

COMMERCE

Paper 7100/12
Multiple Choice

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

The multiple choice paper consists of 40 4-option items with some questions involving pictorial or diagrammatic data and some requiring candidates to undertake calculations.

The mean was 27.769 with a standard deviation of 5.656. There were 1467 candidates. The highest mark was 39 and no candidate scored below 15.

Candidates found the following questions relatively easy and a high facility was achieved for each of these questions – **1, 3, 4, 5, 6, 7, 8, 9, 17, 19, 24, 32, 34** and **39**.

Candidates found some questions quite difficult. In **Question 10** some candidates chose Option B instead of the correct answer, Option A. In **Question 12** all options were functions of a wholesaler. Candidates had to find the function that benefited both the manufacturer and the retailer. Option D was the correct answer but large numbers of candidates chose Option A and also Option C.

In **Question 16** some candidates thought that Option A was the correct answer rather than Option B. In **Question 21** it is possible that candidates failed to notice that the advertising was for a world tour so a website advertisement, Option D, was the correct answer rather than Option C, the poster, more suitable for

a local event. In **Question 22** many candidates chose Option B – bright colours as the method of appeal for a new skin cream rather than Option C – good health.

In **Question 29** there was confusion about the functions of port authorities. Many candidates thought that ports rather than customs authorities control the movement of prohibited goods – Option B. Option C was the correct answer. Although the majority of candidates chose Option B in **Question 30**, the other three options attracted some responses, pointing to an element of guessing. If goods are stored rather than sold, capital used for their purchase is tied up. In **Question 31**, Option D – in transit was a popular choice rather than the correct answer, Option A – in bond.

In **Question 33** the concepts of underinsurance and the average clause were not understood by many candidates. The stock was underinsured by 25% so the owner of the factory could expect to receive only 75% of the value of the loss, i.e. Option A \$30 000 rather than Option B, \$40 000.

Some candidates did not understand the characteristics of direct debit and chose either Option B or Option D in **Question 35**. Candidates tended to choose Option C or Option D rather than Option B as the correct answer for **Question 36**. A multinational company is unlikely to be concerned about competition from local businesses as it will probably be exporting its products. Although nearness to markets may be a factor, ever-improving transport systems for exporting goods are likely to diminish its importance. Government grants are designed to entice multinationals to locate in particular countries.

The calculation of rate of turnover in **Question 40** is always difficult for candidates. One method of calculating the rate of turnover is by dividing cost of sales by average stock held (at cost price) so the correct answer was Option D. Although most candidates answered this question correctly, all other options attracted some responses suggesting an element of guesswork.

COMMERCE

Paper 7100/13
Multiple Choice

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

The multiple choice paper consists of 40 4-option items with some questions involving pictorial or diagrammatic data and some requiring candidates to undertake calculations.

The mean was 24.347 with a standard deviation of 4.740. There were 98 candidates. The highest mark was 33 and no candidate scored below 10.

Candidates found the following questions relatively easy and a high facility was achieved – **Questions 1, 5, 6, 8, 12, 22, 24, 25, 28, 32 and 36.**

Candidates found some questions particularly difficult. In **Question 7** more candidates thought that Option A was the correct answer than those selecting Option B, the correct answer. After-sales service does not assist self-service. Branding products does, as it enables customers to recognise the products they want. In **Question 9** many candidates chose Option C instead of the correct answer, Option D. Although it is true that no interest is paid on informal credit, this also applies to extended credit if the bill is paid before a certain date.

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7100 Commerce June 2012
Principal Examiner Report for Teachers

In **Question 10** many candidates chose Option D. Consumer magazines do not advertise new goods, so Option A was the correct answer. In **Question 13** it appeared that many candidates were guessing at the correct answer as all options attracted significant numbers of responses. Option D was the correct answer.

Candidates had some difficulty with the calculation in **Question 17** with all options attracting some responses. Option D was the correct answer. The concept of a trading bloc was not understood in **Question 19** with all options attracting some responses. Option A is the correct definition of a trading bloc. In **Question 20** a number of candidates chose Option C rather than Option B. Quotas limit the amount of goods imported into a country so government revenue from import duties is likely to decrease as less goods are imported. In **Question 21** more candidates chose Option A than Option C, the correct answer. Advertisements are easy to change on websites but website design requires expertise and is therefore expensive.

