

INTERNATIONAL GCSE

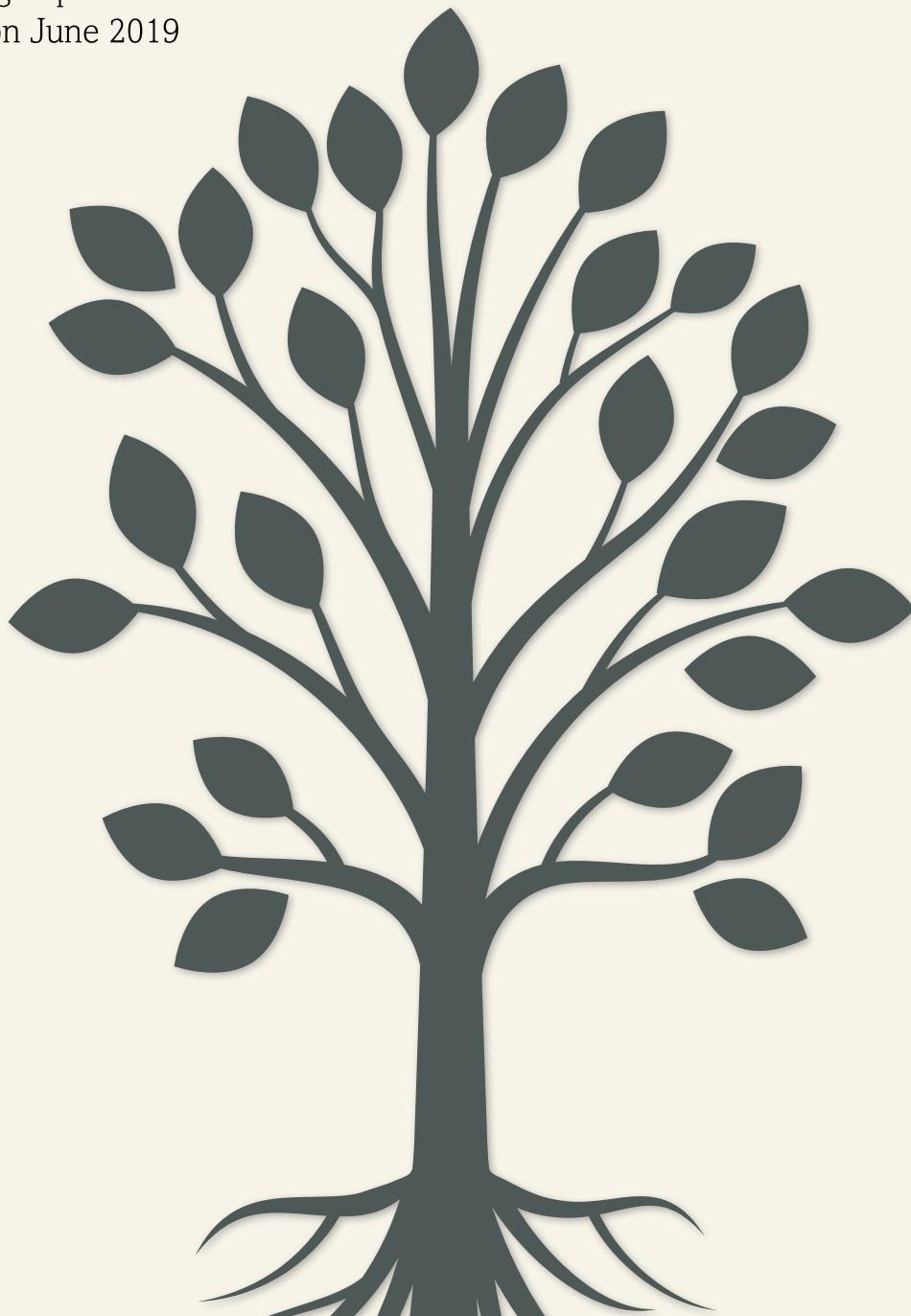
Commerce (9-1)

GETTING STARTED GUIDE

Pearson Edexcel International GCSE in Commerce (4CM1)

For first teaching September 2017

First examination June 2019



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Introduction

This Getting Started Guide provides an overview of the new International GCSE Commerce specification, to help you get to grips with the changes to content and assessment, and to help you understand what these mean for you and your students.

What's new?

What has changed?

- The move to a two paper model – International GCSE Commerce has moved to a two paper model like International Business and International Economics. The two Commerce papers will each test 2 units of the content. This will ensure that the content is fairly assessed across each year. When candidates sit each paper they will know which part of the specification will be tested and therefore what to prepare for.
- Changes to content – having consulted a range of experts, including teachers and universities, we have reviewed the content, with some topics being removed and others being streamlined. We have removed the following topics: barter and money, kinds of occupations, the distinction between public corporations and government departments, channels of distribution, intermediaries, money (including the functions of), trends in transport, the relationship between market research, test marketing, sales promotion and advertising, methods of advertising appeal and advertising agencies.
- The content has been updated to include:
 - buying and selling in terms of the costs associated with each and the different sources of buying.
 - cooperatives – have an influence on Commerce at each stage of the chain of production so has been added as a type of commercial enterprise.
 - the documents required to set up different types of commercial enterprises and why they are important.
 - privatisation has been added to types of commercial enterprises.
 - retailer techniques has had ‘own-label brands’ and ‘EPOS added.
 - developments in retail explicitly the rise of recent developments including omnichannel retailing, self-scan checkouts, click and collect and mobile retailing.
 - reasons for the survival of small-scale retailers has been added explicitly in 1.4.6.
 - explicit reference to changes in the retail trade and the impact on businesses and individuals.

- given the increased significance and growth of ecommerce operations this has been added to ensure the Commerce course reflects issues facing commercial operators. Students will explore characteristics, the impact of ecommerce and location factors for ecommerce operators.
- In international trade the terms favourable and unfavourable have been replaced by deficits and surpluses.
- multinational corporations (MNCs) remains but now also considers the impact to the host country.
- Purposes of insurance and effecting an insurance claim have been added to the specification.
- the consumer protection topic has been updated to include a section on the actions buyers and sellers might take when making a complaint, dealing with faulty goods and poor quality goods or services.
- bad debts can have a huge impact on businesses so has been added to the specification.
- banking trends, including the move to a cashless society has been added.
- sources of finance now includes crowd funding, venture capital and the issuing of ordinary and preference shares.
- Under methods of payment – postal orders and cash-on-delivery have been added.
- commercial calculations has been updated to reflect the language used internationally.
- types of warehouses includes cash and carry (Metro, Makro).
- Agenda and Minutes have been added to methods of written communication.
- billboards and posters have been added to advertising and promotion. Magazines now includes trade journals. Brochures has been added to catalogues. Internet has been reworded to websites and mobile apps. Trade journals have been added to magazines. Brochures has been added to catalogues. Internet has been reworded to websites and mobile apps.
- the role of social media in terms of research and advertising has been added alongside the impact of technology on advertising and promotion.
- As well as changes to the content we have also made improvements to the layout of the specification to offer greater amplification of the breadth and depth required, to guide centres. For example, we will list ranges of costs, difficulties, purposes, implications, functions, factors, techniques, developments, characteristics, risks and effects where they help.
- **Changes to Assessment Objectives (AO)** – agree the weightings of each AO have been brought in line with Business and Economics and the ranges have been narrowed to ensure consistency in testing each year.

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- There has been a reduction in AO1 Recall, select and communicate knowledge and understanding of commercial terms, concepts and issues from 30–40% to 27–28%.
- There is an increase in AO2 – Apply knowledge and understanding using appropriate commercial terms, concepts and calculations effectively in specified contexts has from 20–30% to 38–39%.
- AO3 – Select, organise and interpret commercial information from sources to investigate and analyse issues was 20–25% and is now 22–23%.
- AO4 – Evaluate commercial information to make reasoned judgements and draw conclusions the weighting has been reduced from 15%–20% to 11–12%
- **Changes to structure of assessment** – On each paper there are 2 × 9-mark and 1 × w12-mark question. This gives candidates the opportunity to develop extended writing skills to support them in moving to Level 3 qualifications such as A Levels/IAL.
- **Command words** – we have reduced the number of command words and introduced a consistent mark tariff for each word. The command words appear in a taxonomy in Appendix 5 of the specification. Exam paper questions will be written using the command words stated in the taxonomy. This should help improve learner outcomes as they will become familiar with the type of response required for each command word.
- UK GCSEs will now be graded 9–1. Roughly the same percentage will achieve a level 4 or higher as achieved a C or higher. 9 will be the highest grade and will be awarded for those achieving at the top of an A*. An 8 will be the equivalent of a lower A*. A grade 1 will be equivalent of what is now an F or G.

Key Features of the qualification

- **Two paper assessment** – better opportunities for students to demonstrate knowledge, understanding, analysis and evaluation skills across 2 papers. The papers mirror International GCSE Business and International GCSE Economics. Paper 1 assesses Commercial Operations and Commercial risks and Paper 2 assesses Facilitating commercial operations which looks at Finance for Commerce and Aids for Commerce.
- **Progression to further study at A Level and beyond** – the topics taught on the International GCSE Commerce will offer good preparation to those who move on to Level 3 qualifications including AS/ A Level and IAS/ IA2 Level qualifications in Business or Economics related courses. The assessment uses a range of assessment including multiple choice, short answer and data response and the examinations have new longer 9 mark justify and 12 mark evaluate questions. These will make the transition to Level 3 assessment more straightforward as they will have developed skills in extended writing. The mark schemes are clear and consistent and help teachers better prepare learners for what is needed to achieve higher levels.

- **Clear subject content parameters** – the specification has been simplified to ensure the content is presented as clearly as possible. The content has been broken down into themes clearly identifying what students need to learn.
- **Relevant and modern content** – the content has been reviewed with some content removed or streamlined and other areas have been added to ensure we are assessing commerce against today's commercial world.
- **Real, relevant and modern context** – questions 3 and 4 within each paper are based on a real business context to help students apply their knowledge of Commerce to the business world.
- **Quantitative skills** – formulae and calculations including: for the balance of trade, exchange rates, profit, mark-up, profit margins and Return On Capital Employed (ROCE). Development of these quantitative skills will support students moving to the further study of other Business related courses.

Qualification Overview

This section provides an overview of the course to help you see what you will need to teach.

Specification overview

The overview gives a general summary of each of the examined papers.

