

# COMMERCE

**Paper 7100/11**  
**Multiple Choice**

<i>Question Number</i>	<i>Key</i>	<i>Question Number</i>	<i>Key</i>
1	D	21	D
2	C	22	C
3	A	23	B
4	C	24	C
5	D	25	A
6	A	26	C
7	B	27	C
8	A	28	D
9	B	29	D
10	D	30	A
11	A	31	A
12	D	32	B
13	C	33	C
14	D	34	A
15	B	35	B
16	B	36	A
17	C	37	B
18	D	38	B
19	D	39	C
20	C	40	B

The multiple choice paper consists of 40 4-option items with some questions involving pictorial or diagrammatic data such as **Questions 5, 13, 19, 30** and **35** and some requiring candidates to use numerical data such as **Questions 14, 15, 31, 33** and **39**.

The mean was 24.2 with a standard deviation of 5.3. There were 563 candidates for this examination. The highest score was 38 marks and no candidate scored below 9 marks. A good standard of work was exhibited.

Candidates found the following questions relatively easy and a high facility was achieved – **Questions 1, 4, 5, 8, 9, 17, 18, 20, 21, 22, 29, 32** and **37**.

Some questions caused difficulties to candidates and these achieved a fairly low facility. In **Question 7** about credit from local shops, all options attracted a number of responses. However Option B, the correct answer – lay-by, attracted the greatest number of answers.

### **Specific Questions**

In **Question 10** most candidates thought that the increased number of independent retail shops was the correct answer instead of Option D – more packaged and branded goods. In some areas there may be many independent retailers, but there is also considerable growth in centres of population in supermarkets and self-service stores which rely on packaged and branded goods in order to be able to function.

In **Question 12** many candidates thought that payment was made after the invoice was presented rather than when the statement was received. This may happen of course, but the majority of businesses that receive multiple invoices from a supplier will wait for the statement to check that the details – including possible credit notes – are correct before making the payment.

In **Question 13** about the use of a credit note, all options were chosen by a significant number of candidates showing, perhaps, that the functions of a credit note are not generally understood. Option C was the correct answer.

In **Question 14** a large number of candidates thought that Option A was the correct answer – they had not deducted the discount on the shirts. Option C was the correct answer.

Candidates always find questions on trading blocs difficult and **Question 16** was no exception. All options were chosen by a number of candidates showing an element of guessing. However, the majority chose Option B, the correct answer, relating to the exemption of customs duties as a way of eliminating unfair competition.

In **Question 19**, a pictorial question, many candidates chose Option A which proved to be a positive distractor. They had failed to read the caption on the right hand side of the picture. Option D about social acceptance was the correct answer.

In **Question 24** many candidates thought that Option D was the correct answer. An advantage of containerisation in sea transport is that goods are not unpacked at docks. Option C about the fast turnaround of ships at ports was the correct answer.

In **Question 26** Options A, C and D attracted many responses. The question referred to a business exporting goods, not to private passengers, and an exporter would be unlikely to make use of the currency exchanges at airports or require luggage to be handled. Option C was the correct answer.

**Question 31** caused difficulty for some candidates. The factory owner had underinsured his stock so could expect to receive only a proportion of the total sum insured, that is 20% of \$150 000, not 20% of \$200 000.

In **Question 33** there seemed to be an element of guessing. The characteristics of direct debits are not always understood. A cash withdrawal would be made through an ATM, a meal in a café is not a regular payment and a salary is a bank transfer from an employer into an account, hence a credit. Option C was the correct answer as the railway company would request payments at regular intervals.

In **Question 40** many candidates confused fixed assets (non-current assets) with current assets. Option C proved to be a positive distractor. Option B was the correct answer as it was the only current asset listed.