Candidates found **Question 35** quite difficult. All options attracted responses. Many candidates chose Options A and D rather than Option C, the correct answer. Few candidates calculated the monthly instalments correctly in **Question 38**. Option C was the correct answer. The majority of candidates chose one of the other three options.

The calculation of rate of turnover in **Question 40** is always difficult for candidates. Rate of turnover is always expressed as a figure not a percentage so Option C could not be right. Rate of turnover is calculated by dividing sales by average stock so the correct answer was Option B.

COMMERCE

Paper 7100/22

Written

Key Messages

To score good marks on this paper, candidates need to present **developed answers** to the questions that have a high mark tariff i.e. 6 marks.

Candidates need to present **reasoned** answers offering **discussion of an issue or problem** and then come to a clear judgement or give a recommendation in accordance with the rubric of the question.

Candidates need to study the **overall context** of the questions set and answer the part questions set in relation to this context.

Attention should always be paid to the **command words** for each question and to individual mark allocations.

General comments

Candidates are required to answer four questions from a choice of eight in Paper 2. The standard of work was generally good with many candidates achieving high marks. These candidates showed good commercial knowledge and an ability to develop an answer in the context of a particular scenario. Their answers were well constructed and followed the rubric of the question.

Weaker candidates presented very brief responses; in the questions offering high mark tariffs, they needed to present a reasoned answer. They did not always answer the questions set and sometimes omitted parts of questions.

Many candidates paid attention to the command words or key words of the questions and also to the mark allocations for the part questions. Some parts of each main question were marked according to Levels of Response. Candidates who wrote developed answers, discussed issues and gave reasons for their opinions were able to gain Level 2 marks. Candidates who gave very short answers or presented listed points as their answers to these questions remained in Level 1. If candidates offer some discussion in their answers, consider the options mentioned and follow the rubric of the question they will then achieve a higher level and so more marks.

Very few candidates attempted more than the four questions required. The scripts were usually well presented and the standard of English was generally high. It should be remembered that if candidates use additional sheets or booklets, these must be tied securely to the main answer book and clearly labelled.

Comments on specific questions

Question 1

Most parts of this question were well answered with many candidates scoring full marks or nearly full marks.

- (a) Many candidates were able to define secondary industry and give a worthwhile example.
- (b) Most candidates answered this question accurately.

- (c) (i) The percentage of output was usually accurately identified.
- (ii) The total value of output from primary industry was calculated correctly by many candidates. Some candidates did not show the dollar sign or identify that the answer was in billions.
- (d) There was some confusion with output and value. Many candidates could explain reasons for the differences in figures such as Country A was probably a developing country with good natural resources and Country B was a developed country with a better educated population that could offer services to other countries. Weaker candidates copied out the figures with little or no commentary.
- (e) Well prepared candidates were able to develop the explanations given in Part (d) and link the benefits of having surplus exportable products to exchange for imported products which were needed by the country. Many candidates provided Level 2 answers with developed points clearly expressed. Some candidates, however, attempted to say that Country A was not involved in international trade but they found this very difficult to justify.

Question 2

Candidates who answered this question in the context of the fruit and vegetable shop gained good marks but many candidates answered parts of this question without any reference to the shop.

- (a) Turnover – net sales was often confused with the rate of turnover.
- (b) (i) Very few candidates calculated the cost price of the goods sold correctly. They usually calculated 25% of \$50 000 instead of realising that they should have been calculating an additional 25% i.e. $\$50\,000 \times \frac{100}{125}$ so that the cost price was \$40 000.
- (ii) The own figure rule was applied to this question. An incorrect figure from Part (b) (i) was usually carried forward but marks were allowed for the correct method even if the outcome was incorrect.
- (c) This question proved quite demanding for some candidates who failed to appreciate the need to replace fruit and vegetables frequently because they are perishable and so need to be sold quickly to avoid wastage.
- (d) Marks were often lost because candidates did not answer the question in the context of the fruit and vegetable shop. Candidates were able to identify two services provided by the wholesaler such as delivery or storage but needed to show how these related to the fruit and vegetable shop – frequent deliveries of fresh produce so saving the shop owner from using his own vehicle and the need for cold storage for perishable produce.
- (e) Many candidates gave reasonable answers about the use of various promotion methods. They tended to discuss each one in turn and did not always make a recommendation. Better candidates commented that the shop owner was likely to be on a limited budget and so could not afford to use all the methods listed. They argued that buy one, get one free and loss leaders were likely to prove rather expensive for the shop and that posters and point of sale displays were cheap and effective.