Paper 1	Paper 2
<p>This paper explores the nature of commerce, what it involves and the risks associated with commercial operations.</p> <p>Theme 1: Commercial Operations</p> <ul style="list-style-type: none">■ Production■ Buying and selling■ Commercial enterprises■ Retail■ Wholesale■ Ecommerce■ International trade <p>Theme 2: Commercial Risks</p> <ul style="list-style-type: none">■ Insurance■ Consumer protection legislation■ Trade■ Bad debts	<p>This paper involves an examination of finance for commerce and the different aids for commerce.</p> <p>Theme 3: Finance for Commerce</p> <ul style="list-style-type: none">■ Financial institutions to support commerce■ Sources of finance■ Methods of payment■ Commercial calculations■ Measuring commercial performance■ Improving commercial performance <p>Theme 4: Aids for Commerce</p> <ul style="list-style-type: none">■ Communications■ Transport■ Warehousing■ Promotion■ Trading documents■ Types of consumer credit■ Aids to exports

Assessment overview

Paper 1	Paper 2
<p>Commercial operations and associated risks</p> <ul style="list-style-type: none">■ 1.5 hour examination (90 minutes)■ 80 marks■ 50% of overall assessment■ The assessment consists of four questions■ The paper includes a mixture of multiple-choice, short-answer and extended-writing questions■ Questions 3 and 4 are set in context■ Calculators may be used■ First assessment: June 2019	<p>Facilitating commercial operations</p> <ul style="list-style-type: none">■ 1.5 hours examination (90 minutes)■ 80 marks■ 50% of overall assessment■ The assessment consists of four questions■ The paper includes a mixture of multiple-choice, short-answer and extended-writing questions■ Questions 3 and 4 are set in context■ Calculators may be used■ First assessment: June 2019

Assessment objectives

AO1	Recall, select and communicate knowledge and understanding of commercial terms, concepts and issues.	27–28%
AO2	Apply knowledge and understanding using appropriate commercial terms, concepts and calculations effectively in specified contexts.	38–39%
AO3	Select, organise and interpret commercial information from sources to investigate and analyse issues.	22–23%
AO4	Evaluate commercial information to make reasoned judgements and draw conclusions.	11–12%

Content Guidance

In this section the new 2017 International GCSE Commerce specification, for first assessment in June 2019, has been mapped against the outgoing 2009 International GCSE Commerce specification which has its final assessment in January 2019.

Where content is new the 2009 specification box will be empty. Where the content already exists, we have provided guidance on what has changed, including any additions or change of focus. There is an attempt to identify what has changed, including any additions or change of focus.

For new content there had been an attempt to give some additional detail to offer more guidance to centres.

Paper 1: Commercial operations and associated risks

Theme 1: Commercial Operations

2009 specification (2011)	2017 specification	
1.1 Production	1.1.1 Production	The 2017 specification has made it clearer that students need to understand that production is about both the manufacturing of goods and the provision and delivery of services. Candidates should be able to define goods and services, and be able to provide/identify examples of each.
1.1 Production	1.1.2 Factors of production	The 2017 specification clarifies the four factors of production. Candidates need to define and give examples of each. It is useful to get candidates to look at commercial operations and look at what is needed in terms of each factor of production. For example, a retailer who runs a restaurant will require land for the ingredients, labour in terms of waiters and chefs, capital in terms of ovens and fridges and ideas for the menus from the owner and the chefs (enterprise).
1.1 Production	1.1.3 Industrial sectors and commerce	The 2017 specification specifies candidates do not only need to know about the 3 sectors but also about the relationships between them. So whilst candidates still need to define each sector candidates also need to be able to explain the chain of production. For example, candidates might look at a wheat farm operating in the primary sector selling wheat to a pasta manufacturer, and a flour mill, both operating in the secondary sector. To get their pasta and flour to customers they sell them to retailers such as supermarkets who operate in the tertiary sector. Candidates need to understand the relationship between businesses in each sector and also be able to consider how each sector will have different levels of importance in different countries. For example, in developed countries tertiary will be most significant, and in the least developed, primary sectors will be more significant. It is worth providing data on the proportion of each sector to explore how this differs by country.

2009 specification (2011)	2017 specification	
1.2 Organisation of production	1.1.4 Division of labour	Candidates still need to be able to define and explain what is meant by specialisation and the division of labour. It is worth getting candidates to work on a task individually for a set amount of time and then to total how much they can produce. Then get students to work as a team to break down the task to see how many more they produce when applying the division of labour. This task has worked well in making paper chains. This then also generates a conversation about the impact of the division of labour on firms and workers. Essentially this involves looking at the advantages for example to the firm of higher output, lower unit costs and disadvantages for example to the worker of the monotony and boredom and to the firm of higher staff turnover. It is important that candidates understand how this specialisation means different firms and countries focus on different production and that they will then need to trade which creates a need for commerce. The final area is to look at the interdependence of countries that results from the specialisation and the division of labour.
	1.2.1 Sources of buying in commerce	This is a new area that has been added to the 2017 specification. Commerce involves the process of businesses buying and this section explores different ways this occurs. Candidates will need to look at buying within home and international markets and explore advantages and disadvantages of each. Candidates will also need to look at businesses sending buyers to purchase directly and businesses buying indirectly through intermediaries. Again candidates need to be able to explore advantages and disadvantages of each. It is also important to consider why firms might outsource production to third parties rather than producing themselves.
	1.2.2 Costs associated with buying	It is also important that candidates can identify and explain the various costs associated with buying to include: <ul style="list-style-type: none"> ■ transport costs ■ transaction costs (exchanging currencies, tax/tariffs) ■ administration costs ■ environmental costs ■ research costs ■ staffing costs.
	1.2.3 Costs associated with selling	Commercial operations that sell need to consider their costs. Candidates will need to identify and explain each area listed. The final point listed is about selling to customers through mcommerce (mobile-commerce) and ecommerce (electronic-commerce) which involve delivery costs. The costs associated with selling include: <ul style="list-style-type: none"> ■ sales staff ■ payment processes ■ stolen inventory ■ damaged inventory ■ distribution costs (ecommerce, mcommerce).

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2009 specification (2011)	2017 specification	
4.1 Private and Public Ownership	1.3.1 Types of commercial enterprise	<p>Candidates need to know the features and differences between private enterprises and public enterprises. It is also useful for candidates to consider the advantages and disadvantages of each.</p> <p>The forms of ownership are similar although the name sole proprietors has been replaced with the more commonly used sole traders. Partnerships, private and public limited companies remain. One addition is cooperatives, this is a model of organising business that is significant in the real commercial world.</p>
4.2 Private Sector		<p>For each way of organising a business, candidates will need to look at business formation, ways each can raise finance, how ownership and control is divided, how profits are distributed and the liability of losses. We still want candidates to consider the suitability or appropriateness of each ownership. One addition is the need to know about documents required to set up. For example the Deed of Partnership, limited companies needs Memorandum of Association and Articles of Association. Candidates do not require detailed knowledge of these documents but do need to know why it is important to complete the documents. For example, the Deed of Partnership sets out how profits are split to reduce arguments.</p>
4.3 Public Sector		<p>The Memorandum of Association sets out who the initial shareholders are and states the name of the business. The Articles of Association sets out the rules of the business in terms of what Directors can and cannot do, how Directors can be dismissed and when more shares can be sold. The latter documents being legally required documents. Cooperatives should produce a document setting out the rules of the cooperatives so each member knows what they can and cannot do. They must also have minutes of the Board of Directors meetings on the election of the Chairperson of the Board and Managing Director. Cooperatives need to show they have undergone a democratic and fair process to decide who will lead the cooperative.</p> <p>Candidates still need to study franchises and consider the impacts of this ownership form for both the franchisor and franchisee. Candidates need to explain about the need for a fee, royalty payment, the provision of training, advice and marketing, constraints on the branding and the products sold.</p> <p>Candidates also need to understand the public sector and be able to define the term and give examples of activities undertaken by this sector. It is important candidates have an understanding of why the government chooses to provide goods and services through the public sector.</p> <p>Privatisation has been explicitly added. Candidates need to know what Privatisation is and be able to explain the reasons why privatisation takes place.</p> <p>Candidates need to be able to identify and explain the characteristics of commercial operations in terms of the ownership, control and objectives.</p>

2009 specification (2011)	2017 specification	
2.1.1 Functions	1.4.1 Functions of retailers, including services provided	<p>The 2017 specification amplifies the functions and services of retailers candidates should learn know about. These functions and services include:</p> <ul style="list-style-type: none"> ■ buying ■ storing ■ selling ■ providing credit facilities ■ introducing new products ■ advertising and window displays ■ after sales service.
2.1.2 Types	1.4.2 Types of retailer	<p>The range of types of retailer that candidates need to know about has been made more explicit in the 2017 specification. It is important for candidates to be able to give reasons for the existence of each type of retailer. It is also useful to be able to describe the distinctive features and the services they offer. Candidates should be able to analyse why these features are different.</p> <p>Features to include:</p> <ul style="list-style-type: none"> ■ street markets ■ independent retailers ■ speciality shops ■ department stores ■ multiples (chain stores) ■ supermarkets ■ hypermarkets ■ electronic commerce (ecommerce/etailers).
2.1.3 Locations	1.4.3 Location factors for retail outlets	<p>Candidates need to be able to explain the factors retailers consider when deciding on a location for their business/businesses. The factors to consider have been outlined for clarity. It is important candidates understand this in relation to familiar and unfamiliar retailers. For example, candidates may be presented with information about a retailer and then have to make decisions on the best location linked to the factors in the specification.</p> <p>Location factors to include:</p> <ul style="list-style-type: none"> ■ availability of labour ■ closeness to markets ■ transport links ■ availability of power ■ availability of raw materials ■ competition ■ availability of suppliers ■ communication ■ government tax breaks and subsidies ■ the work of planning authorities.

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2009 specification (2011)	2017 specification	
2.1.4 Techniques and trends	1.4.4 Techniques in retail	<p>Much of what was on the list for retail techniques in the old specification remain in the new specification. Some additions include the use of own label brands and EPOS. Franchising and shopping centres have been removed here. Loyalty cards remain but with other schemes not using a card such as loyalty mobile apps this has been extended to include other loyalty programmes. Candidates still need to describe each technique and explain reasons retailers use them and analyse how each technique affects consumers and the retailer's sales.</p> <p>Techniques now listed include:</p> <ul style="list-style-type: none"> ■ branding ■ own labels ■ logos ■ packaging ■ self-service ■ after-sales service ■ barcoding ■ Electronic Point of Sale (EPOS) ■ loss leaders ■ seasonal and other 'sales' ■ special offers ■ loyalty cards and loyalty programmes.
2.1.5 Developments	1.4.5 Developments in retailing	Candidates are required to identify and describe developments in retailing. They also need to explain the implications for retailers of these developments. The following are now included: omnichannel retailing, self-scan checkouts, click and collect and mobile retailing. Omnichannel retailing is where retailers may sell through more than one channel. For example online, in-store and via telephone. Omnichannel attempts to make the process for the customer seamless. That is the need to keep the interactions with customers consistent so the experience they get online, in store or on the telephone is the same regardless of which channel they use, so they feel comfortable switching between the three. For example, customers may come in to a store to trial products, then consider the options at home and order online. Candidates will be rewarded for other developments they identify from their own experience with retailers.
	1.4.6 Small retailers	This is a new separate area within the specification. We have made the need to consider small retailers more explicit in the 2017 specification. Candidates should focus their work on the reasons for the survival of such small-scale retailers which should include being able to provide a more personal service, being able to offer more flexible opening hours and being able to offer additional services.
	1.4.7 Changes in the retail trade and the impact on businesses and individuals	Given changes in techniques and development in retailing, candidates need to consider how these changes might affect the retailers, workers and customers. This could look at how each might experience advantages and disadvantages.
2.2.3 Role in distribution	1.5.1 Wholesalers' role in the chain of distribution	Candidates need to be able to explain reasons for having wholesalers in the chain of distribution. The key is an understanding of how they simplify distribution, by acting as an intermediary between manufacturers and retailers, using break bulk so small retailers can buy smaller quantities.