# COMMERCE

**Paper 7100/12**  
**Multiple Choice**

<i>Question Number</i>	<i>Key</i>	<i>Question Number</i>	<i>Key</i>
1	D	21	A
2	B	22	D
3	B	23	B
4	C	24	C
5	A	25	D
6	A	26	C
7	D	27	B
8	C	28	C
9	D	29	B
10	D	30	A
11	C	31	D
12	D	32	A
13	A	33	B
14	D	34	Question removed
15	D	35	D
16	B	36	B
17	A	37	B
18	A	38	A
19	C	39	C
20	C	40	D

## General comments

The multiple choice paper consists of 40 4-option items with some questions involving pictorial or diagrammatic data such as **Questions 3, 5, 13, 19, 21** and **33** and some requiring candidates to use or interpret numerical data such as **Questions 2, 10, 15, 30** and **39**.

The mean was 22.3 with a standard deviation of 6.7. There were 2678 candidates for this examination. The highest score was 37 marks and no candidate scored below 4 marks. A good standard of work was exhibited by many candidates.

Candidates found the following questions relatively easy and a high facility was achieved – **Questions 3, 4, 13, 16, 19, 20, 22, 32** and **35**. Three of these questions were pictorial.

Some questions caused difficulties for candidates and these achieved a fairly low facility.

### **Specific questions**

In **Question 2** few candidates achieved the correct answer – Option B. Wages should not have been included in the calculation. The correct answer was achieved by adding the two costs together i.e. \$85 total and subtracting \$85 from \$200.

In **Question 9** many candidates chose Option A and C instead of the correct answer – Option D. Retaining goods ordered is not a feature of credit sales or deferred payment. When lay-by is used, goods are often put by for a week, or some other length of time, until the purchaser can pay for them.

In **Question 12** Option B proved to be a positive distractor. Independent retailers are the customers of wholesalers so an increase in their number would lead to the increased importance of wholesalers. Option D relating to packaged and branded goods was the correct answer. The increase of these goods has made possible the growth of supermarkets which tend to buy directly from manufacturers.

Although the majority of candidates chose Option D in **Question 14**, it was evident that there was an element of guessing because the other three options attracted significant numbers of responses. The other three options related to the functions of other commercial documents.

Candidates had difficulty with the concept of mark-up in **Question 15**. Mrs Manley achieved 50% mark-up on these shirts – Option D. Many candidates chose each of the other responses suggesting that they were guessing at the answer.

In **Question 25** the concept of a Freeport was not understood by many candidates. A Freeport is an area where goods can be prepared for sale without payment of duty, i.e. Option A. Many candidates thought that it was an area free from port charges. Although the majority of candidates achieved the correct answer – Option D, a significant number chose Option A – air transport, confusing the bill of lading with the air waybill.

**Question 30** caused difficulty for some candidates. The factory owner had underinsured his stock so could expect to receive only a proportion of the total sum insured, that is 20% of \$150 000, not 20% of \$200 000.

In **Question 31** many candidates failed to identify the uninsurable risk – Option D. Many thought it was Options A or B. A key employee can be insured and the company can also insure against fraud committed by employees. No company can insure against poor business management such as the example given in Option D.

**Question 34** was discounted from the examination.

# COMMERCE

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Paper 7100/21  
Written

## Key Messages

Below are some general suggestions to help candidates do well in this examination.

- Revise all sections of the syllabus.
- Note the number of marks awarded on each question.
- Use time effectively. Time spent on answering questions should be directly related to the number of marks allocated.
- Read and re-read questions before answering. Weak responses were often characterised by not taking enough time to fully register both the general focus of questions and also the level of detail required.
- Look for the command and key words in each question.
- Always show working in calculation questions.
- Learn succinct and accurate commercial definitions.
- Develop responses with examples and/or application.
- Unqualified single words, such as 'easier', 'quicker' and 'cheaper' do not score marks – these should be explained to get the marks.

## General Comments

All candidates had difficulty in answering **Question 4** of the examination paper, where the vast majority of candidates found it difficult to gain good marks on parts **(b)(i)(ii)** and **(d)** on the topic of insurance. Notwithstanding this, it was evident to the Examiners that all Centres had prepared their candidates well by providing wide coverage of the syllabus content, with candidates possessing generally sound knowledge and understanding of commercial vocabulary.