Question 3

Candidates answered this question quite well but many needed to make better use of the figures given in the bar chart.

- (a) Most candidates identified 90% correctly.
- (b) Many answers to this question concentrated on the advantages and disadvantages of Internet shopping instead of relating their comments to the data provided and the trends shown in the bar chart regarding sports equipment. Better candidates realised that the data for 2015 was only a forecast and so could be inaccurate.
- (c) Candidates had no problems with this question about consumer protection and consumers' rights.

- (d)(i) Most candidates could show an advantage to Raza of offering credit to customers – usually increased sales.
- (ii) Candidates realised that offering credit to customers might lead to cash flow problems for Raza or to the possibility of fraud.
- (iii) Many candidates scored the mark for this question by saying payment on time or within the settlement period.
- (e)(i) The benefits of using internal sources of finance were usually known – no repayment, readily available and no interest payments.
- (ii) Many candidates could explain the circumstances in which a loan would be used rather than an overdraft but some candidates attempted to show the benefits of an overdraft.
- (iii) Some candidates are still confused about the functions of a sleeping partner. The sleeping partner provides capital and takes profits but does not take part in the running of the business.

Question 4

Limited knowledge of the various means of transport and the documents involved was shown by many of the candidates who chose this question.

- (a) Although many candidates scored the two marks for this question, some candidates opted for stating 'quick, easy or cheap' without any explanation and so gained no marks.
- (b)(i) Candidates often gave two reasons for the decline in the use of rail transport but failed to explain these reasons and so achieved only two of the marks available. Suitable answers included the lack of investment in the railways by governments resulting in old rolling stock, broken railway lines and accidents and the development of other forms of transport such as air freight for goods and the containerisation of goods.
- (ii) This question was better answered with candidates mentioning the development of high speed trains such as bullet trains, electrification and the development of long-distance rail routes.
- (c) Although many candidates answered this question correctly, some candidates gave two services offered to passengers at airports.
- (d) Answers to both parts of this question showed that many candidates needed to be more familiar with these documents. The bill of lading is a document of title, provides evidence of a contract and acts as a receipt. The air waybill acts as an advice note and gives details of the goods carried as well as acting as a receipt.
- (e) Most candidates gave the advantages and disadvantages of air and sea transport with little regard to the context in which the question was set – carrying a consignment of books from Singapore to the USA. Very few candidates provided a balanced discussion or a well-reasoned recommendation.

Question 5

Many candidates showed good knowledge and understanding of banking topics but found some difficulty in relating types of advertising to commercial banks.

- (a) The services provided by an ATM were well known and a varied list of answers was accepted.
- (b)(i) Many candidates now understand the uses of debit cards and were able to give the advantages to the cardholder of using a debit card such as wide acceptance, easier and safer than carrying cash and its use for online shopping.
- (ii) The advantages to the shopkeeper were usually known with many candidates mentioning guaranteed payment, no bad debts and less cash being held on the premises.

- (c) The services provided with Internet banking are now better understood but some candidates still think that cash will be provided.
- (d) Candidates understood why bank statements are important but many candidates needed to develop their answers fully to gain more marks.
- (e) Some useful discussions were seen in response to this question with most candidates relating their answers clearly to commercial banks. Some candidates considered all four types of advertising and showed very clearly that they understood what was meant by each of them. Others considered the ones they thought most appropriate for banks. Either approach was acceptable. There were, however, some misconceptions about collective advertising – considered to be cheaper and highly suitable for all the banks to use together.

Question 6

Some candidates showed little understanding of aspects of warehousing but others were able to comment and discuss the different types of storage mentioned in the question.