2009 specification (2011)	2017 specification	
2.2.1 Functions and services	1.5.2 Functions of wholesalers, including services provided	<p>Candidates still need to explain the functions of retailers in terms of the services they offer retailers and manufacturers. Functions to include:</p> <ul style="list-style-type: none"> ■ breaking bulk ■ risk bearing ■ advice to retailers ■ offering trade credit ■ freeing storage space for smaller stores ■ preparing goods for resale ■ delivering to retailers.
2.2.2 Organisation	1.5.3 Types of wholesaler	<p>Candidates need to be able to describe the organisation of the different types of wholesalers:</p> <ul style="list-style-type: none"> ■ general ■ cash-and-carry ■ voluntary chains
2.2.4 Recent developments	1.5.4 Changes in wholesaling and their impact on manufacturers, retailers and consumers	<p>Candidates need to look at developments and consider the impact of changes in wholesaling on manufacturers, retailers and consumers, and whereas previously they focused on the effect on consumers they now need to consider the impact on manufacturers and retailers too.</p> <p>For example, developments could include the vast amounts of data being provided by people using social media and the websites of wholesalers. This data can help wholesalers to know what products interest customers so they can sell more of them.</p> <p>The use of technology to make orders and payments impacts wholesaling. Increasingly, ensuring compliance with local rules and regulations is important. Not just in food and drink but in other areas wholesalers are involved in. The use of smart technology including robots may also impact the way wholesalers work.</p>
	1.6.1 Characteristics of ecommerce	<p>Given the increased significance and growth of ecommerce operations, we have now added it to the specification as it is an important aspects students need to explore. Some companies operate as an ecommerce business only, like Alibaba and Amazon. Other businesses are diversifying from being a bricks and mortar business to now include ecommerce as part of their business strategy. Candidates will need to consider different uses of websites. This could be to market commercial operations, to provide information on the business and its products, to sell directly to customers and to process payments. Candidates will also need to consider why firms offer bricks and clicks where they have both physical stores and websites. It is worth considering how the two support each other. For instance, the physical store can showcase products that customers have browsed online. The website offers the opportunity to order and stores often enable you to collect them without having to be at home for delivery. Stores often give the customers the time to explore options and after a time of reflection they may wish to then purchase online.</p> <p>Stores are often constrained by their physical size which limits their ability to store and display a wide range of products. ecommerce enables businesses to offer a wider range of goods as there is not the need to display them in store and in a warehouse you can often have products stored in a more economical way.</p>

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2009 specification (2011)	2017 specification	
		<p>There are advantages of businesses being able to offer home delivery – it is more convenient for the customer as they do not need to leave their house. However, this must be contrasted with the resources required by the business to pick, pack and then deliver the items to customers.</p> <p>Given there is no physical store, customers may not have had a chance to see the product they are purchasing. ecommerce businesses need to be flexible about the return of unwanted items and refunds. Businesses must be prepared for the costs of products being returned, the cost of arranging collection and the cost that may be incurred should the business be unable to sell the product following its return. The option to return the products if not needed can also persuade customers to use one website over another.</p>
	1.6.2 Effects of ecommerce	<p>The effects of ecommerce also need to be considered. Candidates need to look at each of the effects and consider the advantages and disadvantages.</p> <p>A key effect of ecommerce is how businesses supply their products to customers. They will be used to supplying customers via a store and will have to get used to supplying them via a third party – the delivery company – or make arrangements to facilitate customers collecting products from the business through for example, 'click and collect'. The business might expand the range of products offered and need to supply to more customers, which could require more employees and storage facilities. This may require more staffing and space.</p> <p>When stores have warehouses they can then organise delivery across the country and internationally. These warehouses could be in cheaper locations saving on rent but the key is the need for a good link to the rail or road network and to the distribution company.</p> <p>With a typical bricks and mortar store, customer service and communication often happens face to face. With a website customer service is often electronic for example, through email or live chat. This will require a different set of skills and training if a business is moving from store to online.</p> <p>Bricks and mortar businesses typically gain most of their customers from their surrounding area as customers will visit their store. With ecommerce businesses, customers can access the website from anywhere in the world. This significantly increases the number of potential customers, helping to improve the revenue earned. However, this can increase the costs of delivery, especially internationally.</p> <p>For environmental impact, it is worth considering the impact of organising individual items being delivered to each customer. This should be contrasted with the environmental costs saved compared to having bricks and mortar stores that require heating and lighting.</p>

2009 specification (2011)	2017 specification	
	1.6.3 Ecommerce location factors	<p>In the retail section, section 1.4.3, candidates looked at location decisions. Ecommerce often requires a subtly different set of considerations when deciding where to locate.</p> <p>Understanding the importance of transport links to enable the distribution of products from the warehouse to the customer.</p> <p>Candidates must also consider the advantages of not requiring footfall. Without the need for footfall, businesses no longer have to be based in city centre locations and can therefore benefit from being based in a different area with lower rent. This will result in less need to be in the city centres and can have the advantage of being in areas with lower rents.</p> <p>In addition, if a business goes from customers being local to national/global they will often benefit from larger sales volumes. Ecommerce will therefore need additional space for increased inventory. This has an impact on the likely rent.</p> <p>A different set of skills is required to operate ecommerce. This may include specialist staff including web designers and Network Managers, and the businesses will need to recruit this labour and will be constrained if the specialist labour is not available.</p>
2.3.2 Benefits (International trade)	1.7.1 Benefits of international trade	<p>Candidates need to be able to explain the benefits of international trade. Some possible benefits that could be taught include:</p> <ul style="list-style-type: none"> ■ Countries can specialise in what they are good at producing and then sell to other countries. ■ Other countries that can produce a good at a lower cost can specialise in this area helping to lower the price of imports. ■ By specialising in the production of fewer products and exporting them countries can help to lower unit/average costs. ■ International trade increases competition which may help lower prices. ■ International competition may encourage more investment and innovation. ■ With more output for exports, more goods and services need to be produced, so employment may rise. ■ Choice – businesses and consumers get more choice of goods, services and raw materials.
2.3.3 Goods and services	1.7.2 International trade	<p>Candidates need to be able to define and understand the difference between imports and exports. They need to know the difference between visible and invisible trade. Key is that they should be able to identify that trade of tangible/ physical goods is visible and that trade of intangible items are invisible. Giving students examples for them to identify which is which will help here. Examples of visible trade be tablet computers, mobile phones and oil. Examples of invisible trade include insurance and financial services.</p>
2.3.4 Balance of trade and balance of payments	1.7.3 Balance of Trade and Balance of Payments	<p>Candidates are required to define the terms Balance of Trade and Balance of Payments.</p> <p>The Balance of Trade is the value of exports – value of imports.</p> <p>The Balance of Payments shows a country's transactions with the rest of the world. It notes inflows and outflows of money and categorises them into different sections. They need to be able to calculate the Balance of Trade and the Balance of Payments from given figures. A change to this new specification is that candidates need to identify whether the balance of trade or payments shows a deficit or a surplus. Previously they needed to make reference to favourable or unfavourable but these terms have been replaced by deficit and surplus.</p>

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2009 specification (2011)	2017 specification	
2.3.9 Trading blocs	1.7.4 Trading blocs	<p>For Trading blocks, candidates need to understand that there is the removal of tariffs within a trading bloc and that there is often a common external tariff set up against countries outside a trading bloc. The latter is in operation with the European Union for example.</p> <p>It is also important that they know about where trading blocs allow the free movement of labour, capital and goods.</p> <p>The old specification asked that candidates describe the advantages and disadvantages of trading blocs. Whilst they will still explore this in this new specification, they also need to explain it from the perspective of a country and of businesses.</p>
2.3.8 Exchange rates 2.3.10 Difficulties faced by exporters	1.7.5 Difficulties facing exporters	<p>Sections 2.3.8 and 2.3.10 from the 2009 specification, have been combined in the 2017 specification, as both sections can create difficulties for exporters. Candidates need to explain the main difficulties and barriers faced by exporters including language, distance, methods of payment, differing consumer wants (labelled 'desires' in the previous specification) and documentation. Candidates should be able to consider the change in exchange rate and consider how any given change in an exchange rate will affect exporters. For example, the increasing in the value of one currency in terms of another will see exports become more expensive. It is likely that exporters may buy in raw materials from abroad so candidates should also consider the fact that this will also cause import prices to decrease.</p> <p>Similarly, if the value of the currency fell then exports will become cheaper and imports more expensive. Also even without changes in the exchange rate it is worth considering costs associated with changing currency, in terms of paying commission.</p>
4.4 Multi-nationals	1.7.6 Multinationals	<p>The term multinational corporation (MNC) or company still needs to be defined. The new specification has tried to cover more issues that arise from the existence of MNCs. Firstly, candidates need to know reasons for the existence of multinational corporations/companies (MNCs).</p> <p>For example:</p> <ul style="list-style-type: none"> ■ To increase sales – companies may find that sales are starting to level off or are falling in their domestic market and selling in to other countries enables them to increase sales. ■ To secure cheaper premises and labour – cost of land and labour can be cheaper in developing countries. Land in developed countries can be expensive so it is often cheaper to set up in a developing country. Also average wages are often lower in developing countries so MNCs can save on labour costs by shifting production. ■ To avoid tax or trade barriers – some countries have lower rates of corporation tax so MNCs will locate in that place to save money. To sell products in to a trading bloc there will often be a tariff in place. By setting up operations within the trading bloc you can often avoid this tariff.

