

Examiners' Report Summer 2007

IGCSE

IGCSE Commerce (4340)



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4340 / 1F - 2H: Written Paper (Foundation and Higher)

General Comment

This was the second May Series IGCSE Commerce examination. The overall performance of candidates in this examination continues to be encouraging. The overall marks and level of achievement for Paper 1F was much higher than last year. The marks for Paper 2H were slightly disappointing. Nevertheless, centres appear to be selecting and entering candidates for the appropriate Tier.

Candidates coped well with the use of the question paper as answer book. There were not many occasions where candidates used space in addition to the answer lines, in order to complete their answers. Centres are again encouraged to work with their candidates to ensure that (most) answers are limited to these answer lines, the number of lines being a good indicator of the expected length of answer. The standard of written communication was generally good, and sometimes excellent.

The majority of candidates did not always answer at the appropriate level of skill. IGCSE examinations measure a far wider range of skills than recall.

The Mark Scheme contains much information that is relevant to centres, as follows.

- Each question indicates the level(s) at which it is based:
 - o AO1 Demonstrate - this Assessment Objective tests candidates on their ability to demonstrate their knowledge and understanding of the commercial term, idea or concept featured in the question. For example, paper 1F Question 1(c)(i) asks candidates 'State two disadvantages of buying chocolate from a vending machine'. Command words such as 'Define', 'Describe', 'Name', 'List', 'State' and 'What is . . . ?' confirm the question is at this level.
 - o AO2 Apply - this Assessment Objective tests candidates' ability to relate their answer to the context. In this Series, candidates were required to use the information given about a bank cheque. For example, Paper 1F Question 1(b) required candidates to show why the cheque 'was not accepted by the bank'. Command words such as 'What was' and 'Give (an example in context)' confirm the question is at this level.
 - o AO3 Analyse - this Assessment Objective requires candidates to select, interpret or otherwise analyse some issue presented by the question. For example, Paper 2H Question 4(c) asked candidates to analyse the benefits to a business of using video conferencing. Command words such as 'Analyse', 'Compare' and 'Select' confirm the question is at this level.
 - o AO4 Evaluate - this most demanding Assessment Objective tests candidates on their ability to formulate some judgements. For example, Paper 2H Question 4(d) expected candidates to suggest which communication method might be the most effective. Command words

such as 'Evaluate', 'Explain why', 'Judge' and 'Suggest' confirm the question is at this level.

- Possible answers are provided as indicators of what is expected. It remains important for Centres to realise that the answers given in the Mark Scheme are **not** meant to be exhaustive. This is confirmed by the use of the statement 'Valid points **could** include', and by the use of the abbreviation 'eg'.
- The possible answers are structured using dashes and obliques ('slashes'). It remains the practice in this examination to use a dash in order to separate points that are worth **additional** marks, and an oblique to indicate an **alternative** way of making the same point.

PAPER 1F

Question 1

- Part (a) was generally well answered. Many candidates achieved at least two of the three marks available, and many obtaining maximum marks.
- Part (b) was also generally satisfactorily answered, although part (iii) was sometimes incorrectly answered by those candidates who gave benefits to the business of packaging, rather than benefits to customers, as required by the question.
- Part (c) required candidates to apply their knowledge given on vending machines. Weaker candidates often could not provide the second mark for parts (i) and (ii). For example, apart from saying that there are a variety of goods they could have mentioned the fact that it is available 24 hours a day or when the shops are closed. Most candidates were able to give a valid example of a brand name for a drink to part (c).
- Most candidates obtained only one mark, out of two marks, for the calculation to part (d)(i). The second mark was lost through candidates forgetting to total the two calculations. It is pleasing to report that most candidates had up-to-date knowledge about ordering goods from the internet, with many very good answers to parts (ii) and (iii). Moreover, the two methods of transport to parts (iv) and (v) were generally correctly answered.
- Part (e) was not well answered. Given the importance of specialisation to commercial practice, it was disappointing to see so many vague and incorrect answers that prevented many good scores to part (i). Centres are encouraged to study carefully the implications of specialisation in the world of commerce.