The command words on the examination paper are particularly relevant to Centres and candidates. Each question indicates the level at which it is based:

**AO1 (Knowledge and understanding)** This assessment objective tests candidates on their ability to demonstrate their knowledge and understanding of commercial terms, ideas or concepts mentioned in the question. For example, **Question 1(a)(i)** asked candidates to 'State **two** features of street markets.' Command words such as 'Name', 'Describe', 'Give' and 'State' confirm the question is at this level.

**AO2 (Application)** This assessment objective tests candidates' ability to relate their answer to the context. In this examination, the context to **Question 2** was about a bank statement. For example, **Question 2(a)(iii)** asked candidates to 'calculate the balance as at September 29.' based on information supplied in the question. Command words such as 'How', 'Draw', 'Why', 'Give an example' and 'Calculate' confirm the question is at this level.

**AO3 (Analysis)** This assessment objective requires candidates to select, interpret or otherwise analyse some point presented in the question. For example, **Question 5(b)(ii)** asked candidates to 'Identify two after-sales services AAA might provide to Mr Yip after he buys the washing machine.' Command words such as 'Identify', 'Compare' and 'Analyse' confirm the question is at this level.

**AO4 (Evaluation)** This assessment objective tests candidates' ability to formulate some judgements. For example, **Question 7(c)(i)** asked candidates to 'Discuss whether or not BBB should export its kitchen tools. Give reason for your answer.' Command words such as 'Explain why', 'Do you consider', 'Discuss' and 'Evaluate' confirm the question is at this level.

Candidates should be reminded to make sure they give the number of responses required by the question. For example, in **Question 8(c)** candidates were asked to 'Explain **two** benefits of a bonded warehouse to an importer'. Some candidates gave only one benefit and some gave more than two benefits. It should be emphasised to candidates that including less than the question asks for will reduce the maximum marks that a candidate can score; likewise, including more than the prescribed number does not gain any more marks and, may waste valuable examination time that could be used elsewhere on the paper to score marks.

Moreover, when the command word 'Explain' is used candidates should not only 'state' what the benefit is but also explain how/why/when it is a benefit and to whom.

**Questions 1, 2 and 8** were the most popular.

### **Comments on Specific Questions**

#### **Question 1**

- (a) (i) Marks were lost by those candidates who gave advantages instead of features of street markets.
- (ii) Most candidates were able to name two other types of small-scale retailer with unit retailers and hawkers being frequent answers.
- (b) (i) The vast majority of candidates knew that secondary and tertiary production were the other two types of production.
- (ii) The question was answered quite well by those candidates who were able to link their answers to the context of catching fish to sell in the fish market.
- (c) Strong answers identified and explained two relevant wholesaler services such as packaging and preparing the fish for sale. Weaker answers were sometimes confused about whether wholesaler was selling to, or buying from, Joshua.
- (d) The best answers were balanced, with both benefits and disadvantages of forming a partnership. Weaker answers focussed on benefits and lack development in their answers.

#### **Question 2**

- (a) (i) Most candidates obtained one of the two marks available as they often forgot to include the fact that the statement of account resulted in a £75 overdraft on 12 September.
- (ii) Many candidates knew that a standing order was regular payment of a fixed sum of money.
- (iii) Many candidates calculated correctly by taking away \$180 from \$900.
- (b) To reconcile the balance and view the monthly transactions were frequently identified as valid answers but it was only stronger answers that included relevant explanation in each of their answers.
- (c) (i) Safer to carry and free credit were frequent answers on the advantages of credit cards but the idea that you could borrow as much as you wanted is not a valid point.
- (ii) \$9 was frequently provided correctly as the answer.
- (d) Candidates were expected to comment on both internet banking and local branch banking. The former was generally well answered with many valid points whereas the reasons for using local branch banking often lacked detail.