2009 specification (2011)	2017 specification
	<ul style="list-style-type: none"> ■ Government incentives – many countries will offer incentives like tax breaks or subsidies to MNCs to set up operations in a country. <p>It is then important to look at the advantages and disadvantages of operating as an MNC. For example, advantages could include:</p> <ul style="list-style-type: none"> ■ Finding cheap unskilled or low skilled workers. ■ Lower land and building costs. ■ Increased potential customers/sales. ■ As the business grows and buy in larger bulk they can achieve bigger discounts. <p>Disadvantages could include:</p> <ul style="list-style-type: none"> ■ Can be accused of exploiting labour or damaging the environment. ■ Language differences may make communication more difficult. ■ Cultural differences may exist. <p>Candidates also need to consider the impact of MNCs with respect to the host country.</p> <p>Advantages to a host country include:</p> <ul style="list-style-type: none"> ■ MNCs create jobs, which increases peoples incomes and spending within the economy. ■ They bring in expertise which helps improve the skills of labour. ■ MNCs bring in more technology that helps improve output. ■ MNCs will often invest money in to shipping ports, airports and roads to make transporting their goods easier and cheaper, other firms in the country benefit from this. ■ MNCs export much of the output which will bring in foreign currencies so the country can import more products. ■ It can help move the host country away from relying on agricultural products. <p>Disadvantages could include:</p> <ul style="list-style-type: none"> ■ Jobs created may be low skilled and low pay. ■ Multinationals may move profit to their home country reducing any benefit of corporation tax to the host. ■ MNCs can cut corners – they may pollute more and be less environmentally responsible, they may make workers work longer hours and at very low wage.

Theme 2: Commercial Risks

2009 specification (2011)	2017 specification	
	2.1.1 Purposes of insurance	<p>Candidates need to know the following purposes of insurance:</p> <ul style="list-style-type: none"> ■ risk reduction ■ compensation ■ financial protection ■ business confidence ■ investment.
5.4.1 Principles	2.1.2 Insurance principles	<p>Candidates need to be able to explain the essential principles of insurance including:</p> <ul style="list-style-type: none"> ■ indemnity – security or protection against a loss. ■ contribution – where two insurers may need to contribute towards a loss. ■ subrogation – where an insurer will pursue a third party who has caused a loss to its customer. ■ insurable interest – the concern of a person to obtain insurance for any individual or property against unforeseen events such as losses ■ utmost good faith – legally obliging all parties to reveal to the others any information that might influence the others' decision to enter into the contract. <p>Candidates still need to be able to explain the statistical basis of insurance in terms of:</p> <ul style="list-style-type: none"> ■ pooling of risks ■ forecasting losses ■ fixing premiums ■ compensating for loss <p>Candidates also need to know about the roles of actuaries, assessors and about non-insurable risks.</p>
5.4.2 Risks	2.1.3 Insurance business risks	<p>Candidates need to be aware of the main risks a business will insure themselves for:</p> <ul style="list-style-type: none"> ■ premises ■ theft ■ motor ■ marine ■ fire ■ consequential loss ■ employers' liability ■ public liability ■ product liability ■ fidelity guarantee ■ credit insurance ■ plate glass.

2009 specification (2011)	2017 specification	
5.4.3 Effecting and renewing insurance 5.4.4 Insurance market	2.1.4 Effecting insurance cover and renewal	<p>Two sections from the 2009 specification have been combined to form one section in the new 2017 specification. This section includes looking at:</p> <ul style="list-style-type: none"> ■ the main documents of insurance: <ul style="list-style-type: none"> ◦ proposal form ◦ cover note ◦ policy ■ the purpose of an endorsement ■ reasons for the inclusion of clauses in a policy relating to: <ul style="list-style-type: none"> ◦ the insured ◦ the property ◦ life and the cover required ■ the main roles in insurance: <ul style="list-style-type: none"> ◦ insurance brokers and agents ◦ underwriters and syndicates
	2.1.5 Effecting a claim	Candidates now need to understand the process of making a claim, including the claim form. It is important candidates understand the sorts of details required when businesses and individuals make a claim.
3.3 Consumer protection	2.2.1 Consumer protection	<p>Candidates need to be able to explain the reasons for having consumer protection. This includes protecting consumers from unfair selling practices. Consumer protection is to stop businesses from giving misleading descriptions, to prevent poor quality or unsatisfactory products being sold and to ensure the items are fit for purpose. Consumer protection exists to ensure products are safe and last for a reasonable length of time.</p> <p>Candidates need to be aware of legislation that exists to protect consumers. This can be from local law within your own country or from UK law. They do not need detailed knowledge of the law but to know what each law protects customers from.</p>
	2.2.2 Actions buyers and sellers might take when making complaints	<p>Candidates need to be able to explain the actions a buyer/seller might take when making a complaint.</p> <p>Buyers may also need to raise concerns when dealing with faulty goods or when dealing with poor quality goods or services. It is important candidates know about the actions the customers will normally take but also the actions that the seller may need to take in response to such concerns.</p>
2.3.6 Duties, quotas and tariffs	2.3.1 Trade protection	Candidates need to be able to define and explain how tariffs, quotas and trade restrictions work and consider the impact of tariffs, quotas and trade restrictions.

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2009 specification (2011)	2017 specification	
2.3.8 Exchange rates	2.3.2 Exchange rates	<p>Candidates need to explain why foreign exchange markets exist and how they work. Candidates now need to be able to complete basic calculation of exchange rates. For example given a specific exchange rate how much will a good cost in terms of using a different currency. For example, if an exchange rate is £1 is equal to \$1.25 and a car costs £15 000, candidates need to be able to calculate the \$ price of \$18 750.</p> <p>Candidates also need to know why exchange rates change.</p> <p>Candidates must also know what is meant by an appreciation and depreciation and the impact of each on the likely level of exports and imports.</p>
	2.4.1 Bad debts	<p>Bad debts is new to this specification. Candidates need to know what a bad debt is – a debt that is unrecoverable. During the financial crisis one of the problems was the increase in the number of bad debts – customers unable to pay off their debts. Candidates need to explain the impact of bad debts on businesses and individuals. Importantly, candidates will need to look at ways businesses could try to reduce the number of bad debts they experience.</p>

Paper 2: Facilitating commercial operations

Theme 3: Finance for Commerce

2009 specification (2011)	2017 specification	
5.1.2 Types of banks	3.1.1 The role and function of different financial institutions for commercial operations	Candidates need to know what is meant by a commercial bank, post office and Central Bank. It is important to understand the key role of each.
5.1.2 Types of banks	3.1.2 Banking services	<p>This section has been streamlined with a number of services removed. Candidates will need to understand the following services:</p> <ul style="list-style-type: none"> ■ current, deposit and savings accounts ■ overdraft facility ■ night safes ■ ATM services ■ provision of foreign currency ■ credit and debit cards. <p>Overdraft facilities is new to the 2017 specification.</p>
5.1.2 Types of banks	3.1.3 Trends in banking	Mobile, digital banking and internet banking remain in the 2017 specification but cashless society has also been added. Candidates should understand how these trends are affecting transactions of commercial operators. With each trend candidates need to be able to consider the implications to commerce in terms of any possible advantages or disadvantages.
4.8 Sources of Finance	3.2.1 Short-term finance	<p>All of the sources of short term finance remain in the 2017 specification. Candidates need to know what is meant by each term and about advantages and disadvantages:</p> <ul style="list-style-type: none"> ■ trade credit ■ overdraft ■ factoring ■ leasing ■ hire purchase. <p>Loans have been removed from the 2017 specification. Candidates need to also know what is meant by short-term finance.</p>
4.8 Sources of Finance	3.2.2 Long-term finance	<p>Candidates need to know what is meant by long-term finance. Much of the list remains from previous specification. However, crowdfunding which is often used to fund start-ups or business developments, has been added. We have also made it explicit that candidates need to understand how venture capital works. There is also the inclusion of issuing ordinary and preference shares. With all long-term sources of finance, candidates must understand what it is, how it works and the advantages and disadvantages of using this source.</p> <ul style="list-style-type: none"> ■ loans ■ debentures ■ crowdfunding ■ mortgages ■ owner's capital ■ venture capital ■ retained profit ■ ordinary and preference shares ■ government grant.

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2009 specification (2011)	2017 specification	
4.8 Sources of Finance	3.2.3 The process of issuing shares and debt	Candidates need to be able to show an understanding of each of the following: <ul style="list-style-type: none"> ■ the functions and role of stock exchanges ■ investors ■ equities ■ interest ■ dividend ■ yield ■ speculation.
2.3.7 Methods of payment	3.3.1 Methods of payment	Methods of payments remain largely the same as the 2009 specification however postal orders and cash on delivery has been added to this new specification. Candidates should be able to describe the key features of each payment method: <ul style="list-style-type: none"> ■ cheques ■ standing orders ■ bank giro (credit transfer) ■ direct debits ■ bank drafts ■ debit cards ■ credit cards ■ electronic transfers ■ postal orders ■ cash on delivery ■ documentary credits ■ money transfer.
4.5 Commercial Calculations	3.4.1 The concept and calculation of commercial calculations	Candidates need to be able to define and calculate each of the following. Each of the formulae are clearly indicated within the specification within Appendix 7 of the new Commerce specification. <ul style="list-style-type: none"> ■ gross profit ■ profit for the year (net profit) ■ mark-up ■ average inventory (previously calculate average stock) ■ inventory turnover (formerly stock turn). In each case candidates need to understand the significance of the results of these calculations.
4.5 Commercial Calculations	3.5.1 The concept and calculation of measuring commercial performance	Candidates need to be able to define and calculate each of the following. <ul style="list-style-type: none"> ■ gross profit margin (formerly % gross profit on turnover) ■ profit for the year (net profit) margin (formerly % net profit on turnover) ■ expenses as a percentage of turnover ■ Return On Capital Employed (ROCE). (formerly net profit as % of capital used) In each case candidates need to understand the significance of the results of these calculations. Each of the formulae are clearly indicated in Appendix 7 of the 2017 Commerce specification.
4.7 Improving Business Performance	3.6.1 Methods to improve commercial performance	Candidates need to identify appropriate actions that could be taken to improve each of the following: <ul style="list-style-type: none"> ■ sales turnover ■ purchasing costs ■ mark-up ■ profit margins ■ expenses ■ inventory turnover. In each case candidates need to be able to explain how the action helps to improve commercial performance.

