

Examiners' Report Summer 2009

GCSE

IGCSE Commerce (4340)

Edexcel is one of the leading examining and awarding bodies in the UK and throughout the world. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers.

Through a network of UK and overseas offices, Edexcel's centres receive the support they need to help them deliver their education and training programmes to learners.

For further information, please call our GCE line on 0844 576 0025, our GCSE team on 0844 576 0027, or visit our website at www.edexcel.com.

If you have any subject specific questions about the content of this Mark Scheme that require the help of a subject specialist, you may find our **Ask The Expert** email service helpful.

Ask The Expert can be accessed online at the following link:

<http://www.edexcel.com/Aboutus/contact-us/>

Summer 2009

All the material in this publication is copyright
© Edexcel Ltd 2009

Contents

1.	General Comments on 1F and 2H	5
2.	Unit 1F Examiners' Report	7
3.	Unit 2H Examiners' Report	11
4.	Unit 03 Examiners' Report	15
5.	Statistics	17

General Comments

This was the fourth May Series IGCSE Commerce examination. The overall performance of candidates in this examination continues to be encouraging, especially with an increasing overall entry for this examination. The overall marks and level of achievement for paper 1F were slightly disappointing as the mean mark was lower than last year. The marks for paper 2H were generally slightly higher across all the grade levels. Nevertheless, centres continue to appear to be selecting and entering candidates for the appropriate Tier.

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

Candidates continue to cope 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.

A major factor behind candidates losing marks is that candidates do not always answer at the appropriate level of skill. IGCSE examinations measure a far wider range of skills than simply recall of knowledge. Candidates need to demonstrate analytical and evaluative skills as well.

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

- Each question indicates the level(s) at which it is based:
 - 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 (a)(iii) asks candidates 'Give two other features of shopping centres.' Command words such as 'Give', 'Define', 'Describe', 'Name', 'List', 'State' and 'What is . . . ?' confirm the question is at this level.
 - 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 financial figures about a travel agency. For example, Paper 1F Question 2 (cii) required candidates to write about how the travel agency 'might improve its turnover figures'. Command words such as 'What was', 'How' and 'Give [an example in context]' confirm the question is at this level.
 - 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 (d) asked candidates to compare customs duties with excise duties. Command words such as 'Analyse', 'Compare' and 'Select' confirm the question is at this level.

- AO4 Evaluate - this most demanding Assessment Objective tests candidates on their ability to formulate some judgements. For example, Paper 2H Question 3(dii) required candidates to evaluate the use of internet banking for customers. 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.

Unit 1F Examiners' Report

Question 1

Part (a) was generally quite well attempted. Many candidates achieved at least three of the nine marks available, but no candidate obtained more than eight marks. This was partly due to all candidates being unable to suggest features of shopping centres that were not on the diagram shown, to parts (ii) and (iii). Moreover, when explaining one disadvantage to customers when using a shopping centre many candidates gave a valid point such as 'possibly expensive goods' but failed to explain this initial point with further application.

Part (b) was not generally satisfactorily answered, with part (ii) being often incorrectly answered by many candidates who gave features of a shopping mall, rather than those of a multiple store, as required by the question. This topic is clearly an area that centres need to focus greater attention on when preparing foundation candidates for future IGCSE Commerce examinations.

Part (c) (i) was better answered than part (c) (ii) with many candidates realising the importance of self-service and low prices as key features of making supermarkets popular. One good answer is shown below.

'Supermarkets have grown in importance because they deal in self-service to customers where customers can pick the goods themselves from the shelves, place the goods in their trolley and pay at the exit. Supermarkets also provide a variety of household goods at competitive prices because they buy in bulk.'

Part (d) required candidates to apply their knowledge given on wholesalers. Weaker candidates often could not provide the second mark for part (iii). For example, in part (iii) apart from saying that wholesalers provide a variety of goods they could have mentioned the fact that they are bought from many manufacturers or this then saves the retailer time and money from looking for the goods themselves. Most candidates were able to give at least two valid commercial documents in part (d).

Question 2

On a general level, question 2 was not well answered compared with the other two questions in the paper. Centres are encouraged to study carefully the content area of business finance in the world of commerce.

The part (a) question focussed on asking candidates to provide information about the tertiary sector and a partnership deed. At least in part (i), a large proportion of candidates knew that the tertiary sector provides services. In part (ii) many candidates did correctly answer 'partnership deed' but very few candidates could provide more than one item of information given on such a document to part (iii).

In part (b) candidates should have been able to score three marks out of six. However, many of the answers lacked precise definitions of the financial terms of 'turnover', 'gross profit', and 'net profit'. Sometimes candidates lost marks by confusing turnover with rate of turnover, and getting gross profit mixed up with net profit.