- (a) and (b) Most candidates were able to identify the businesses listed and scored full marks.
- (c) Most candidates could show why the selling costs of a cash and carry warehouse are lower – no credit offered, no delivery offered and self service used.
- (d)(i) Although there was some guidance in the data given in this question, the functions of regional distribution centres (RDCs) are still not understood by the majority of candidates. RDCs are set up by nationwide large-scale retailers to enable them to act as their own wholesalers and to keep all their stores well supplied. This saves on storage space at individual stores and also on transport costs from individual manufacturers. RDCs are not wholesaling businesses who supply Betterbuy and other customers.
 - (ii) The concept of bonded warehouses is better understood and many candidates scored full marks for this question. The main weakness in some candidates' answers was the omission of storage for dutiable goods.
- (e) Some candidates coped well with the demands of this question and were able to justify Tom's need for barns or say why he might not need any barns. Better candidates suggested that Tom could rent out space in his barns when he had no need of them.

Question 7

Some of the candidates who chose this question showed good understanding of insurance topics but many candidates found Part (d) quite demanding.

- (a)(i) Most candidates gained the two marks for this question often referring to compensation if an accident occurred.
 - (ii) Although most candidates could name two other risks, some candidates gave business risks rather than personal risks as their answers.
- (b)(i) Many candidates gained the two marks for this question but many did not refer to the 10% discount given in the data.
 - (ii) Most answers concentrated on wider range of customers and savings in costs, particularly labour.
- (c)(i) Many candidates understood the concept of contribution. Indemnity was also accepted as a valid answer.
 - (ii) Many candidates commented on the principle of utmost good faith in answer to this question and scored full marks.

- (d) This question was about the pooling of risk; premiums are usually set according to the likelihood of a particular risk occurring rather than the amount of finance brought in by the numbers of clients paying premiums. Large insurance companies hope to make large profits. Some candidates identified the possibilities of poor administration owing to the size of the organisation and the loss of the personal touch when insuring with these companies.

Question 8

A number of candidates produced a good discussion of the arguments for and against packaging products.

- (a) (i) Many candidates mentioned characteristics of packaging such as protective packaging, quality packaging and transparent packaging rather than types of packaging such as boxes, cartons, cans and plastic containers.

Packaging materials were mentioned in the rubric of the question. If the word 'materials' had been inserted in Part (a) perhaps this would have been clearer to candidates.

- (ii) This question was well answered by candidates who were able to show clearly why brand names are put on packaging.
- (iii) Many candidates offered a good discussion of this question and presented a balanced answer showing how packaging adds to the costs of products but also showing why it is necessary and its many functions. Some candidates presented a one-sided answer but were still able to gain Level 2 marks because they provided a reasoned response.
- (b) Candidates showed good understanding of the advantages of specialisation to Polybee. They mentioned increased output, economies of scale, greater efficiency and the possibility of increased profitability.
- (c) Some candidates were able to show in some detail why Polybee issues catalogues and price lists rather than sending out quotations but some answers were limited to points such as providing coloured pictures and more details of the products on offer.

COMMERCE

Paper 7100/23

Written

Key Messages

To score well on this paper, candidates need to pay attention to the mark allocations for individual questions and to present detailed answers with clear examples.

Candidates need to present **reasoned** answers offering **discussion of an issue or problem** to those questions with a high mark tariff i.e. questions offering up to 6 marks.

They need to study and answer many of the part questions in the **overall context** of the questions set.

General comments

Some candidates showed good commercial knowledge and an ability to develop an answer in the context of a particular scenario. Weaker candidates presented very short responses and needed to present a better reasoned answer. They did not always answer the questions set, omitted parts of questions and needed to take account of the context of the questions e.g. in **Question 3**, about a company that made kitchen cupboards, the need to relate answers to the company.

Candidates needed to pay attention to the command words or key words of the questions and also to the mark allocations for the part questions. Some parts of each main question were marked according to Levels of Response for example 1 (c), 2 (d), 3 (c), 4 (c), 5 (c), 6 (d), 7 (c) and 8 (c) (ii). The candidates who wrote developed answers and gave reasons for their opinions were able to gain Level 2 marks. Many candidates who presented very short answers or lists for these questions remained in Level 1. It should be remembered that it is important to develop points – to say why something is necessary, why something is better than the alternative or why something is the better choice. If candidates offer some discussion in their answers, consider the options mentioned and follow the rubric of the question they will then achieve a higher level and so more marks.

Very few candidates attempted more than the four questions required. The scripts were generally well presented but some candidates' work was difficult to read often because the writing was very small.

