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## FOREWORD

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This booklet contains reports written by Examiners on the work of candidates in certain papers. **Its contents are primarily for the information of the subject teachers concerned.**

# COMMERCIAL STUDIES

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## GCE Ordinary Level

<p>Paper 7101/01 Elements of Commerce</p>
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### General comments

Again this year, candidates produced some pleasing work and showed a good knowledge of the syllabus topics.

Candidates are again reminded to read questions carefully before making their choice as to which questions to answer in **Section A**. They are also reminded that questions which ask them to “Explain ...” need fuller answers than those which merely ask them to “List...” or “Name ....”.

### Comments on specific questions

#### Question 1

This was not a popular question and some candidates displayed only a vague knowledge of partnerships and limited companies and did not always give complete descriptions of the methods used to distribute profits. Some candidates stated that all profits were shared equally in partnerships and failed to mention that this was only in the absence of a Deed of Partnership. Others erroneously referred to owners of a partnership as shareholders.

Few candidates were able to give a good definition of a multinational.

The term “limited liability” was generally understood and clearly explained.

#### Question 2

A popular question and well answered by the majority of candidates.

Concise and accurate definitions of home and international trade were usually given but candidates were not always able to name documents used in international trade, often confusing them with documents used in home trade.

Whilst there was some understanding of customs duties, few answers were sufficiently detailed, especially with regard to reasons for such duties being levied.

Some candidates did not read **(d)** carefully and gave details of the invoice, statement, delivery note and order rather than just listing them in the correct order.

In **(c)** candidates often confused customs duties with the role of Customs Authorities.

In **(e)** a number of candidates confused an invoice with an acknowledgement of order or delivery note. Few gave good enough descriptions of a statement to differentiate it from an invoice.

### Question 3

Another popular question which was generally answered well.

Although not always scoring maximum marks, all candidates appeared to be able to attempt **(a)** and **(b)**. They were well able to discuss the features of the types of retail organisations referred to in **(c)**.

Shopping centres were often confused with large retail organisations with mention being made of disadvantages of self service. Where candidates did understand the question, answers were usually confined to impulse buying. Few explained why prices might be higher in shopping centres or referred to the fact that they might be very busy and the customer confused by the wide choice of goods and outlets.

### Question 4

This was the least well answered question. There was evidence that candidates, in general, had studied the topic of finance and banking but unfortunately many were unable to give sufficiently succinct answers to gain good marks.

Most candidates realised that the bank would give advice and possibly a loan to a new business.

Descriptions of the three methods of payment referred to in **(b)** were not always clear and examples of their use were sometimes inappropriate or not given at all. Some candidates merely wrote about the advantages and disadvantages of the methods of payment. This was not required.

Whilst it is apparent that candidates know there is a difference between an overdraft and a loan, few were able to give full answers.

Few candidates seemed to understand what was required in **(d)** and wrote, instead, about cash and cheques. A few candidates correctly mentioned that deposits could be made over the counter at the bank, via a night safe or a ATM machine.

### Question 5

All candidates were able to give aids to trade. Too many candidates attempted to write all they knew about insurance, rather than answering the questions set.

Only vague definitions of pooling of risk were given. Few candidates were able to progress past the fact that insurers would only pay £20,000 in compensation. Few full answers to **(d)** were given. Mention was usually made of the proposal form and the need for utmost good faith but then various principles of insurance were explained. This was not required.

### Question 6

There were some good answers showing the advantages of rail transport. Unfortunately some candidates did not correctly identify Fig. 1 B as being pipelines so were unable to gain maximum marks.

All candidates attempted to describe the advantages of using containers but, despite the clear indication given in Fig. 2, did not clearly explain the ease of loading and unloading by mechanical means.

Not all candidates were familiar with the functions of the Customs Authorities, confusing the question with customs duties.

### Question 7

Most candidates could answer **(a)(i)** and **(ii)** correctly but there was much confusion over **(iii)**. Many candidates thought this was a period allowed for payment or that it was the duration of the sale period.

The functions of advertising were well explained but some candidates seemed not to understand what was required in answer to **(b)(ii)** and wrote in much detail about the different methods of advertising.

Most candidates mentioned that colour would attract potential customers to the advertisement mentioned in **(b)(iii)** but few extended their answer to the cost of magazine advertising compared to other more expensive forms or mentioned that such an advertisement was relatively long lasting.

**General comments**

There was a wide range of ability with candidates scoring through the whole mark range. Questions that candidates found difficult were **5 (b)**, **11 (a)** and **11 (b)**. The only question causing seemingly insurmountable problems was **Question 11** where candidates' failure to apply simple algebra in its solution meant that their attempts were usually unsuccessful. All candidates attempted the full allocation of questions with some attempting more than the required two questions in **Section B**.

**Comments on specific questions****Section A****Question 1**

- (a) Many arrived at £32.736 but failed to complete this as £32.74 correct to the nearest penny.
- (b) Quite a number of candidates divided 750 by 150 (000) instead of vice versa.
- (c) The use of a decimal point to separate hours and minutes led to many problems – see **3 (a)** below.

**Question 2**

- (a) The usual error was to work out  $\frac{3}{4}$  of  $(2\frac{1}{2} - \frac{1}{4})$  instead of  $(\frac{3}{4} \text{ of } 2\frac{1}{2}) - \frac{1}{4}$ .
- (b)(c) This is a well understood and accurately answered topic.

**Question 3**

- (a) Candidates who found daily opening hours to be 13 hours and 30 minutes but then wrote this as 13.30 multiplied this by 6 treating the 13.30 as a decimal thus arriving at 79.80 instead of 81 hours.
- (b) The chart was accurately read but a minority added their 6 readings then divided the total by 5 instead of 6.