### Question 3

- (a) This question was concerned with the factors that need to be considered before a person decides where to locate a flower shop. Centres should refer to the published mark scheme for a comprehensive list of factors.
- (b) Strong answers explained various wholesaler advantages such as breaking bulk, storage of goods and risk bearing. These answers were often well supported with appropriate explanation. Weaker answers explained a limited range of reasons without explanation.
- (c) Those candidates who knew the meaning of the term 'added value' gave suitable ideas such as putting the flowers in attractive packaging and adding different types of flowers. Other candidates who thought that added value was concerned with increasing the price of flowers did not receive any credit.
- (d) Generally the disadvantage of ordering goods online was better answered than the advantage. Also, some confusion arose amongst about whether the flower shop owner was buying, instead of selling, flowers online.
- (e) Some answers to this question lacked detail, mentioning certainty of delivery, costs and flexibility when using your own transport. The context of the courier was sometimes missing and most candidates did not appreciate that as a small-scale business using your own van would probably work cheaper in the long run.

### Question 4

- (a) (i) Most candidates correctly identified two items of information on an invoice.  
(ii) The difference between an advice note and a delivery note was clearly differentiated. Some candidates thought that an advice note showed the goods to be delivered.
- (b) (i) Only a minority of candidates knew that the meaning of the insurance term 'employer's liability'. Some suggested that it was concerned with the employees stealing the firm's money.  
(ii) This question on insurable risk of failure of business differentiated well with a wide spread of marks from 1 to 4 marks. The best answers explained the point that such risks were non-insurable as they could not be assessed by past records in order to fix a premium.
- (c) (i) The term 'cash discount' was sometimes confused with trade discount or some candidates simply thought that you received discount if you paid in cash.  
(ii) Many candidates recognised that cash discount could encourage repeat business but found difficulty in stating a second advantage.
- (d) Candidates generally demonstrated weak subject knowledge and understanding on the topic of communications. Stronger answers developed and explained a number of relevant points, and focused on the 'rapid and accurate' nature of the question. Weaker answers were narrower in terms of points mentioned and less detailed.

### Question 5

- (a) (i) Candidates needed to focus on the advantages gained by being a department store, such as the ability to buy in bulk and afford specialist employees rather than the advantages to customers.
- (ii) There was generally a lack of adequate knowledge on the disadvantages to consumers of using department stores.
- (b) (i) The term 'brand' was generally well defined.
- (ii) After-sales services such as installation and repairs were generally provided by the majority of candidates.
- (c) Some good comment was seen on the advantages to a customer of using hire purchase such as being able to spread payments and usually with a lower interest rate. The arguments for using store cards were less well-developed. Some candidates thought that the retailer would not charge interest on store cards at all.
- (d) Although some candidates thought this question concerned physical protection, most candidates related their answers to faulty goods and adequate descriptions.

### Question 6

- (a) (i) Most candidates could name correctly two telecommunication services such as mobile phones and fax.
- (ii) This question was not well answered with many candidates describing non-postal services such as email.
- (b) (i) There were some very good answers on why a business needs to be promoted. Many candidates developed their answers with strong reasoning and analysis.
- (ii) This six-mark question proved to be testing for most candidates. Many candidates simply repeated the data shown in Fig. 1 without interpreting each of the sales promotions shown and forming any conclusions. It was only the stronger answers that discussed each of the three sales promotions and suggested the best one to use.
- (c) (i) It was surprising to find many candidates not give the formula for working capital in their answers as that would have been sufficient for the two marks available. Some candidates lost marks by confusing working capital with owner's capital.
- (ii) Many candidates recognised that working capital was important for paying bills but often then failed to develop their answers with relevant material.