Comments on specific questions

Question 1

Some parts were well answered but candidates showed a lack of understanding of direct services.

- (a) Many candidates were able to define trade as buying and selling for profit and gave worthwhile examples.
- (b) This question was usually accurately answered with most candidates gaining both marks.
- (c) Candidates were able to show why aids to trade are an important part of Commerce by using individual aids to trade and showing how they assisted a business to function. Many candidates did not, however, show the connection between trade and aids to trade and the need for aids to trade if trade was to take place.

- (d)(i) Many candidates were able to define the tertiary sector as consisting of commercial services and direct services and so gained marks. They did not comment on the fact that it is the part of production that provides services to primary and secondary production and without which production would not be able to take place.
- (ii) The term 'direct services' was not always understood as services given directly to the person who receives them. Candidates who gave an accurate definition usually gave a worthwhile example.
- (iii) Candidates found it difficult to see a link between direct services and commercial services. Answers that gained credit included teachers training the workforce to be more skilled and so increase output, police safeguarding commercial services e.g. airports, accountants working for businesses and banks.

Question 2

Many candidates were able to answer some parts of the question quite well but showed lack of understanding of working capital.

- (a)(i) Many candidates choosing this question did not understand the concept of working capital as the money used to run a business from day to day. They were unable to show what it is used for – paying wages, buying stock or paying expenses.
- (ii) Candidates were able to show why consumers are important in the working capital cycle by using the data provided in the diagram.
- (iii) Two accurate means of payment were usually given.
- (iv) Some candidates understood the concept of added value and suggested ways such as branding, packaging, assembling the goods or adding extras.
- (b) Candidates were able to show when customers might return goods to a retailer such as when goods are damaged, the wrong kind or not fit for the purpose and so gained full marks.
- (c) Some candidates wrote generally in response to this question. Others mentioned a document and showed why it was used. Both approaches gained credit.
- (d) Candidates made attempts at this question but tended to write about the benefits of Internet banking rather than look at when Internet banking is not possible such as when cash is required. Some candidates did not read the question carefully, missing the fact that the question was geared towards retailers. These candidates wrote about bank customers in general and so some of their answers were out of context.

Question 3

Candidates found this question quite demanding with its varied subject matter.

- (a)(i) Some candidates did not appreciate the importance of the command word 'Explain' in the question. They mentioned better quality and cheaper products and did not say much more so losing marks. They needed to say why the parts might be cheaper – cheaper labour costs or why they might be of better quality – better quality control.
- (ii) Answers to this question tended to concentrate on storage in bonded warehouses pending payment of duty. Some candidates mentioned that the parts might be subject to quotas, some mentioned the checking of documents and some wrote about the need to check consignments for smuggled goods.

- (b)(i)** Many candidates achieved full marks but some candidates calculated only 30% of £800 as \$240 and failed to subtract this figure from the average retail price.
- (ii)** Some candidates could explain why it was important to sell to the wholesaler – might buy in large quantities, guaranteed sales, might lead to further sales but some candidates could not see the scope of this question and gained no marks.
- (c)** Some candidates presented a reasoned discussion of the arguments for and against opening a showroom (Level 2 answers) but other answers were lacking in detail, looking at having the units there, increasing sales and showing customers the units and so gained only Level 1 marks.

Question 4

Many candidates who attempted this question showed that they had little knowledge of sources of finance.

- (a)** Many candidates mistakenly gave short-term or long-term finance or internal or external finance as their answers. To meet daily expenses and to buy additional stock cash at bank or an overdraft or trade credit might be used. To buy a new truck hire purchase, retained profits or a bank loan might be used. To move part of the business to another country retained profits, shares, debentures or a mortgage might be used.
- (b)** Candidates need to understand shares and debentures in order to gain marks for this question. Answers that gained marks included - shares convey ownership and do not have to be repaid, debentures are creditors of the company and fixed interest is paid on debentures.
- (c)** Candidates were able to give some of the benefits of internal finance as opposed to external sources of finance but answers tended to be superficial without any real discussion. Some candidates tried to argue that external finance was preferable, and it could be in some instances, but their answers revealed that they had little understanding of the topic.
- (d)** Candidates fared better with this question and showed, with accurate examples such as email and the telephone, why communication is important when trading both at home and abroad.