Question 2

- The part (a)(i) question focussed on asking candidates to give examples of situations when the methods of payments shown would be used. Therefore, candidates had to apply their knowledge instead of giving knowledge statements. Despite this, a large minority of candidates gave definitions rather than relevant examples. The bank giro payment was the least well answered of the three payment methods. In part (ii) few candidates knew why supermarkets prefer shoppers to use debit cards rather than credit cards.
- In part (b) candidates should have been able to score at least four marks out of seven. However, apart from often correctly naming the payee and the drawer, many of the answers lacked accurate application and real knowledge of cheques.
- The vast majority of candidates to part (c) correctly answered parts (i) and (ii). Also, it was pleasing to find that candidates had good understanding of the advantages of using credit cards compared to cash.
- Part (d) often generated disappointing answers, with many candidates giving incorrect bank services to the situations outlined.
- Some reasonable answers to part (e). Marks were lost by those candidates who found difficulty in applying their knowledge of the functions of money. For example, often a candidate said that money “was divisible” for one mark but failed to explain what divisibility was for the second mark.

Question 3 (also Question 1 on Paper 2H).

- In part (a) Foundation Tier candidates found difficulty with part (ii) which required candidates to calculate the costs (£104) and subtract the £104 from the sales (£150) to give a total of £46. This then had to be multiplied by 15 to give the correct total of £690. Higher Tier candidates generally scored maximum marks to parts (i) and (ii).
- Part (b) produced many good answers from both Foundation and Higher Tier candidates, although some Foundation candidates thought that sole traders do not have to pay wages and had limited liability. However, there were many excellent answers from both Tiers of candidates. For example, one excellent answer from a Higher level candidate to part (i) said “she does not have to share her profits with anyone (1 mark) and has complete control of decision-making’ (1 mark)”, and then discussed some examples of her decision making.

- There was a general lack of knowledge on the concept of leasing from all candidates in their answers to part (c). Also, many candidates thought incorrectly that Susan was renting out the equipment herself.
- Part (d) was well attempted. Some of the Foundation candidates found difficulty with stating all three partnership advantages to part (i), with many only stating two. In part (iii) the command word was 'why' which meant that candidates had to give reasons for drawing up a deed of partnership. Some candidates, primarily Foundation Tier, simply stated what the deed of partnership was, and thereby gained no marks.
- In part (e) the vast majority of candidates did not apply the media chosen to Susan's circumstances. The use of television and national newspapers were inappropriate to this business due to the high advertising costs involved. Marks were, however, awarded for valid explanations of such media.

PAPER 2H

For comments on Higher Question 1, see comments on Foundation Question 3 above.

Question 2

- Part (a) was reasonably well attempted, with many candidates scoring one mark from the two marks available. A second distinct type of insurance risk was generally not well known.
- The three parts to (b) had a mixture of good and poor answers. In part (i) candidates needed to unpack the details in the question scenario. As David has only been driving for six months, and is only 18 years of age, he had neither the time or experience to be given a no-claims bonus. Some candidates incorrectly gave the amount of £500 to part (ii) rather than the correct amount of £2000. There were many relevant answers to part (iii) that tended to focus on the need to shop around in order to obtain the best cover and lowest premium.
- Part (c) was generally poorly answered. Most candidates obtained one mark for stating that the broker gave advice but then failed to develop their answers with any more valid points.
- Many limited and weak answers to both parts of Question (d). In part (i) it was surprising that few candidates mentioned the importance of completing a proposal form to fix the premium and the need to establish utmost good faith. Likewise, in part (ii) many candidates did not relate their answers to David's situation of having a powerful sports car, and being an inexperienced driver, which is likely to mean a higher risk of accident.

Question 3

- Candidates were expected to use the skills of analysis and evaluation in this paper when answering parts (c) and (d).
- Parts (a)(i) and (ii) were generally very well answered. Most candidates correctly calculated the balances on visible and invisible trade. However, a large minority of candidates did not include the minus sign showing a deficit to part (i). In part (iii) some candidates did not appreciate that the balance of payments is the addition of the visible and invisible balances.
- The explanations of the terms 'visible exports' and 'invisible imports' had clearly been well taught in centres with many full descriptions, with suitable examples given.

- Part (c) was well answered by the majority of candidates, with many comprehensive and wide-ranging answers. It was pleasing to see the use of real-life examples to develop the application of ideas. For example, a number of candidates gave country examples of friendship leading to the support of aid.
- Part (d) on the topic of bonded warehouses was not well attempted. There was a general lack of knowledge concerning the concept, leading to very few marks for the majority of candidates. As there were seven marks available, this did delimit the overall marks to this question. It is strongly emphasised to centres that they pay more attention to the teaching of this concept.

