as an example of this activity.

Exercise 2: Applying understanding to commercial concepts

To be awarded application marks, learners need to understand how to link concepts to the commercial contexts provided in the examination papers.

Activity 1: Applying understanding to commercial enterprises

Learners need to understand that different business contexts require different responses.

Inform learners that people who want to set up, or work for a commercial enterprise have to consider what type of commercial ownership, such as a sole trader, is suited to their needs.

Worksheet 4: Applying understanding to commercial enterprises can be used or replaced with other contexts. For each context learners complete the task with the suitable type of commercial enterprise. Go through the worksheet with learners to check they understand what is required of the task. For this activity learners may work individually.

Use **Worksheet 4: Applying understanding to commercial enterprises answers** and ask learners to peer assess each other's work. Lead a feedback discussion, checking learners' application of each location factor.

Activity 2: Applying understanding to physical and ecommerce location features

Inform learners that business owners have to consider a number of location factors when starting a commercial enterprise. Learners have to describe the type of business which might find each factor the most important location factor for them.

Worksheet 5: Applying understanding to physical and ecommerce location features can be used as an example of this activity or replaced with other commercial location factors from the syllabus. Go through the worksheet with learners to check they understand what is required of the task. For this activity learners may work individually or in pairs.

Use **Worksheet 5: Applying understanding to physical and ecommerce location features answers** and ask learners to peer assess each other's work. Lead a feedback discussion, checking learners' application of each location factor. Lead a class discussion with learners to go through their responses.

Activity 3: Applying understanding to digital retail trends

Inform learners that customers have to research and consider a number of digital trends that retailers offer to customers. Learners have to outline two characteristics of each digital retail trend.

Worksheet 6: Applying understanding to digital retail trends can be used as an example of this activity or replaced with other commercial digital trends from the syllabus. Go through the worksheet with learners to check they understand what is required of the task. For this activity learners may work in groups. Learners, working in groups, should display their answers on posters around the classroom.

Use **Worksheet 6: Applying understanding to digital retail trends answers** and ask learners to assess each group's poster. Lead a feedback discussion, checking learners' application of digital retail trend. Remember there are other features, apart from the one's given in the **Worksheet 6: Applying understanding to digital retail trends answers**.

Exercise 3: Applying understanding to commerce data

Commerce examination papers use a range of data in both the multiple-choice and the written examination papers.

Activity 1: Applying understanding to commerce data used in multiple-choice questions

Provide learners with a range of multiple-choice questions where they need to identify the correct answer.

The questions in **Worksheet 7: Applying understanding to commerce data used in multiple-choice questions** can be used or replaced with different ones as required. Go through the worksheet with learners to check they understand what is required of the task. For this activity learners may work individually or in pairs. Lead a group discussion about why each answer is the correct one.

Activity 2: Applying understanding to commerce data

The questions in **Worksheet 8: Applying understanding to commerce data used in examination questions** can be used or replaced with different ones as required. Go through the worksheet with learners to check they understand what is required of the task. For each activity learners may work individually or in pairs. Lead a group discussion about why each answer is the correct one.

Use **Worksheet 8: Applying understanding to commerce data used in examination questions answers** and ask learners to peer assess each other's work. Lead a class discussion to ensure learners are using the correct key words. Give guidance and correct any misconceptions about key words and definitions.

The subject matter for each paragraph can be changed for other topics from the syllabus.

Activity 3: Application of words in context

Learners should understand how context is essential to make an answer specific to the given business.

Give learners a piece of data about a business. The data in **Worksheet 9: Application of words in context** can be used or replaced with another business. Go through the worksheet with learners to check they understand what is required of the task. For this activity learners may work individually or in pairs.

For each question learners underline the words in the data answer which are in context. Lead a group discussion about why the words underlined are in context.

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