**Question 4**

- (a) The common error here was to ignore the fact of proportionality and (i) subtracting \$40 and (ii) adding \$40.
- (b) This part was generally well answered.

**Question 5**

- (a) The topic of ratio was generally well dealt with.
- (b) Those who worked in simple algebra were by and large successful as were those who spotted the arithmetic ratio of 1:3:8.

**Question 6**

- (a) Most calculated the two premiums correctly but often forgot to total them.
- (b) Total price of the order was usually calculated correctly, but too often the calculation made was 16% of that answer subtracted instead of subtracting 15% to find the trade discount price and then subtracting 1% of that price.

### Question 7

- (a) Those candidates who multiplied £1200 by 2.69 usually scored the remainder of part (a) correctly. Those who divided here, then multiplied in (a)(ii) as they thought they must do the opposite operation.
- (b) Both parts were generally well answered.

### Section B

### Question 8

- (a)(i)(ii) These parts were generally calculated correctly but there was a great deal of confusion over which two sums constituted the fall in value during the fourth year.
- (b) Apart from one Centre, all of whose candidates drew bar charts, this question provided maximum marks for all candidates choosing to answer the question.

### Question 9

- (a) The common error was to calculate commission but then to subtract instead of add that figure to the actual price of the shares.
- (b)(i) Usually correctly answered.
- (ii)(iii) These two parts were badly answered showing a lack of understanding of the context of the questions.

### Question 10

- (a) Most often, those choosing the question used the compound interest formula and used it accurately.
- (b) This was not a successful choice of question, those arriving at  $\frac{176}{165} \times 27\,000 = 28\,800$  then working  $\frac{1800}{28800}$  instead of  $\frac{1800}{2700}$  to calculate the percentage.

### Question 11

An unpopular choice providing few marks for those candidates choosing the question.

<p><b>Paper 7101/03</b> <b>Typewriting</b></p>
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### General comments

With a few exceptions, there has been little improvement in the overall standard of candidates to this examination. Clearly the majority of candidates are unable to type at the required speed of 25 wpm in order to complete **Question 1**, the speed and accuracy test.

The state of the equipment used often seems to be sub-standard. Centres should check that typewriters are in good working order prior to the examination. Ribbons should be sufficiently new to ensure a good density of print. Margins should be working properly so that a warning bell is sounded for the end of the line.

Candidates are reminded to study the rubric and follow specific instructions particularly in relation to line spacing.

## **Comments on specific questions**

### **Question 1**

*Timed speed and accuracy test*

Once again, most candidates failed to complete the task in the time allowed.

A large number of candidates had their work cancelled owing to their attempts to correct typographical errors, often by the bad habit of overtyping.

### **Question 2**

*Tabulation*

This was quite well done by all candidates. The main difficulty was ensuring adequate and consistent space was left between the columns and using equal side margins.

In some cases no attempt was made to place the table vertically.

### **Question 3**

*Composition of letter*

In general, candidates showed a reasonably good knowledge of letter layout. However, although many candidates composed businesslike letters which were largely grammatically correct, too many candidates produced letters that were really not of mailable standard.

Once again candidates are reminded of the need to indicate the date in full and to ensure the salutation and complimentary close agrees.

### **Question 4**

*Manuscript*

Candidates had little, if any, difficulty deciphering the manuscript and made the corrections indicated.

Candidates are reminded that words written in the margin by way of clarification do not have to be typed in block capitals.

### **Question 5**

*Form filling*

On the whole this task was well done with most information placed in full in the correct section. Candidates are reminded that, where possible, addresses should occupy more than one line.

<p><b>Paper 7101/04</b> <b>Word Processing</b></p>
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## **General comments**

A good standard was achieved again this year.

The majority of candidates displayed a good knowledge of document layout and used word processing facilities effectively.

## **Comments on specific questions**

### **Question 1**

There was a better understanding of abbreviations and correction signs than in previous years. However, many candidates mistakenly typed “should” for the abbreviation “sh”. Candidates should note the similarities of abbreviation “shd” for “should” and “sh” for “shall”.

Some candidates did not use double line spacing as indicated. Others left inconsistent spacing between paragraphs.

### **Question 2**

The majority of candidates produced well-composed, grammatically accurate and conventionally presented letters.

Common minor errors which need correcting are: dates – must be in full; salutation and complimentary close should be suitable and agreeing. Some candidates used only the first name in the salutation using “Dear Miss Loveness” instead of “Dear Miss Mphanje.”

### **Question 3**

(a) Candidates appear to be conversant with the conventional layout of a memorandum which resulted in some accurate, well displayed tasks. Some candidates did not include the designation of the sender of the Memo.

(b) This short task was intended to be straightforward and should have been set out as in the draft. Many candidates complicated the exercise by using a centralised main heading or even adding Agenda items.

Those who produced a document as set out in the draft often lost marks by not placing the signature correctly - in line with the right hand margin. They often incorrectly extended the name to a full name, sometimes with a title.

### **Question 4**

In general, candidates produced a well-displayed table. The main errors in this task were failure to complete the ruling (several candidates omitted to rule down the right and left sides of the table) and not obeying the instructions to retain abbreviations for the days of the week.

Candidates should take care to copy the titles in names correctly. Several candidates changed “Ms” to “Mrs” or “Miss”.

In displaying times, candidates are reminded to leave a space before and after the hyphen when used as a dash to indicate “to” and to leave a space before “hours”.