Theme 4: Aids for Commerce

2009 specification (2011)	2017 specification	
5.3.1 Importance (communications)	4.1.1 The importance of effective communication in commerce	Candidates need to be able to choose appropriate methods of communication in commercial contexts. Candidates must understand the importance of choosing the most effective communication in a given situation.
5.3.2 Types (communication)	4.1.2 Types of communication	For this specification we have themed communication into the following three types: <ul style="list-style-type: none"> ■ oral ■ written ■ electronic. Canididates must be able to define and give examples of each.
5.3.2 Types (communication)	4.1.3 Methods of oral communication	Candidates need to identify each of the following methods of oral communication: <ul style="list-style-type: none"> ■ telephone ■ meeting ■ face-to-face. In each case candidates should be able to compare the different methods and decide on the most appropriate method with reference to speed, cost, convenience to customers and security and decide on the most appropriate method of oral communication with reference to speed, cost, convenience to customers and security.
5.3.2 Types (communication)	4.1.4 Methods of written communication	Candidates need to identify each of the methods of written communication listed here: <ul style="list-style-type: none"> ■ letter ■ agenda ■ minutes. In each case candidates should be able to compare the different methods and decide on the most appropriate method with reference to speed, cost, convenience to customers and security..
5.3.2 Types (communication)	4.1.5 Methods of electronic communication	Candidates need to identify each of the methods of electronic communication listed here: <ul style="list-style-type: none"> ■ internet ■ teleconferencing ■ videoconferencing ■ email. In each case candidates should be able to compare the different methods and decide on the most appropriate method with reference to speed, cost, convenience to customers and security.
5.2.1 Importance (transport)	4.2.1 The importance of transport in the chain of distribution	Candidates need to show understanding of the importance of transportation in the chain of distribution.

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2009 specification (2011)	2017 specification	
5.2.2 Types (transport)	4.2.2 Different forms of transport available to commerce	Candidates should understand the different forms of transportation available to commerce to include: <ul style="list-style-type: none"> ■ road ■ rail ■ sea ■ air ■ inland waterway ■ pipelines.
5.2.3 Containerisation	4.2.3 Different modes of transport used for different forms	We have further amplified here the different forms of transport to include more specific modes. In each case candidates will need to understand different modes of transportation available to commerce <ul style="list-style-type: none"> ■ road – delivery vans, buses, taxis, motorcycles ■ rail – passenger train, goods train ■ air – passenger aircraft, freight planes ■ sea – ferry, tanker, bulk carrier, cruise liner, container ship, cargo liners, ore-bulk-oil carriers Candidates still need to understand what is meant by containerisation, and understand the main features of containers and why they are used in commerce.
5.2.1 Importance (transport)	4.2.4 The benefits to a business of having its own transport.	Candidates need to explain the benefits of businesses having their own transport.
5.2.2 Types (transport)	4.2.5 The efficiency of different forms of transport	When looking at commercial operations candidates need to consider the different modes of transport in relation to efficiency. The factors that need to be considered to explain the advantages and disadvantages of each include: <ul style="list-style-type: none"> ■ speed ■ reliability ■ safety ■ situation ■ convenience ■ optimising routes.
5.6.1 Role of warehousing	4.3.1 The role of warehousing	Candidates need to understand the importance of warehousing to commerce in terms of: <ul style="list-style-type: none"> ■ seasonal demand ■ protecting supply ■ price stability.
5.6.2 Types of warehouses	4.3.2 The types and functions of different types of warehouse	Candidates need to be able to describe the different forms of warehouses including: <ul style="list-style-type: none"> ■ bonded ■ cold storage ■ regional distribution centre ■ cash and carry. Cash and Carry is new to the 2017 specification.

2009 specification (2011)	2017 specification	
5.5.1 Purposes (advertising)	4.4.1 The purpose of advertising and promotion in commerce	The 2017 specification looks more widely at the different promotional methods. Candidates need to know how advertising and promotion assist commerce.
5.5.3 Methods (advertising)	4.4.2 Main methods of advertising and promotion, appropriate to different purposes and contexts	<p>The new specification focuses on the following methods of advertising and promotion:</p> <ul style="list-style-type: none"> ■ radio ■ television and cinema ■ billboards and posters ■ newspapers (national and local) ■ magazines and trade journals ■ point of sale (carrier bags, wrappers) ■ catalogues and brochures ■ circulars and leaflets ■ websites and mobile apps ■ free gifts and samples ■ trade fairs and exhibitions ■ sponsorship. <p>Candidates need to be able to describe the various promotional methods and the advantages and disadvantages of each.</p>
5.5.4 Approaches (advertising)	4.4.3 Approaches to advertising	<p>Candidates still need to be able to recognise and give examples of various approaches to advertising including:</p> <ul style="list-style-type: none"> ■ persuasive advertising – focus on the benefits of a product and why a consumer really needs it. ■ informative advertising – might explain new and improved features of products and changes to opening times. ■ competitive advertising – focuses on how a product is better than competitor products. ■ collective advertising – can involve different businesses advertising their products together, e.g. a food company may advertise alongside a supermarket you can find the product in.
	4.4.4 The role of social media	<p>New for the 2017 specification. Candidates need to consider how social media can be used by businesses to identify customer needs and a medium for advertising:</p> <p>Customer needs can be identified by analysing reports that show what customers are interested in by looking at the pages they explore. Businesses use social media to enter a dialogue with customers, gaining feedback about ideas or products they like. Customers have the opportunity to offer feedback and opinions on their experiences and interact with the business/product.</p> <p>Social media is often used as part of a wider business strategy for launching and promoting products. Social media tools can be used to target customers who have shown an interest in the business or product.</p>
	4.4.5 The impact of changing consumer preferences on advertising	<p>Consumer preferences are changing over time. Candidates need to consider how these changes may impact on the way businesses advertise. For example, the increased use of social media may mean more emphasis is placed on digital advertising through social media.</p>
	4.4.6 The impact of technology on the advertising and the promotion	<p>Candidates also need to consider the impact of technology on advertising and promotion. For example, how ecommerce can be used to advertise the business and its products. Also how digital communication can be used to directly communicate with customers.</p>

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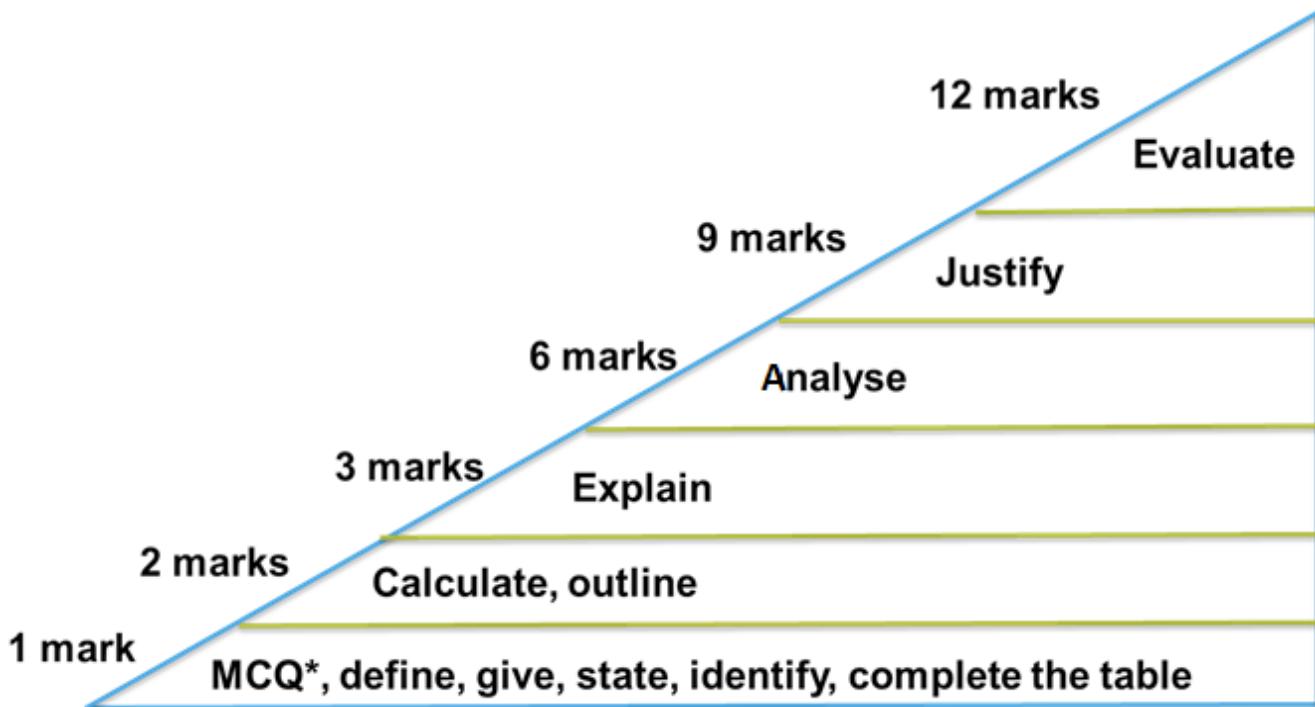
2009 specification (2011)	2017 specification	
2.2.5 Trade documents	4.5.1 The purpose and the appropriate use of different trade documents used by wholesalers in the purchase and sale of goods in home trade	Candidates are still required to explain the purpose of each of the following documents: <ul style="list-style-type: none"> ■ enquiry ■ quotation ■ order ■ advice note ■ delivery note ■ invoice ■ debit note ■ credit note ■ statement of account ■ receipt.
2.2.5 Trade documents	4.5.2 Complete different trade documents	Candidates need to be able to complete these documents from given information.
	4.5.3 Interpret information from trade documents	Candidates also need to be able to interpret information from trade documents. They might be presented with documents and they need to be able to pick out what it tells them about specific transactions. For example, they might need to identify the size of a discount offered, the number of items returned or make judgments on the amount of money owed by the customer to the business.
3.2 Types of Credit	4.6.1 Different types of credit available to consumers	Much of the list remains the same. Debit cards have been removed as they are not a form of credit. Mail order has been removed as this is not a credit facility in itself. Overdrafts have also been removed as this is not a method by which commercial operators offer credit, though it is a way an individual could raise funds. We have however added informal credit as this is often offered by smaller businesses offering a more personal service. Types of credit that need explaining include: <ul style="list-style-type: none"> ■ credit sale ■ hire purchase ■ store card ■ credit card ■ informal credit.
3.2 Types of Credit	4.6.2 Appropriateness of different forms of credit in different situations	With each of the different types of credit, candidates need to consider the appropriateness of the form of credit in a given situation, and consider the relevant advantages or disadvantages of each source.
	4.6.3 Calculations of cost associated with different forms of credit – interest	Candidates need to be able to calculate the amount of interest a customer will be charged and pay back given different rates of interest. This is an addition to the specification.
2.3.5 Aids to export	4.7.1 Sources of support when exporting	Candidates need to understand the sources of support available to businesses who are exporting and exploring the ways they support exporters. These include: <ul style="list-style-type: none"> ■ governments: <ul style="list-style-type: none"> ○ credit guarantees ○ trade fairs and consular services ■ chambers of commerce ■ banks ■ trade organisations ■ overseas agents.

