

# Principal Examiner Feedback

## November 2009

IGCSE

### IGCSE Commerce (4340) Paper 2H

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## **Examiners' Report Commerce IGCSE 4340 Paper 2H**

This was the fourth November Series IGCSE Commerce examination. The overall standard for the higher paper continues to be encouraging. Moreover, centres continue to appear to be selecting and entering candidates for the appropriate paper tier.

The format of the examination paper was the same as in the last three years with no changes to specification content or assessment objectives. The demands made on the candidates was in line with those of previous series.

Candidates continue to cope well with the use of the question paper as answer book. There were very few occasions where candidates used space in addition to the answer lines in order to complete their answers. The standard of written communication was generally very good.

Some candidates continue not to always answer at the appropriate level of skill. In this connection, the command words on the examination paper and the mark scheme are particularly relevant to centres. Each question indicates the level at which it is based:

**A03 Analyse** - this assessment objective requires candidates to select, interpret or otherwise analyse some point presented in the question. For example, paper 2H question 1(c) asked candidates to 'analyse why some goods are more suitable for transport by sea rather than by air'. Command words such as 'Analyse', 'Compare' and 'Select' confirm the question is at this level.

**A04 Evaluate** - this is the most demanding assessment objective which tests candidates' ability to formulate some judgements. For example, paper 2H question 4(d) expected candidates to 'evaluate the benefits of either going to an insurance broker or an insurance company'. Command words such as 'Evaluate', 'Explain why', 'Judge' and 'Consider' confirm the question is at this level.

The published online mark schemes continue to be an invaluable resource to centres for a number of purposes. Possible answers are provided as indicators of what is expected but the answers provided are not meant to be exhaustive. The possible answers are structured using dashes and obliques. It remains the practice 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.

### **Question 1 (also Question 3 on Paper 1F)**

Higher tier candidates generally scored four marks or more to part (a).

Part (b) concentrated on the modern developments in air transport. There were a wide range of answers from foundation tier candidates who generally knew that air transport had increased in speed and carried more goods but were less knowledgeable on other developments such as more airports, larger aircraft and the greater use of containers. There were many very good answers to this part from higher tier candidates.

In part (c) higher tier candidates generally scored more than four marks out of six marks to this part.

Part (d) was reasonably well answered by higher tier candidates. The topic had obviously been well covered in all centres.

### **Question 2**

Part (a) required candidates to have sound knowledge on share distribution. Although most candidates could calculate correctly the amount to be distributed in dividends to part (i) they had more difficulty in explaining why companies might retain some of its profits to part (ii). Please refer to the published mark scheme for some of the expected answers required by the examiners.

The term 'limited' to part (b) (ii) was usually better defined than the term 'private' to part (b) (i). Nevertheless, candidates generally scored well on both parts.

Answers to part (c) produced a mixture of good and poor answers on the advantages of becoming a public limited company. Weaker candidates narrowed their answers to 'more shareholders, giving more capital' thereby obtaining two marks out of five marks. Better candidates considered a range of advantages including the greater potential of economies of scale and finance.

The majority of candidates struggled to evaluate the two options to part (d). The advantages of leasing the new computer system were less known by most candidates who struggled to obtain five marks out of the ten marks available. Stronger candidates related to the context of the question, and made points such as that the computer system is likely to become outdated within a short period owing to technological advances so leasing might be the preferred option.

### **Question 3**

In part (a) most candidates could accurately define the role of the parties to the traditional chain of distribution.

Only the better candidates gave a valid advantage to part (b) (i) and a valid disadvantage to part (b) (ii).

Many candidates realised to part (c) that cold storage warehouses enables goods to be kept in good condition and prevent them from being spoiled. Better candidates developed these initial points.

There were ten marks available to part (d) on the survival and decline of the wholesaler. Generally candidates scored better on the functions that help wholesaler still survive to part (d) (i). Please refer to the detailed published mark scheme for the answer to this question.

#### Question 4

On a general level, question 4 was not well answered. Given the importance of insurance to commercial practice, this is disappointing. Centres are therefore encouraged to study carefully this important content area of commerce.

Most candidates scored two out of four marks to part (a). Points such as the need to obtain 'compensation against damage of the car' was a frequent typical answer for the two marks.

In part (b) very few candidates had detailed knowledge on why a proposal form is important before insurance cover is given. Some candidates did correctly mention the principle of utmost good faith.

There was some understanding by the majority of candidates on why people might be refused cover to part (c) such as high accident record and the health of the driver. Weaker candidates did not apply their answers to the context of the car being insured.

There were nine marks available to part (d) which required knowledge of the work of insurance brokers and insurance companies in arranging insurance cover. Many candidates knew that the broker could give advice and would charge commission but they found it difficult to analyse and develop the initial points made in connection to the broker. Again, many candidates thought it would be best to go to an insurance company for insurance but most of the answers lacked reasoning and knowledge in doing so.

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