

Mark Scheme (Results) Summer 2008

GCE

IGCSE Commerce (4340) Paper 1F

4340 1F Mark Scheme Summer 2008

Question Number	Answer	Mark
1(a) (i)	<i>(AO1 Demonstrate = 2)</i> Trade is buying and selling or exchange of goods (1) With a view to profit (1)	(2)

Question Number	Answer	Mark
1(a) (ii)	<i>(AO1 Demonstrate = 2)</i> Importers (1) Exporters (1)	(2)

Question Number	Answer	Mark
1(a) (iii)	<i>(AO2 Apply = 2)</i> e.g. miner farmer forestry worker	(2)

Question Number	Answer	Mark
1(a) (iv)	<i>(AO2 Apply = 2)</i> e.g. teacher doctor hairdresser	(2)

Question Number	Answer	Mark
1(a) (v)	<i>(AO3 Analyse = 2)</i> Valid points could include: direct service workers equally important to industrial workers - they are part of production allows peoples' needs to be satisfied - example such as teacher in educating keeps workers fit for work - example such as doctors	(2)

Question Number	Answer	Mark
1(b) (i)	<p style="text-align: center;"><i>(AO1 Demonstrate = 3)</i></p> <p>Valid points could include:</p> <p>e.g. to provide goods that consumers want to provide goods in suitable quantity to provide goods when consumers want them to provide delivery to homes ordering goods not in stock giving advice repairing goods providing credit advertising parking long opening hours special offers / discounts</p>	(3)

Question Number	Answer	Mark
1(b) (ii)	<p style="text-align: center;"><i>(AO1 Demonstrate = 2)</i></p> <p>Valid points could include:</p> <p>e.g. each store has a number of separate departments luxury facilities offered or examples number of floors sells everything larger stores</p>	(2)

Question Number	Answer	Mark
1(b) (iii)	<p style="text-align: center;"><i>(AO1 Demonstrate = 2)</i></p> <p>Valid points could include:</p> <p>e.g. internet shopping mail order automatic vending direct selling such as home party selling hawkers and street traders / market traders</p>	(2)

Question Number	Answer	Mark
1(b) (iv)	<p style="text-align: center;"><i>(AO4 Evaluate = 3)</i></p> <p>Valid points could include:</p> <p>e.g. variety of goods - greater choice - use of own brands competitive prices - as large retailers buy in bulk - cutting costs emphasis on sales promotions - loss leaders - saves money on weekly bill car parking is much bigger - makes it easier to park - more likely to shop there</p>	(3)

Question Number	Answer	Mark
1(c) (i)	<p style="text-align: center;"><i>(AO1 Demonstrate = 3)</i></p> <p>Valid points could include:</p> <p>e.g. prompt or advance payment is made goods bought in bulk goods are stored for the manufacturer information/advice can be communicated to manufacturers price fluctuations can be evened out acts as a risk-bearer provides transport finishes goods by grading or packing</p>	(3)

Question Number	Answer	Mark
1(c) (ii)	<p style="text-align: center;"><i>(AO3 Apply = 3)</i></p> <p>Valid points could include:</p> <p>e.g. offers choice of goods - from many different manufacturers - saves retailer time looking for finished goods to buy breaks bulk - sells in convenient quantities - retailer not able to buy in bulk goods are stored - retailer can quickly obtain supplies - saves retailer from warehousing costs</p>	(3)

Question Number	Answer	Mark
1(c) (iii)	<p style="text-align: center;"><i>(AO4 Evaluate = 4)</i></p> <p>Valid points could include:</p> <p>e.g. large retailers able to buy in bulk - direct from manufacturers - able to afford to carry out the wholesaling functions manufacturers setting up their own retail outlets/internet websites - enables them to have greater control over sales - and costs</p>	(4)

Question Number	Answer	Mark
2(a) (i)	<p style="text-align: center;"><i>(AO1 Demonstrate = 3)</i></p> <p style="text-align: center;">A = Fire B = Public liability C = Motor vehicle</p>	(3)

Question Number	Answer	Mark
2(a) (ii)	<p style="text-align: center;"><i>(AO1 Demonstrate = 2) (AO2 Apply = 2)</i></p> <p>e.g. product liability (AO1) - consumer being injured by faulty goods (AO2) e.g. fidelity guarantee (AO1) - covers loss against dishonesty of workers (AO2)</p>	(4)