### Question 7

- (a) (i) Strong answers to this question explained various reasons to BBB of offering online shopping such as the need to expand markets, keep up their competitors and lessen labour costs. Other answers gave limited reasons or simply explained the reasons solely from the consumers' perspective.
- (ii) The vast majority of candidates knew that a speciality store sold one main type of product.
- (b) (i) The term 'rate of stock turnover' proved demanding for many candidates. It was often confused with sales revenue.
- (ii) Most candidates identified that the rate of stock turnover was important to a business but did not develop their answers sufficiently to score high marks.
- (c) (i) Strong answers discussed a range of exporting benefits and disadvantages such as increasing sales but also having to consider the extra costs involved. Weaker answers were usually one-sided, gave less points or less explanation in their answers.
- (ii) A number of candidates explained valid functions such as a Customs Authority collecting tariffs, enforcing quotas and keeping trade records.

### Question 8

- (a) The best answers identified two clear warehouse functions such as storage, to meet unexpected demand and to enable production ahead of demand. Weaker answers were more generalised and made vague statements.
- (b) (i) Most candidates correctly identified that meat would be stored in a cold storage warehouse and recognised that this was needed to prevent the meat from deterioration.
- (ii) Many candidates incorrectly suggested that motorcycles should be stored in a bonded warehouse instead of a general warehouse.
- (c) The topic of bonded warehouses differentiated well with a wide spread of marks from 1 to 4 marks.
- (d) (i) The best answers applied their answers to the scenario, with both benefits of each location examined. Weaker answers focussed on the benefits of one location and lacked development in their answers.
- (ii) Although the question asked for examples, some candidates did not provide any. However, there were some reasonable answers on why cold storage warehouses help seasonal production such as that goods can be produced ahead of demand and sold throughout the year.

# COMMERCE

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Paper 7100/22  
Written

## Key Messages

Below are some general suggestions to help candidates do well in this examination.

- Revise all sections of the syllabus.
- Note the number of marks awarded on each question.
- Use time effectively. Time spent on answering questions should be directly related to the number of marks allocated.
- Read and re-read questions before answering. Weak responses were often characterised by not taking enough time to fully register both the general focus of questions and also the level of detail required.
- Look for the command and key command words in each question.
- Show working out in any calculation questions.
- Candidates should learn succinct and accurate commercial definitions.
- Answers should be developed with examples and/or application.
- Unqualified single words, such as 'easier', 'quicker' and 'cheaper' do not score marks – these should be explained to get the marks.

## General Comments

All candidates had difficulty in answering **Question 6** of the examination paper, where the vast majority of candidates found it difficult to gain good marks on parts **(a)(ii)** and **(d)(i)(ii)** questions on the topic of finance. Notwithstanding this, it was evident to the Examiners that all Centres had prepared their candidates well by providing wide coverage of the syllabus content, with candidates possessing generally sound knowledge and understanding of commercial vocabulary.

The command words on the examination paper are particularly relevant to Centres and candidates. The command word, usually at the start of each question, indicates the level at which the question is based and links it to the assessment objectives, as follows:

**AO1 (Knowledge and understanding)** is the assessment objective that tests candidates' ability to demonstrate their knowledge and understanding of commercial terms, ideas or concepts mentioned in the question. For example, **Question 1(c)(i)** asked candidates to 'State four items in a country's Balance of Payments.' Command words such as 'Name', 'Describe', 'Give' and 'State' confirm that the question is at this level.

**AO2 (Application)** tests candidates' ability to relate their answer to the context. The context to **Question 2** was about an invoice. For example, **Question 2(b)(i)** asked candidates to 'calculate how much Joe's Corner Store owes AAA for the sliced peaches' based on the information supplied in the question. Command words such as 'How', 'Draw', 'Why', 'Give an example' and 'Calculate' confirm the question at this level.

**AO3 (Analysis)** is the assessment objective that requires candidates to select, interpret or otherwise analyse some point presented in the question. For example, **Question 5(a)(iv)** asked candidates to 'Identify X in Fig. 3.' Command words such as 'Identify', 'Compare' and 'Analyse' confirm the question is at this level.

**AO4 (Evaluation)** tests candidates' ability to formulate some judgements. For example, **Question 3(c)(ii)** asked candidates to 'Assess the likely effects on local retailers of the opening of the new hypermarket. Give reasons for your answer.' Command words such as 'Explain why', 'Do you consider', 'Discuss', 'Assess' and 'Evaluate' confirm the question is at this level.