In part (c)(ii) the vast majority of candidates did not have valid ideas on how a travel agency might improve its turnover figures. It was insufficient to say general points such as to improve sales or improving gross profit to gain any marks. There were also many limited answers, giving few marks to part (iii). However, one good answer is shown below.

'They did not have many customers, with many people not going on holiday as they could not afford it. These customers had too many household bills to pay instead. Also, there were increased costs such as aircraft fuel and wages paid to pilots. This is pushing prices and costs up causing a fall in profits.'

However, it was pleasing to find in part (i) that many candidates were able to calculate accurately the percentage return on turnover by using the correct formula.

Very few good answers to part [d]. Many candidates gained one mark, out of the four available, by correctly naming 'loan' as a valid method of finance for expansion. Marks were then lost by candidates who found difficulty in applying and developing their knowledge of loans.

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

In part (a) foundation tier candidates found difficulty with part [iii] which required candidates to identify and explain two other forms of road transport not already stated. This part was well answered by most higher candidates. Foundation candidates generally scored one out of the two marks available to parts (i) and (ii) whereas many higher candidates achieved the maximum score of two marks. In answering part (iv), both foundation and higher candidates found the question difficult. Answers such as 'boat' and 'ship' were not sufficient to score any marks.

Part (b)(i) and (ii) produced disappointing answers from foundation candidates, with limited knowledge shown. However, there was some very good answers from higher level candidates who often used relevant examples to illustrate their points as shown below in this answer for part (i).

'It would be better to use sea transport to transport heavy and bulky goods such as iron ore as ships are designed to carry vast quantities of goods. Sea transport would also be preferred for goods when there is no urgent need such as coal as sea would be relatively cheaper to carry such goods over long distances.'

In part (c) the vast majority of all candidates did not know what the Baltic Exchange was and therefore very few marks were awarded to this question.

Part (d) was well generally well attempted. Some of the foundation candidates found difficulty with developing some of the points made, with many only stating one or two simple points, such as 'the need to maintain contact'. A large minority of higher tier candidates scored three out of the four marks available to this question part. The best way to answer this question was to give two examples of situations with a reason for each.

Unit 2H Examiners' Report

For comments on Higher Question 1, see comments on Foundation Question 3 in the comments for Unit 1F.

Question 2

Part (a)(i) was reasonably well attempted, with many candidates scoring three marks on stating the features of cash and carry warehouses. However, many marks were lost by candidates who simply identified general warehousing features that were not apposite to the specifics of cash and carry. A similar problem arose in answers to part (ii) with many candidates applying their answers to general warehouses instead of cash and carry ones.

The responses to part (b) had a mixture of good and poor answers. Much depended on whether candidates gave valid risks in the first place, and then whether they developed their answers sufficiently to gain a further two marks for each developed risk. Some candidates realised that goods could be stolen or damaged in a wholesaler's warehouse or that goods stocked might not be sold leaving the wholesaler with debt and the risk of having to lose money on the goods.

Part (c)(i) and (ii) was surprisingly quite well answered by many candidates. In part (i) most candidates knew the importance of wholesaling functions and there implications to both retailer and the manufacturer. Part (i), concerning the reasons why wholesalers are no longer used in some instances, provided many relevant points. Some of these valid points mentioned included the growth of large-scale retailers, manufacturers having their own shops, the direct selling of perishables and when technical goods are concerned.

Question 3

Question 3 produced the strongest candidate responses compared to the other three questions on the examination paper. This, no doubt, helped to maintain the overall mean mark for this examination tier. Candidates were expected to use the skills of analysis and evaluation in this question when answering parts (c) and (d).

Part (a)(i) was generally very well answered. Many candidates gained the maximum two marks. In part (ii) most candidates gained one out of the two marks for a definition of legal tender. Apart from stating that legal tender was 'acceptable' for one mark, candidates needed to develop this point with further application. Responses such as legal tender including 'notes and coins up to a certain amount' came from well-informed candidates on the topic.

The explanations to part (b) demonstrated very good understanding of the limitations of bartering as a means of trading. These explanations demonstrated, as well as the answers to part (c), that the topic of bartering had clearly been well taught in centres with many fully developed reasons given.

Part (c) was well answered by the majority of candidates, with many comprehensive and wide-ranging answers on the functions of money, including money having a value, money being a medium of exchange, money being a standard of deferred payments and money being divisible.

Candidate answers to part (d)(i) tended to focus on banks providing ATMS simply as a means of customer service. This did gain some marks but candidates could have provided other valid answers on the cost-savings that ATMs give, such as the saving of staff wages and the saving of providing premises. It was pleasing to see the modern development of internet banking to part (ii) was being taught well in centres with many good answers. One such answer is given below.

'It enables customers to control their bank accounts from the comfort of their own homes, so queuing in the bank is not necessary. Instructions can be made online to transfer standing orders, direct debits and credit transfers. Bank balances and statements can be viewed online. However, internet banking may not be convenient for illiterate customers or those who do not have the knowledge to operate computers. Moreover, the customer account details can be hacked into and taken from their accounts.'