Question Number	Answer	Mark
2(a) (iii)	<p style="text-align: center;"><i>(AO1 Demonstrate = 2)</i></p> <p>Valid points could include:</p> <p>e.g. where there is no insurable interest that the business will not go bankrupt that goods will not sell / will not make profit risks arising during war</p>	(2)

Question Number	Answer	Mark
2(a) (iv)	<i>(AO4 Evaluate = 3)</i> e.g. where there are no past records - cannot assess the probability of the risk - cannot calculate the premium to be charged	(3)

Question Number	Answer	Mark
2(b)	<i>(AO1 Demonstrate = 2)(AO3 Analyse = 4)</i> Valid points could include: e.g. proposal form (AO1) - must tell the truth - as this allows the insurer to assess the risk - and charge the correct premium (AO3) policy (AO1) - this is the contract - sets out the terms - used when a claim is made (AO3)	(6)

Question Number	Answer	Mark
2(c) (i)	<i>(AO1 Demonstrate = 2)</i> Valid points could include: e.g. policyholders pay premiums into a pool - the money created is used to pay compensation those who claim from the pool	(2)

Question Number	Answer	Mark
2(c) (ii)	<i>(AO4 Evaluate = 3)</i> Valid points could include: e.g. age of driver - statistics show more claims made by younger drivers driver's record - safer drivers with a longer history have lower premiums	(3)

Question Number	Answer	Mark
2(d) (i)	<i>(AO2 Apply = 1)</i> e.g. insured will only receive the amount of loss ie £5000 or over-insurance	(1)

Question Number	Answer	Mark
2(d) (ii)	<p style="text-align: center;"><i>(AO2 Apply = 1)</i></p> <p>e.g. insured will receive £4000 from each insurance company or contribution</p>	(1)

Question Number	Answer	Mark
3(a) (i)	<p style="text-align: center;"><i>(AO2 Apply = 6)</i></p> <p>£1 120 - 25% of £1 120 (1) = £840 (1) 10% of £840 = £84 (1) £840 + £84 = £924 (1) £924/24 (1) = £38.50 (1)</p> <p style="text-align: center;">alternative method</p> <p>£1 120 - 25% of £1 120 (1) = £840 (1) 10% of £840 = £84 (1) £840 + £84 = £924 (1) + 10% = £92.40 (1) £1016.40/24 = £42.35 (1)</p> <p style="text-align: center;">(5 marks for correct method if answer is incorrect)</p>	(6)

Question Number	Answer	Mark
3(a) (ii)	<p style="text-align: center;"><i>(AO2 Apply = 2)</i></p> <p>Valid points could include:</p> <p>e.g. Betty will save money - £84 savings - Betty will not pay interest - does not worry about paying instalments</p>	(2)

Question Number	Answer	Mark
3(a) (iii)	<p><i>(AO3 Analyse = 4)</i></p> <p>Valid points could include:</p> <p>e.g. can complain to the retailer - ask for replacement or a refund - within a year - goods not of merchantable quality/not fit for purpose - covered by Sales of Goods Act - but cannot withdraw from hire purchase agreement as more than five days old - can report the retailer to a consumer protection agency - if retailer refuses to replace, can take retailer to court</p>	(4)

Question Number	Answer	Mark
3(b)	<p><i>(AO2 Apply = 3)</i></p> <p>Valid points could include:</p> <p>e.g. owns the goods immediately under credit sales - not owned under hire purchase until final instalment paid can be sued for amounts owing if instalments not paid under credit sales - under hire purchase the goods can be repossessed cannot cancel the agreement and return the goods under credit values - can cancel at any time and return the goods under hire purchase</p>	(3)

Question Number	Answer	Mark
3(c) (i)	<p><i>(AO1 Demonstrate = 1) (AO2 Apply = 2)</i></p> <p>Valid points could include:</p> <p>e.g. loan (AO1) large amount for some people - can be off in monthly instalments - some protection if car becomes faulty - second-hand value (AO2)</p>	(3)

Question Number	Answer	Mark
3(c) (ii)	<p><i>(AO1 Demonstrate = 1) (AO2 Apply = 2)</i></p> <p>Valid points could include:</p> <p>e.g. mortgage (AO1) - large amount of money - long-term debt - e.g. 25 years - usually given on percentage of property value</p>	(3)

Question Number	Answer	Mark
3(d)	<p><i>(AO2 Apply = 4)</i></p> <p>Valid points could include:</p> <p>e.g. easy to obtain - obtains instant credit - no formalities involved compared to hire purchase</p> <p>-</p> <p>could be paid off without interest - interest-free</p> <p>period - relatively easy to increase credit limit</p>	(4)