Question 4

- In part (a)(i) most candidates could correctly identify at least one suitable example of spoken communication. Incidentally, very few candidates thought of suggesting team meetings as a relevant example. In part (ii) the reasons for the use of letters were not as answered as expected. Some candidates correctly pointed out the need for written proof but often failed to explain the point further.
- In part (b) it was disappointing that so many candidates were not able to score at least two out of five marks on the benefits of email. Answers such as “quick” and “easier” are insufficient by themselves to gain marks. I would ask centres to refer to the published mark scheme for further guidance.
- Candidates generally fell into two categories when answering part (c). Firstly, those candidates who had full knowledge and understanding of the concept and were then able to analyse the benefits of video conferencing. The rest of the candidates appeared to have no or little knowledge of the concept. In fact, some candidates misread the concept as being a “video recorder”.
- In part (d) candidates were asked through the command word ‘to decide’ and to evaluate their answers, that is, with points for and against the two options with a recommendation. This question differentiated well. Weaker candidates either concentrated on points for or limited their answers to simple undeveloped points. Stronger answers looked at both options in a developed way and submitted a conclusion.

4340/03 - Written Alternative

General

There was a significant increase in the number of candidates and centres from last year. Furthermore, the answers seemed to be stronger, with the mean mark being 23.1.

The scores ranged from 5 to 38 and the quality of the answers varied between centres. However, there were very few really weak scripts.

Question 1

This required candidates to demonstrate basic knowledge which could be taken from the scenario. The candidates task was twofold regarding transport arrangements and the type of ownership in the future. Unfortunately, some candidates recommended solutions rather than simply outlining the problems.

Question 2

This question needed candidates to list the strengths and weaknesses of the business. Stronger answers utilised the sources as well as the scenario and referred to assets and liabilities, derived from Sources A and B. Some candidates actually calculated some ratios.

However, a lot of responses did not consider the context, as shown in the scenario, and just considered the general advantages and disadvantages of partnerships. In addition a few answers just reiterated the problem of ownership as a weakness.

Question 3

In considering the transport methods, most candidates referred to general types (ie Road, Rail, Air) rather than specific means (ie commercial van, container lorry, cargo liner), which were illustrated in Source D. There were several surprising choices and often candidates wrote generally about advantages and disadvantages rather than relating them to the specific context given. All possible and fairly feasible methods were given some credit.

A large majority of candidates scored more than half marks on this question because they knew and could apply the advantages and disadvantages of the method of the problem stated. However, too many answers gave lists or assertions; for example "it is expensive" without giving a reason or reference to the context.

Each part required a discussion and thus a balanced conclusion but these rarely appeared.

- (a) The main advantage and disadvantage of using road (commercial van) were given, but very few picked up on the 'three days per week' element in the question.
- (b) 'Rail freight', which is possible, was often given rather than refrigerated container lorry. Pleasingly some candidates referred to social costs.
- (c) Surprisingly 'Air' proved a popular choice rather than 'Sea' (roll-on roll-off ferry with refrigerated containers) although the advantages/disadvantages of each are largely diametrically opposite.

A few better answers considered the importance of hiring compared to buying the form of transport needed.

Question 4

A reasoned judgement and conclusion (AO4 skill) was sought in the final question. The intention was that candidates would make a well justified choice in comparing a plc with a Ltd company. However, quite a few made a comparison between the partnership and either type of company (for which they were given credit).

Nearly all candidates made a clear choice and were able to support it with at least one reason. The more resourceful used points from Source C to back up their choice. A few recognised that owners' priorities might be an important consideration, whilst others realised that control over the expanded business was an important issue. However, no-one brought in factors such as the Stock Exchange situation and the economic circumstances.

The following were common errors:

- copying sections of stimulus material without relating it to the problem;
- giving old law, ie that plc needed a minimum of 7 shareholders and that Ltd have between 2 and 50 shareholders;
- believing that Governments are associated with plc.

4340 - Statistics

Option 1 - Foundation tier paper (1F) and paper 3

Grade	Max Mark	C	D	E	F	G
Grade boundaries	100	55	46	37	29	21

Option 3 - Higher tier paper (2H) and paper 3

Grade	Max Mark	A*	A	B	C	D	E
Grade boundaries	100	82	72	62	52	39	32

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