Assessment Guidance

- Two papers
- Both papers are 1 hr 30 mins (90 mins), 80 marks, 3 sections.
- Both **papers have an identical, consistent structure**.
- Each paper has **three sections**:
 - Section A = 40 marks (Non-contextualised)
 - Section B = 20 marks (Case Studies, real world commercial contexts)
 - Section C = 20 marks (Case Studies, real world commercial contexts)
- **Ramped questions** increasingly challenge students as they move through the paper.
- Reduced and **carefully defined command word taxonomy**.

Section A: 40 marks	Section B: 20 marks	Section C: 20 marks
No commercial context.	Questions are based on a commercial context.	Questions are based on a commercial context.
Multiple-choice (MCQ) and short answer questions.	Multiple-choice (MCQ), short and longer answer questions.	Short and longer answer questions.
Students may be asked to calculate.	Students may be asked to calculate.	Students may be asked to calculate.
1x 6-mark question.	1 x 6-mark question.	1 x 6-mark question.
1x 9-mark question.	1 x 9-mark question.	1 x 12-mark question.
Taxonomy: MCQ Define/Identify/State/Give Explain Complete the table Calculate Analyse Justify	Taxonomy: MCQ Define/Identify/State/Give Outline Calculate Analyse Justify	Taxonomy: Define/ Identify/ State/ Give Complete the table Calculate Outline Analyse Evaluate

This diagram outlines the paper structure and command word taxonomy.



Command words explained.

(Multiple-choice question) – select one correct answer from a choice of answers. These questions test recall of knowledge from the specification content or require a calculation to reach the correct answer. Worth 1 mark.

Define – define a term from the specification content. Worth 1 mark

Give – give an answer testing recall of knowledge from the specification content. Worth 1 mark

State – give an answer, no longer than a sentence, referring to a piece of contextual information from which students must select the answer. Worth 1 mark

Identify – select the correct answer from reading a graph or table of data. Worth 1 mark

Calculate – use mathematical skills to obtain an answer, based on given data. Calculators may be used and workings should be given. Worth 2 marks.

- Calculate questions test application (AO2) and use a points based mark scheme.
- Can appear in sections A, B and C.
- No marks are awarded for stating the formula.
- All 'calculate' questions will have a box to complete calculations. Student should provide their answer on the line provided.
- Where applicable, answers should be given to two decimal places (2.d.p.).

Complete the document – work out the values missing from the presented documents.

Worth 1 or 2 marks

- Designed to test application (AO2).
- A ‘points-based’ mark scheme is used.

Outline – give two linked points about a business concept or issue, placed in context in the question. Worth 2 marks

- Designed to test application (AO2).
- A points-based mark scheme is used.
- Can only appear in sections B and C – the contextualised sections of the exam paper.
- 1 to 2 ‘Outline’ questions in each paper.
- Students needs to state one benefit/drawback/impact/method etc. and provide one strand of development. Within the answer there must be evidence of context to score 2 marks.

Explain – identify a factor with two expansion points. These may expand on each other, or both from the same fact. There is no context in these questions. Worth 3 marks.

- Designed to test knowledge and understanding (AO1a and AO1b).
- A ‘points-based’ mark scheme is used.
- Will only appear in section A.
- Will always be asked to ‘Explain one...’
- Four ‘explain’ questions in each paper.
- Candidates need to identify one impact/method/advantage/disadvantage etc. and then offer two linked strands following on from this

Analyse – write an extended answer, requiring expansion and exploration of a commercial concept or issue. The answer will be placed in context by the question. Worth 6 marks.

- Designed to test application and analysis (AO2 and AO3).
- A ‘levels-based’ mark scheme is used.
- May appear in sections A, B and C
- Will always be of the nature ‘Analyse an/the impact/advantage etc...’
- Three ‘analyse’ questions in each paper.
- ‘Interconnected points’ means at least two linked strands (Level 2 AO3 descriptor).
- ‘Detailed interconnected points’ means at least five linked strands (Level 3 AO3 descriptor).

Justify – write an extended answer, using information provided in order to recommend one of two options. Worth 9 marks.

- Designed to test application, analysis and evaluation (AO2, AO3 and AO4).
- A 'levels-based' mark scheme is used.
- Will only appear in sections A and B (one in each section).
- Will always involve a choice between two options.
- 'Interconnected points' means at least two linked strands. (Level 2 AO3a descriptor).
- 'Detailed interconnected points' means at least five linked strands. (Level 3 AO3a descriptor).

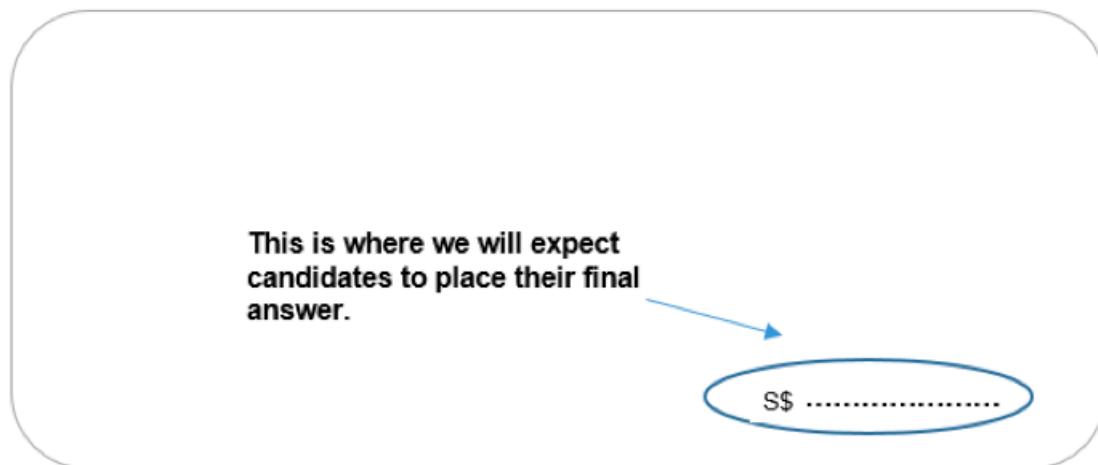
Evaluate – write an extended answer, using knowledge of specification content to reach a supported conclusion about a commercial situation. Worth 12 marks.

- Extended writing designed to test knowledge, application, analysis and evaluation. (AO1b, AO2, AO3 and AO4)
- A 'levels-based' mark scheme is used.
- Will only appear in section C (the final question on each paper).
- 'Interconnected points' means at least two linked strands. (Level 2 AO3 descriptor)
- 'Detailed interconnected points' means at least five linked strands. (Level 3 AO3 descriptor)

Sample 'Calculate' question

Paper 1 – 1(e)(iii) Calculate the balance of trade for Singapore.

You are advised to show your workings.



Sample 'Calculate' Answer template

Above is an example of how the live exam papers will be formatted for the 'Calculate' style of questioning. Candidates are provided with an answer line and their final answer should be on this line. This is to prevent candidates using a shotgun approach to these questions. Candidates should provide their answers to two decimal places, where necessary, to score full marks.

Mark Scheme

Question number	Answer	Mark
1(e)(iii)	<p>Award 1 mark for formula shown and 1 mark for correct answer.</p> <ul style="list-style-type: none"> • $S\\$577\text{bn} - S\\$515\text{bn} (1) = S\\$62\text{bn} (1)$ • Alternatives may be written $S\\$62\ 000\ 000\ 000$ <p>NB A candidate who responds with $S\\$62\text{bn}$ and no calculation would still get both marks.</p>	<p>(2) AO2 QS = 2</p>

Note the assessment objective being tested is AO2 which is to apply knowledge and understanding testing specifically candidates ability to complete calculations effectively in specified contexts.

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The mark scheme highlights what is required. If a candidate offers a correct answer with no working on the 'answer line' they will score two marks. If the candidate's answer on the answer line is incorrect, examiners' will consider whether there is an intermediate calculation that is accurate to determine whether one mark should be awarded. Note, that because 'Calculate' questions are worth two AO2 marks there are no marks awarded to candidates who present a formula within their answer. This is because the statement of a formula would demonstrate knowledge from recall (AO1a), which is not assessed in this style of question.

Sample 'Outline' question

(d) Outline one effect that Amazon's use of ecommerce will have on the environment. (2)

'Outline' questions – 'Outline' questions were often poorly answered 'simple' questions on the old specification. 'Outline' questions will be marked in exactly the same way on the new spec. They are contextualised since they only appear in Sections B and C. Thus, candidates need to offer a method/impact/advantage/drawback etc. and provide a strand of development which is contextualised to score both marks.

Non-contextualisation of written answers was the biggest stumbling block on this style of question in the old spec and so it has proved to be again, with a high proportion of test centre candidates only scoring 1 mark. Candidates MUST put their answer into context for Outline questions.

Question number	Answer	Mark
3(d)	<p>Award 1 mark for identifying one environmental effect of ecommerce and one mark for further outline.</p> <ul style="list-style-type: none">• <i>Amazon</i> delivering to homes will mean more vehicles are needed (1), they produce emissions, which will damage the environment (1).• <i>Amazon</i> not having stores will mean less lighting in stores so less electricity needed (1) so less fuel is used by electricity generators (1).• Electricity usage may increase for use of computers to process <i>Amazon</i> orders (1), which will mean more demand for power plants to produce electricity, which may cause pollution (1). <p>Accept any other appropriate response.</p>	(2) AO2

The mark scheme, highlights that application (AO2) is required to score both of the available marks. Note that all the indicative content is linked specifically to Amazon and the information provided in the paper.

Sample 'Explain' question

(g) Explain one disadvantage to a business of bad debts.

(3)

'Explain' questions will only be found in Section A of both examinations and there will be four of them per exam paper, each worth 3 marks, equating to 24 marks out of the total of 160 marks across both exam papers. In the new specification, candidates will be expected to state one method/disadvantage/advantage/impact etc. and then provide two linked strands of development.

Since these questions appear in Section A there is no requirement to provide context.

Candidates that state more than one method/advantage/drawback etc. need to know that their answer will only be marked on the basis of their best developed response.

Question number	Answer	Mark
1(g)	<p>Award 1 mark for identifying a disadvantage of bad debts and up to 2 marks for linked development.</p> <p>Bad debts are debts that will not be recovered (1), meaning the business will receive less cash (1) and find it more difficult to cover their costs (1).</p> <p>Accept any other appropriate response.</p> <p>Answers that list three advantages with no explanation will get a maximum of 1 mark.</p> <p>NB No marks are awarded for a definition.</p>	<p>(3) AO1a = 1 AO1b = 2</p>

'Explain' questions: Mark Scheme – The mark scheme will highlight the need for linked strands of development using linking words/phrases such as 'because', 'thus', 'therefore' and 'as a result of'. Candidates need to provide two linked strands after their initial statement of an impact/drawback/benefit etc. if they want to score 3 marks. On these questions no marks are awarded for definitions. Also listing three disadvantages will score only 1 mark.