Candidates should be reminded to make sure they give the number of responses required by the question. For example, in **Question 7(b)** candidates were asked to 'State four actions that the customer might take'. Some candidates gave one to three actions and some gave more than four actions. It should be emphasised to candidates that including less than the question asks for will reduce the maximum marks that a candidate can score; likewise, including more than the prescribed number does not gain any more marks and, may waste valuable examination time that could be used elsewhere on the paper to score marks.

Moreover, when the command word 'Explain' is used candidates should not only 'state' what the benefit is but also explain how/why/when it is a benefit and to whom.

### **Comments on Specific Questions**

#### **Question 1**

Questions **1**, **3** and **8** were the most popular questions answered.

- (a) (i) Most candidates identified 'refining oil' as the secondary activity from Fig. 1.
- (ii) The key to answering this question part was to recognise that the petrol station was dependent on the oil being drilled and transported to it so that the petrol could be sold.
- (b) (i) Strong answers explained various reason for advertising such as to inform and persuade consumers. These answers were often well supported with appropriate examples. Weaker answers explained a limited range of reasons without explanation.
- (ii) Apart from those candidates who incorrectly identified television as the advertising medium, the question was answered quite well by those candidates who were able to link their answers to the context of a local petrol station.
- (c) (i) Many candidates correctly identified two out of four items of information in a country's Balance of Payments.
- (ii) The best answers were balanced, with both benefits and disadvantages of forming a trading bloc. Weaker answers focused on trading bloc benefits and lacked development in their answers.

#### **Question 2**

- (a) (i) Most candidates obtained one of the two marks available as they stated that trade credit allows the buyer to pay for goods later. Better answers included the fact that the credit period will allow the buyer to sell the goods and so pay for them from the proceeds of the sale.
- (ii) The disadvantages of trade credit, such as incurring bad debts, were more well-known than the advantages.
- (iii) The best answers identified two clear reasons why a statement of account would be sent to trade customers, such as show how much the customer owes and to serve as evidence. Weaker answers were more generalised and made vague statements.
- (b) (i) Many candidates calculated correctly by taking away the \$200 trade discount from \$1000.
- (ii) Candidates often lost marks by forgetting to include the 20% trade discount from the four damaged cases that were returned.
- (c) Candidates were expected to comment on both traditional wholesalers and cash and carry wholesalers. The former was generally well answered with many valid points whereas the reasons for using a cash and carry warehouse often lacked detail.

### Question 3

- (a) (i) The vast majority of candidates could state two types of retailer found in shopping centres.
- (ii) This question was concerned with the advantages to consumers of using shopping centres such as free car parking and one-stop shopping. Some candidates lost marks by not explaining clearly their stated advantages.
- (b) (i) The term 'chain of distribution' was reasonably defined.
- (ii) Strong answers explained various wholesaler services such as breaking bulk, storage of goods and risk bearing. These answers were often well supported with appropriate explanation. Weaker answers identified one or two wholesaler services without explanation.
- (c) (i) Most candidates correctly identified two characteristics of a hypermarket.
- (ii) This proved to be a testing question for many candidates. Candidates had to recognise that the opening of a new hypermarket would likely lead to greater competition for small-scale retailers who would find it increasingly difficult to compete. Marks were lost by those candidates who thought that the small-scale retailer was changing into a hypermarket or who did not develop their answers.