Question 5

Although the location question was quite well answered, many candidates showed a lack of knowledge and/or lack of understanding of other parts of this question.

- (a)(i)** Some candidates showed the differences between a supermarket and a superstore – one is large and one is very large, supermarket sells mainly food and household goods but a superstore may sell a very wide variety of goods.
- (ii)** Facilities that gained marks in this question were petrol station, a café, large car park and extensive opening hours.
- (b)** Most candidates failed to understand that supermarkets and superstores are usually supplied either directly from individual manufacturers or through their own Regional Distribution Centres and so would not need much storage space onsite.
- (c)** Some candidates chose Site A with good reasoning. Some candidates chose Site B also with good reasoning. Candidates made use of the data given and usually were able to make a considered judgement about the site chosen.
- (d)** A wide variety of answers were seen to this question. Some candidates mentioned decrease in sales and the need to either relocate or to close down. Few mentioned any positive actions the small-scale retailer could take such as offering different products or offering better services.

Question 6

Many candidates showed that they needed more understanding of franchises but were able to reason why Bytezi Ltd was involved in international trade.

- (a) Some answers to both parts of this question revealed that candidates are often confused as to who is the franchisor and who is the franchisee.
- (b) Most candidates were able to offer good reasons why Bytezi Ltd should advertise – to persuade consumers to buy their products, to establish the brand label, to combat competition or to increase sales.
- (c) Candidates usually appreciated from the introduction to the question that Bytezi Ltd was an international company and were able to show that it had franchises in many countries and that its earnings came from many parts of the world.
- (d) Some answers to this question tended to concentrate on the advantages and disadvantages of using credit cards rather than the implications on the franchisees of accepting credit cards as a means of payment – the possibility of increased sales, the postponement of payment and the danger of fraud.
- (e) Candidates were able to relate various methods of transport to Bytezi Ltd's chain of distribution. Some candidates mistakenly thought that land transport, rather than sea or air transport, would be used for transporting the computers from manufacturers to warehouses in other countries.

Question 7

It was important that candidates had knowledge and understanding of insurance issues apart from insurance principles for this question.

- (a) The forms required for (i) and (ii) were not always known. The proposal form or contract was accepted for (i) and policy or certificate of insurance for (ii).
- (b) Most candidates did not understand the connection between assessing risk and calculating the premium. The premium is based on the risk involved so the higher the risk the higher the premium.
- (c) Some knowledge was shown of the work of an insurance broker but candidates were often unable to discuss the benefits and drawbacks of using an insurance broker or an insurance company.
- (d)(i) The term 'comprehensive motor insurance' was not understood. Comprehensive motor insurance is motor insurance that covers not only a third party but also the proposer and the proposer's property.
 - (ii) Few candidates understood the purpose of the cover note as a document to provide temporary cover before the policy is issued.
 - (iii) Most candidates scored full marks and were able to describe clearly one insurance principle.
- (e) Candidates were usually able to give four actions that should be taken when making an insurance claim. Contacting the police and receiving compensation were popular choices.

Question 8

Some parts of this question were well answered but the purpose of the Profit & Loss Account was not understood.

- (a) Most candidates scored the two marks for the features of a department store.
- (b)(i) The purpose of the Profit & Loss Account was not always clearly shown. The document cannot show a profit and also a loss at the same time. It also shows income and expenditure over a particular period.
 - (ii) Net profit in 2011 was usually accurately calculated.
 - (iii) Many candidates described or listed the figures given in 2010 and 2011. They did not comment on the changes in the figures. Points that gained marks were such comments as sales revenue has fallen by \$300 m, gross profit has fallen by \$135 m, expenses are little changed - \$2 m difference and net profit has fallen by approx 43% i.e. \$105 m.
- (c)(i) Candidates were able to give two valid reasons for people preferring to shop online.
 - (ii) Many candidates thought that all three options would increase profits. Better candidates mentioned the costs of setting up food courts and the possibility of promotions not working. Some worthwhile discussions were seen and several candidates produced Level 2 answers.
- (d) Some candidates confused a public limited company with a public corporation and government ownership. Only the better candidates showed any understanding of the question, mentioning additional capital through wider share ownership and the possible loss of control for Mr Wong and the danger of takeover bids.