You will see that AO1 has been split in two. AO1a refers to recall which will be recalling the disadvantage from what they have learnt. AO1b refers to understanding in the development of this disadvantage.

Levels-based Mark Scheme

For 6-mark Analyse, 9-mark Justify and 12-mark Evaluate questions, a levels-based mark scheme is used.

Sample 'Analyse' question

(e) *Analyse the impact on Amazon's costs of the work carried out by its buyers.*

(6)

The 'Analyse' question should be viewed as a contextualised extended 'Explain' question. In this style of questioning, excellent generic answers with five or more accurate linked strands may not score as highly as first thought if there is no context in evidence. Candidates need to remember that they must demonstrate the correct blend of skills, identified by the AOs, to move themselves up the mark scheme. Context is required.

Question number	Answer		Mark
3(e)	<p>Costs associated with buying.</p> <ul style="list-style-type: none"> Buyers will travel to other countries (AO2). In buying in other countries, transaction costs will occur (AO2). Tax/tariffs imposed when importing products from abroad (AO2). Administration costs of completing paperwork when buying in products (AO2). Research in to products to buy takes time (AO2). Negotiation enables buyers to achieve a lower price (AO2). Transport costs rise as buyers have to visit suppliers and to bring in products (AO3). When exchanging currencies when buying from abroad, the business will have to pay commission (AO3). Taxes and tariffs will add to costs of the business (AO3). If paperwork takes time and costs money to complete then this will reduce profitability of <i>Amazon</i> (AO3). Research also costs money to conduct as the buyer finds the correct items (AO3). Negotiating better prices lowers costs and enables them to charge lower prices (AO3). 		(6) AO2 = 3 AO3 = 3
Level	Marks	Descriptor	
	0	No rewardable material.	
Level 1	1–2	<ul style="list-style-type: none"> Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2) Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3) 	
Level 2	3–4	<ul style="list-style-type: none"> Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2) Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3) 	
Level 3	5–6	<ul style="list-style-type: none"> Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2) Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3) 	

As you can see the 'Analyse' mark scheme has a levels-based format. Some colleagues may not be used to this model, as the present Commerce mark scheme is marked on the basis of crediting valid points rather than levels. It is important for you as a teacher to start familiarising yourself with the different level-based mark scheme for 'Analyse', 'Justify' and 'Evaluate' questions. As you can see from the example there is indicative content at the top which will change based on the question. Below this is the level descriptor which will always remain the same. There will always be three levels on analyse questions. If you look inside the level descriptions, there are key words.

Level 1 uses the word 'limited', level 2 uses the word 'sound' and level 3 uses the word 'detailed'. Listing points will typically achieve level 1, offering brief development will access level 2 and an extended response with linked development will be more likely to achieve the top level, level 3.

If you look at the allocation of marks, you will see that 'Application'/AO2 is being tested so it is important that the response focuses on the context given in the paper. 'Analysis'/AO3 marks are awarded here instead of 'Understanding'/AO1b. Once again, the first bullet point in each level descriptor reflects 'Application' and the second bullet point is the 'Analysis' descriptor.

Sample 'Justify' question

IKEA Group is a multinational company selling furniture and household items. It has 315 stores in 27 countries. In 2017, IKEA is planning to open its first 25 stores and invest €1.43bn in India. Each store will create 2,000 jobs and occupy 14 acres, which may have an impact on the environment. IKEA will pay above-average wages in India, although employees are likely to be paid less than employees in Europe. IKEA has promised to invest in training to improve skills. IKEA pays tax in the countries in which it operates and in 2014 paid €1.5bn in taxes in 27 countries. IKEA plans to invest in India's infrastructure by improving roads and communication links. The Indian government has received plans from IKEA for this investment and has two options:

Option 1 – to support IKEA's plans

Option 2 – not to support IKEA's plans.

(g) Justify which one of these two options the Indian government should choose. (9)

The next style of questioning is 'Justify'. There are two of these questions in each exam paper, one in Section B and one in Section C. The 'Justify' question will always be worth 9 marks and candidates have to make a choice between the two options provided. Note that there is no requirement to consider both options, full marks can be achieved through the consideration of just one option. Again, the focus is on demonstrating the appropriate skills. Candidates need to demonstrate 'Application' (AO2), 'Analysis' (AO3) and 'Evaluation' (AO4) within their answer.

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Question number	Answer		Mark
2(g)	<p>Arguments why the Indian Government should support the multinational <i>IKEA</i> building a store in India.</p> <ul style="list-style-type: none"> • Each centre will create 2,000 new jobs (AO2). • Pay will be above average (AO2). • Workers will gain skills (AO2). • <i>IKEA</i> may invest in transport and communications (AO2). • The government may earn taxes (AO2). • And with retail jobs created, it helps lower unemployment/increase employment (AO3). • Higher pay in India will help raise living standards (AO3). • As employees develop skills they might transfer them to other firms when they move. This means other Indian firms will have more-productive staff (AO3). • Better roads will make transport easier for other commercial organisations in the area (AO3). • As the government earns more from tax they will have more funds for government spending on health or education (AO3). <p>Arguments why the Indian Government should not support the multinational <i>IKEA</i> building a store in India.</p> <ul style="list-style-type: none"> • 14 acres is a large amount of land for each store and might have a negative environmental impact (AO4). • European workers will be paid more for the same work – Indian workers exploited (AO4). • The government may not benefit if <i>IKEA</i> did avoid paying taxes (AO4). <p>AO4 may be awarded for evaluative comment in support of <i>IKEA</i> if AO1, AO2, AO3 are awarded for arguments against.</p>	(9) AO2 = 3 AO3 = 3 AO4 = 3	
Level	Marks	Descriptor	
	0	No rewardable material.	
Level 1	1–3	<ul style="list-style-type: none"> • Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2) • Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3) • Makes a judgement, providing a simple justification based on limited evaluation of commercial information and issues relevant to the choice made. (AO4) 	
Level 2	4–6	<ul style="list-style-type: none"> • Sound application of knowledge and understanding of commercial concepts and issues to the commercial context although there may be some inconsistencies. (AO2) • Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3) • Makes a judgement, providing a justification based on sound evaluation of commercial information and issues relevant to the choice made. (AO4) 	
Level 3	7–9	<ul style="list-style-type: none"> • Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2) • Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3) • Makes a judgement, providing a clear justification based on a thorough evaluation of commercial information and issues relevant to the choice made. (AO4) 	

As you can see, this level of response mark scheme, is similar to the previous 'Analyse' mark scheme but with three skills now being assessed. This is why there are three bullet points in each of the three level descriptors. To mark these questions, examiners will independently assess candidate's use of 'Application' (AO2) in the answers. 'Analysis' (AO3) and 'Evaluation' (AO4). To award the final level and mark, examiners then have to take a line of best fit approach.

At the top of the mark scheme you are provided with indicative content, which will change depending on the question. This will never include every possible answer, it is there to use as a guide for marking. The levels-based section will always remain the same.

Sample 'Evaluate' question

Some argue that the 'Singles Day' sale results in lower profits being earned per item sold because of large discounts. Some retailers cannot offer such discounts.

(c) Evaluate whether the 'Singles Day' sales benefit retailers. You should use the information provided and your own knowledge in your answer. (12)

The final question on the exam paper will always be a 12 mark 'Evaluate' question. This aims to test 4 skill areas 'Understanding', 'Application', 'Analysis' and 'Evaluation'.

Question number	Answer	Mark
4(c)	<p>Sales involve offering discounts where product prices are cut (AO1). For example, a 25% discount will see product prices fall 25% (AO1). Revenue is money that a business earns (AO1). Profits are the difference between costs to purchase an item and the price sold for (AO1).</p> <p>Arguments that 'Singles Day' sales benefit retailers.</p> <ul style="list-style-type: none"> Growth in sales of 53.76% at Alibaba from 2014 to 2015 (AO2). \$1billion worth of goods sold in eight minutes/\$14.3 billion in one day for one company (AO2). Alibaba and other retailers may gain a reputation for good deals (AO2). Growing sales result from offering a sale, which should help the business to generate higher revenue levels (AO3). With such large revenues it shows how lucrative it could be as substantial revenues can be earned (AO3). While profit margins fall on some products, customers may buy more non-sale items (AO3). Being seen as offering such good deals, it will attract more people to the store, helping to boost sales, and will help build trust so they return next year (AO3). <p>Arguments that 'Singles Day' sales do not benefit retailers.</p> <ul style="list-style-type: none"> Profit margins on each sale will be lower if prices are cut (AO4). Heavy advertising is needed to encourage sales (AO4). Customers delay purchases, which might lower revenue before the day (AO4). No data offered on how other retailers perform (AO4). Depends on whether these additional sales for Alibaba comes at the cost of reduced sales for bricks and mortar retailers (AO4). Some retailers cannot offer such high discounts and may do badly, this may be particular problem for smaller businesses which do not have the buying power to persuade manufacturers to give them discounts (AO4). 	<p>(12) AO1b = 3 AO2 = 3 AO3 = 3 AO4 = 3</p> <p>QS = 2</p>

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Level	Marks	Descriptor
	0	No rewardable material.
Level 1	1–4	<ul style="list-style-type: none">• Demonstrates elements of knowledge and understanding of commercial concepts and issues, with limited commercial terminology used. (AO1)• Limited application of knowledge and understanding of commercial concepts and issues to the commercial context. (AO2)• Attempts to deconstruct commercial information and/or issues, finding limited connections between points. (AO3)• Draws a conclusion, supported by generic assertions from limited evaluation of commercial information and issues. (AO4)
Level 2	5–8	<ul style="list-style-type: none">• Demonstrates mostly accurate knowledge and understanding of commercial concepts and issues, including appropriate use of commercial terminology in places. (AO1)• Sound application of knowledge and understanding of commercial concepts and issues to the commercial context, although there may be some inconsistencies. (AO2)• Deconstructs commercial information and/or issues, finding interconnected points with chains of reasoning, although there may be some logical inconsistencies. (AO3)• Draws a conclusion based on sound evaluation of commercial information and issues. (AO4)
Level 3	9–12	<ul style="list-style-type: none">• Demonstrates accurate knowledge and understanding of commercial concepts and issues throughout, including appropriate use of commercial terminology. (AO1)• Detailed application of knowledge and understanding of commercial concepts and issues to the commercial context throughout. (AO2)• Deconstructs commercial information and/or issues, finding detailed interconnected points with logical chains of reasoning. (AO3)• Draws a valid and well-reasoned conclusion based on a thorough evaluation of commercial information and issues. (AO4)

The mark scheme has indicative content linked to the specific question giving a range of possible lines of argument that can be offered. The levels-based section remains the same each time. Note that there are still 3 levels.