### Question 4

- (a) (i) Candidates had to recognise that by operating a public limited company it is easier to raise finance as shares are open to the public on the Stock Exchange. Marks were lost by those candidates who did not develop their answers or by those candidates who confused a public limited company with a public corporation.
- (ii) Advantages of shareowners owning shares included the fact that dividends may be paid if profits are made. Some candidates incorrectly stated that dividends are always paid when profits are made; however there is no certainty of a dividend payment as it depends on the directors of the company.
- (b) (i) Many candidates knew one difference between home and an export market but had difficulty in clearly demonstrating a second difference.
- (ii) Air and sea transport were frequent relevant types of transport for exporting products.
- (c) There were some very good answers on why a business needs to be promoted. Many candidates developed their answers with sound reasoning and analysis.
- (d) Candidates generally demonstrated weak subject knowledge and understanding on the topic of communications. Stronger answers developed and explained a number of relevant points, and focused on the 'success' nature of the question. Weaker answers were narrower in terms of points mentioned and less detailed.

### Question 5

- (a) (i) The insurance term 'pooling of risk' was generally not well known or applied to Fig. 3.
- (ii) A large number of candidates did correctly calculate the average insurance premium paid of \$4000.
- (iii) The costs of paying wages and electricity were frequent valid answers.
- (iv) Only a minority of candidates identified profit as the correct answer.

- (b) This question was concerned with the actions a person would take when making an insurance claim. Centres should refer to the published mark scheme for a comprehensive list of actions.
- (c) This proved to be a challenging question for many candidates. Candidates had to recognise that insurance, by providing a service, is productive as it is satisfying needs and wants.
- (d) This six-mark question proved to be testing for most candidates. Many candidates simply mentioned what the different means of payment were without evaluating which two would be the most suitable for collecting insurance premiums. It was only the stronger answers that discussed two means of payment and suggested the best one to use, justifying their choice.

#### Question 6

- (a) (i) Many candidates knew that air transport would be the most suitable to send leather goods to customers over long distances.
- (ii) A number of candidates explained valid reasons why a Customs Authority might inspect leather goods, such as to prevent smuggling.
- (iii) Apart from some candidates pointing out that different countries use different currencies, few candidates mentioned relevant reasons.
- (b) (i) The best answers applied their sources of finance to the scenario. As there was \$200 000 required, sources of finance such as overdraft and hire purchase were considered inappropriate. It was only the stronger answers that chose two suitable long-term sources of finance, such as loans, and gave suitable reasoning in their answers.
- (ii) There was generally inadequate knowledge and understanding on the topic of leasing. Some candidates confused it with hire purchase.

#### Question 7

- (a) Many candidates gave, and explained, relevant actions that a hairdresser could take to survive increasing competition such as increased advertising and developing a website to take online bookings. Weaker answers did not develop their identified actions.
- (b) Some of the actions suggested that a customer could take against being injured by a faulty hairdryer were unrealistic, such as informing the police and making the hairdresser pay for a new hairdryer. Aside from this, there were many relevant actions given by candidates.
- (c) (i) It was surprising to find only a minority of candidates being able to correctly identify two characteristics of a franchise.
- (ii) The best answers were balanced, with both benefits and disadvantages of forming a franchise. Weaker answers focused only on benefits and lacked discussion on staying as they were.
- (d) Many candidates gave relevant reasons on why beauty products are packaged such as to make the goods look attractive, and give the impression of better value with goods in coloured boxes. Weaker answers could only identify one or two valid reasons.

**Question 8**

- (a) (i)** Most candidates knew that a primary industry is concerned with obtaining raw materials from nature.
- (ii)** Many candidates knew one difference between the public sector and the private sector but had difficulty in clearly explaining it and providing a second difference.
- (b)** Strong answers stated a range of multinational benefits to a country such as creating jobs thereby lowering unemployment and disadvantages such as exploiting the environment. Many of these answers supported their points with sound application. Weaker answers were often one-sided and characterised by limited reasons that lacked detail.
- (c) (i)** Many candidates acknowledged that rail was the best way to transport coal because it is bulky and heavy to move over long distances. Weaker answers were limited in terms of points mentioned and lacked reasoning. Please note that unqualified word comments such as 'cheaper', 'faster' and 'easier' do not gain any marks unless qualified, i.e. they form part of a complete sentence of explanation.
- (ii)** A number of candidates described valid services such as the use of cranes and transport. Other seaport services such as navigational aids were not relevant to the handling of goods.