Question 4

In part (a)(i) most candidates could correctly calculate both the visible trade balance and the current balance required. However, in part (ii) some candidates had more difficulty with giving two examples of invisible trade.

Question part (b) differentiated well with a wide range of answers on the importance of exporting for a country. Stronger candidates developed their answers with one or two development points for each reason given. I would ask centres to refer to the published mark scheme for further guidance. A good answer was as follows.

'In order not to have a trading deficit which is a macro-economic objective, as it is usually better to have a favourable balance of payments for the country. If there is an increase in exports it will earn much foreign currency which can be used to pay for imports. The country can be developed in terms of social infrastructure. This can further lead to an increase in the standard of living, with greater job opportunities and people earning higher wages and more goods being produced. There will be less of a need to import goods the greater the production of home-produced goods.'

Candidates generally fell into two categories when answering part (c). Firstly, those candidates who had full knowledge and understanding of tariffs and quotas. The rest of the candidates had limited knowledge of one or both terms and therefore were unable to apply any knowledge.

Part (d) on the topic of comparing customs duties and excise duties was not well attempted. There was a general lack of knowledge concerning the two types, leading to very few marks for the majority of candidates. As there were four marks available, this did delimit the overall marks to this question.

In part (e) There were many well interpreted and developed answers on the role played by multinational firms in international trade. Candidates were expected to balance their answers with points for and against. Some candidates only looked at one side and thereby could only achieve five of the seven marks available. However, there were many candidates who did look at both sides giving interesting and excellent answers.

Unit 03 Examiners' Report

General Comments

The number of candidates and centres was broadly similar to the 2008 Summer exam but a lot higher than the winter series. As in previous years, the quality of the work varied markedly between centres. Few centres had a full range of candidates but some had a lot of high achieving students. The scores ranged from 0 to 40 but there were significant clusters of very high and very low marks.

Question 1

This intentionally short and simple question seeking basic knowledge given in the scenario still fazes some students. On this occasion, the task of the "insurer" was confused by some as the "insured", whilst others gave over-detailed answers about policies.

Question 2

Candidates needed to show their understanding of terms and principles in insurance. Answers fell into two categories: those with very little idea and those with detailed understanding. In part (a) the key reference to "using statistics to calculate a premium" was sometimes omitted. Part (b) threw up many clear answers with appropriate examples, such as the Tsunami. The knowledge of other principles and their meaning was generally very well done in part (c).

Question 3

In considering the factors which an insurer might consider when setting a premium for different policies, many candidates listed or noted the factors but did not move into analysis. For example in 3 (a) a candidate might mention the annual mileage but then not develop the point. This could have been done by outlining that a higher mileage means more likelihood of a risk of accident and possible damage to third parties and thus a higher premium would be charged. The same criticism could be made of answers to parts (b) and (c) where factors were left without appropriate information. Quite a few candidates misunderstood the question and wrote about how a claim and compensation might arise under such policies. This question was a good indicator of overall performance.

Question 4

This question required reasoned judgement (A04) in the making of a choice between the two businesses over which would be charged the lowest premium for each of the three policies analysed in Question 3. The answers produced were generally either sound or missing the point. Quite a few candidates did not compare the two businesses at all, whilst others did implicitly.

Good answers made the correct choice and backed their judgement with valid reasons. For example in part (b) XYZ had fewer employees than ABC (4 v 50) which usually means a lower premium. The correct answer in both (a) and (b) was clear [ie ABC in (a) and XYZ in (b)], although well argued wrong choices were given credit. Two developed justifications were required in each part. However, in part (c) there was no clear cut choice and so students judgemental skills were given free rein. Some candidates distinguished between fire and theft policies, which was allowable. However, as in previous years, students did not look discerningly enough at the question and data. Thus valid general arguments such as the following were not given:-

- There is insufficient information to make a reasoned judgement
- There are differences which are not clear cut and which may change over time.

4340 - Statistics

Option 1 - Foundation tier paper (1F) and paper 03

Grade	C	D	E	F	G
Grade Boundaries	55	45	35	26	17

Option 3 - Higher tier paper (2H) and paper 03

Grade	A*	A	B	C	D	E
Grade Boundaries	82	72	62	53	40	33

Further copies of this publication are available from
Edexcel UK Regional Offices at www.edexcel.org.uk/sfc/feschools/regional/
or International Regional Offices at www.edexcel-international.org/sfc/academic/regional/

For more information on Edexcel qualifications, please visit www.edexcel-international.org/quals
Alternatively, you can contact Customer Services at www.edexcel.org.uk/ask or on + 44 1204 770 696

Edexcel Limited. Registered in England and Wales no.4496750
Registered Office: One90 High Holborn, London, WC1V 7BH