In this question, four skills are assessed. As a result, there are four bullet points in each level descriptor – one for each of the skills of ‘Knowledge’, ‘Application’, ‘Analysis’ and ‘Evaluation’. Examiners will assess each skill independently according to these level descriptors and then use a line of best fit approach to arrive at the final level and mark.

Activities to support the teaching of each Assessment Objective

AO1A – this is about being able to recall, select and communicate knowledge.

Activity 1

Have a box or bag and as a new term is taught get a student to write the key word out and place it in the box.

At the start of each lesson get students to choose words and they have to define the word whilst the other students have to guess the keyword.

Activity 2

Choose 8-10 key words on the board. Get students to choose 6 of the words. The teacher or a student has to define one of the key words and anyone that has that word can cross it out. The winner will be the one who crosses out each of their words first.

AO1b – this part of AO1 focuses more on understanding of commercial terms, concepts and issues.

Activity 1

Give students an advantage or disadvantage relevant to the specification. The task is to either explain why it is an advantage or disadvantage. Key is making sure that it stays focused on developing that one advantage or disadvantage rather than listing other related benefits.

Activity 2

Explain a commercial change and get students to explain how it affects business. For example, an increase in an exchange rate. They need to be able to give three strands of development.

e.g. An appreciating exchange rate will make the price of exports seem expensive abroad – therefore the demand for exports may fall – this leads to a worsening of the balance of payments.

AO2 – This is all about a student's ability to apply knowledge and understanding using appropriate commercial terms, concepts and calculations effectively in specified contexts. Key is getting students to use available information from the paper to link to its impact on specific businesses.

Activity 1

Calculate questions – throughout the course you will come across elements that can be tested through calculations. Get students to create a formula book. Regularly start the lesson by offering 2 or 3 calculate questions. The lesson does not have to be a lesson where that is the focus but by regularly doing this it will secure the knowledge of how to calculate these.

Activity 2

Give students scenarios where they are in charge of a specific business and get them to make decision specifically for that business. For example, you are in charge of a named retailer opening a new store in your city. Get them to consider factors that will be important to that specific business. Really encourage that they relate their answers to the specific business.

AO3 this is about students being able to select, organise and interpret commercial information from sources to investigate and analyse issues. Key is the ability to develop information in a response so it comes across in a logical way.

Activity 1

Provide students with the steps of a process and ask them to put them in the correct order. Key is that students can see what leads to what and see the need for the steps to be taken in a logical sequence.

Activity 2

Provide students with incomplete processes, where a step is missing, and get students to fill in the gap. For example, release an advert is often followed by students with profits increased. They need to be able to put in place the intermediary steps such as advert increases desire and encourages more to take action and sales rise, with higher revenue this should lead to more profit as long as the advert did not cost more than the extra revenue.

AO4 is about being able to evaluate commercial information to make reasoned judgements and draw conclusions.

Activity 1

Where students have to look at two sides of an argument give them a balance where they have to fill in two advantages and disadvantages on each side of an argument. For example, students may look at choosing an overdraft facility from a bank. Students can write 'flexible' on one side and 'expensive' on the other. Key is getting them to work by always trying to keep it balanced. They then need to come up with one more on each side.

Activity 2

Give students the arguments on both sides of an issue. Get them to then make a reasoned judgement about the issue. For example, setting up e-commerce you can give them the arguments on either side for a particular business and they can then write the conclusion that tried to balance both sides of the argument and come to a conclusion about whether setting up ecommerce would be appropriate.

Suggested resources

Text Books

Cambridge O Level Commerce, Alan Whitcombe, Hodder Education 2015

Cambridge O Level Commerce, Mary Trigwell-Jones, Cambridge University Press, 2016

Useful websites

- Information about Cooperatives can be found at: – <http://ica.coop/en/whats-co-op/co-operative-facts-figures>
- Data can be found on retail as well as ecommerce at: – <http://www.retailresearch.org/>
- Advantages and disadvantages of ecommerce on: <http://www.bbc.co.uk/schools/gcsebitesize/ict/implications/2workpatternsrev4.shtml>
- Information on the advantages and disadvantages of MNCs on the host country – can be found at: <http://www.s-cool.co.uk/gcse/geography/industry/revise-it/industry-in-the-developing-world>
- Some information on consumer protection can be found at: <http://www.bbc.co.uk/schools/gcsebitesize/business/marketing/marketingmixrev3.shtml>
- Information on bad debts: <http://wizznotes.com/accounts/end-of-period-adjustments/distinction-between-bad-debts-and-doubtful-debts>
- Information on crowd funding can be found at: <http://www.telegraph.co.uk/finance/personalfinance/investing/10435276/Which-are-the-best-crowdfunding-websites.html>
- Find information and clips of Dragons Den, an example of venture capital: <http://www.bbc.co.uk/programmes/b006vq92>
- Information on advertising can be found at: <https://www.thebalance.com/different-types-of-advertising-methods-38548>
- Information and statistics on the growth of social media: <https://www.searchenginejournal.com/growth-social-media-2-0-infographic/77055/>

Course planner

This section contains a 2- and 3-year course planner for each of the papers.

The course planner follows the specification in topic order.

This is only a suggested route through the course. It does not need to be followed. However, it may be useful when working through the specification for the first time.

Timings

The following tables show the suggested timings for each topic:

2 year course

Term	Year	Topic/Paper	Guided Learning Hours	Notes
1–2	1	Paper 1/ Theme 1 Commercial Operations	34	
2	1	Paper 1/ Theme 1 Revision/ practice exam and review	4	
2	1	Paper 1/ Theme 2 Commercial Risks	10	
3	1	Paper 1/ Theme 2 Revision/ practice exam and review	4	
3	1	Paper 2/ Theme 3 Finance for Commerce	13	
1	2	Paper 2/ Theme 3 Revision/ practice exam and review	4	
1	2	Paper 2/ Theme 4 Aids for Commerce	37	
2	2	Paper 2/ Theme 4 Revision/ Practice exam	4	
2–3	2	Overall revision, SAM papers and therapy offering support where students perform less well	20	

3 year course

Term	Year	Topic/Paper	Guided Learning Hours	Notes
1-2	1	Paper 1/ Theme 1 Commercial Operations	34	
3	1	Paper 1/ Theme 1 Revision/ practice exam and review	4	
3	1	Paper 1/ Theme 2 Commercial Risks	10	
1	2	Paper 1/ Theme 2 Revision/ practice exam and review	4	
1	2	Paper 2/ Theme 3 Finance for Commerce	13	
2	2	Paper 2/ Theme 3 Revision/ practice exam and review	4	
2-3	2	Paper 2/ Theme 4 Aids for Commerce	37	
1	3	Paper 2/ Theme 4 Revision/ Practice exam	4	
1-2	3	Overall revision, SAM papers and therapy offering support where students perform less well	20	

Student guide

Why study the Pearson Edexcel International GCSE in Commerce?

This course will enable you to :

- develop an interest in and enthusiasm for the study of commerce
- develop an understanding of commerce concepts, commerce terminology, commerce objectives and the integrated nature of commerce activity
- understand how the main types of commerce are organised, financed and operated
- develop and apply knowledge, understanding and skills to commerce issues in a wide range of applications, operating in local, national and global context
- develop critical thinking and enquiry skills to distinguish between facts and opinion, and evaluating and interpreting qualitative and quantitative data, to help build arguments and make informed judgements
- develop an understanding of the dynamics of commerce activity and the related consideration of ethics and sustainability for global businesses.

What do I need to know, or be able to do, before taking this course?

We recommend you are able to read and write in English at Level B2 of the Common European Framework of Reference for Languages; otherwise, there are no prior learning requirements for this qualification.

What will I learn?

You will start by exploring commercial operations and associated risks and you will:

- learn about the ways commercial operations work.
- look at production and how the factors of production support commercial operations.
- look at how primary, secondary and tertiary sectors work within commerce.
- study specialisation and the division of labour, and how this leads to a need for commerce.
- study the process of buying and selling, and consider the sources and costs associated with them.
- look at the different types of commercial enterprises, focusing on the implications of having different commercial enterprises.
- consider the role of retailers and wholesalers in commerce.
- Ecommerce has grown significantly and you will explore its implications for commerce.
- study international trade, looking at trading blocs, multinational corporations and imports and exports.
- learn about the risks involved in commerce. It is because of risk that the whole insurance industry exists - so you will learn about insurance, legislation and consumer protection and consider the risks associated with trade, including exchange rates and trade protection.

You will then move on to explore the key concepts involved in how commercial operations are facilitated and learn that for commerce to take place successfully a range of facilities and processes is required. You will:

- be introduced to the finance used for commerce.
- develop an understanding of the interdependent nature of commercial activity through interactions between business operations, finance, marketing and consumer credit and how these interdependencies and relationships underpin business decisions.
- explore how business performance is both measured and improved. You will learn about the ways commercial operations work.
- learn about the importance of effective communication in commerce and the different types of communication.
- look at trading documents and types of consumer credit and their importance in business and commerce.

Is this the right subject for me?

It doesn't matter if you haven't studied commerce prior to taking this course. You might have an interest in commerce or business, and want to work in commerce one day. You may have an inquiring mind and be interested in learning about the commercial world around you, how commerce is run, and what it is that makes commercial enterprises successful. This course will help you to understand all this and more.

If you enjoy:

- communicating and explaining your ideas
- thinking creatively and making commercial decisions
- working with numbers to solve commercial problems
- learning about the world of commerce through real and relevant local and international businesses

International GCSE Commerce is the right subject for you.

How will I be assessed?

Talk to your teacher at school or college about taking the International GCSE in Commerce.

Visit our website <http://qualifications.pearson.com/en/support/support-for-you/students.html>

What can I do after I've completed the course?

After this qualification you'll understand the world of commerce and business and have developed skills in:

- making decisions and developing persuasive arguments
- creative and practical problem solving
- understanding data, finance and communication.

It's also a great step to preparing you for further and higher education such as A levels/International A levels and BTEC courses in Business, Finance and Economics. An International GCSE Commerce course could help prepare you for a role in Commerce and help you to gain an understanding of what is involved in a commerce-related profession, such as retail, wholesale, insurance and finance.

What next?

Talk to your teacher at school or college about taking the International GCSE in Commerce.

Visit our website <http://qualifications.pearson.com/en/support/support-for-you/students.html>

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