

Syllabus

Cambridge O Level Commercial Studies
Syllabus code 7101
For examination in November 2012



UNIVERSITY *of* CAMBRIDGE
International Examinations

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1. Introduction

1.1 Why choose Cambridge?

University of Cambridge International Examinations (CIE) is the world's largest provider of international qualifications. Around 1.5 million students from 150 countries enter Cambridge examinations every year. What makes educators around the world choose Cambridge?

Developed for an international audience

International O Levels have been designed specially for an international audience and are sensitive to the needs of different countries. These qualifications are designed for students whose first language may not be English and this is acknowledged throughout the examination process. The curriculum also allows teaching to be placed in a localised context, making it relevant in varying regions.

Recognition

Cambridge O Levels are internationally recognised by schools, universities and employers as equivalent to UK GCSE. They are excellent preparation for A/AS Level, the Advanced International Certificate of Education (AICE), US Advanced Placement Programme and the International Baccalaureate (IB) Diploma. CIE is accredited by the UK Government regulator, the Office of the Qualifications and Examinations Regulator (Ofqual). Learn more at www.cie.org.uk/recognition.

Support

CIE provides a world-class support service for teachers and exams officers. We offer a wide range of teacher materials to Centres, plus teacher training (online and face-to-face) and student support materials. Exams officers can trust in reliable, efficient administration of exams entry and excellent, personal support from CIE Customer Services. Learn more at www.cie.org.uk/teachers.

Excellence in education

Cambridge qualifications develop successful students. They not only build understanding and knowledge required for progression, but also learning and thinking skills that help students become independent learners and equip them for life.

Not-for-profit, part of the University of Cambridge

CIE is part of Cambridge Assessment, a not-for-profit organisation and part of the University of Cambridge. The needs of teachers and learners are at the core of what we do. CIE invests constantly in improving its qualifications and services. We draw upon education research in developing our qualifications.

1. Introduction

1.2 Why choose Cambridge O Level Commercial Studies?

International O Levels are established qualifications that keep pace with educational developments and trends. The International O Level curriculum places emphasis on broad and balanced study across a wide range of subject areas. The curriculum is structured so that candidates attain both practical skills and theoretical knowledge.

Cambridge O Level Commercial Studies is accepted by universities and employers as proof of knowledge and understanding. The Cambridge O Level Commercial Studies syllabus offers an ideal introduction to commercial activities and considers ways in which these are influenced by changes in the wider business environment.

Candidates study:

- The purpose and function of important commercial activities.
- The main types of commercial institutions.
- Relevant language, concepts and decision-making procedures.

The importance of commercial communication and documentation is examined, as is the nature and significance of innovation and change.

As part of their studies, candidates improve their typing or word-processing skills and develop key skills in arithmetic and statistics for use in a commercial context (such as profit and loss, interest, foreign exchange, discount, commission and depreciation).

1.3 How can I find out more?

If you are already a Cambridge Centre

You can make entries for this qualification through your usual channels, e.g. your regional representative, the British Council or CIE Direct. If you have any queries, please contact us at **international@cie.org.uk**.

If you are not a Cambridge Centre

You can find out how your organisation can become a Cambridge Centre. Email either your local British Council representative or CIE at **international@cie.org.uk**. Learn more about the benefits of becoming a Cambridge Centre at **www.cie.org.uk**.

2. Assessment at a glance

Cambridge O Level Commercial Studies Syllabus code 7101

Candidates must take Paper 1 and **either** Paper 2 **or** Paper 3.

Paper 1: Elements of commerce

2 hours

This paper contains two sections.

Section A: This section is worth 60% of the total marks for this paper. There are **five** structured questions. Candidates must answer **three**.

Section B: This section is worth 40% of the total marks for this paper. There are **two** stimulus-response questions, **both** of which are compulsory. Questions involving simple calculations may be set.

Total marks available: 100

Weighting: 50% of total marks

Paper 2: Arithmetic

2 hours

This paper contains two sections.

Section A: This section comprises of short answer questions. Candidates should answer **all** the questions.

Section B: This section comprises of longer questions. Candidates answer any **two** questions.

Total marks available: 100

Weighting: 50% of total marks

Paper 3: Text processing

2 hours

Candidates should answer **all** the questions. This examination may be taken on a typewriter or word processor. There will be five test areas and candidates should answer each of them.

Test 1 – Accuracy (10 minutes)

Test 2 – Production of a passage (40 minutes)

Test 3 – Composition of a letter or memorandum (35 minutes)

Test 4 – Production from a manuscript (20 minutes)

Test 5 – Typewriting: filling in a form (15 minutes)

Word processing: display exercise (15 minutes)

Total marks available: 100

Weighting: 50% of total marks

2. Assessment at a glance

Availability

This syllabus is examined in the October/November examination session.

This syllabus is available to private candidates.

Combining this with other syllabuses

Candidates can combine this syllabus in an examination session with any other CIE syllabus, except:

- syllabuses with the same title at the same level
- 0598 GCSE Commerce
- 7090 O Level Commerce
- 7100 O Level Commerce

Please note that IGCSE, Cambridge International Level 1/Level 2 Certificates and O Level syllabuses are at the same level.

3. Syllabus aims and objectives

3.1 Aims

The syllabus has been designed to provide an *outline* of commercial activities and how these activities are influenced by changes in the wider environment. Its aims are:

- 1 To develop knowledge and understanding of the purposes and functions of important commercial activities.
- 2 To develop knowledge and understanding of the main types of commercial institutions.
- 3 To develop knowledge and understanding of the language, concepts and decision making procedures of commercial activities.
- 4 To develop knowledge and understanding of the importance of commercial communication and documentation.
- 5 To develop knowledge and understanding of the nature and significance of innovation and change within the context of commercial activities.
- 6 To develop the skills of enquiry, interpretation and communication.
- 7 To develop keyboarding skills.

In the study of this syllabus, candidates should have the opportunity to visit centres of industry and commerce.

3.2 Assessment objectives

At the end of the course of study, candidates should be able to demonstrate:

Knowledge

- basic principles, techniques and ideas in commerce;
- facts and terms relevant to commerce;
- key features and functions of commercial activities;
- main documents used in commerce.

Comprehension

- understanding of commercial activities and behaviour using appropriate terminology;
- understanding and interpretation of relevant data and information in verbal, numerical and diagrammatical form.

Application

- knowledge and information to situations and problems related to commerce;
- demonstration of keyboard skills (Paper 3 only).

Evaluation

- identifying the significant issues in a commercial situation;
- distinguishing between evidence and opinion;
- making reasoned judgements and communicating them in an accurate and logical manner.

4. Curriculum content

4.1 Paper 1: Elements of commerce

The arrangement of the items of the syllabus does not mean that they should necessarily be taught in that order.

Introduction

Commerce is a process of exchange of goods and services to satisfy human wants. Candidates should consider trade and the aids to trade – finance and banking, communications and advertising, transport and warehousing, insurance.

The business unit

- a) *Main forms*: sole trader, partnership, limited company (in outline only): distinguishing features of each with particular reference to ownership, control, liability of owners (both limited and unlimited), provision of capital, distribution of profits. The concept of multinational companies.
- b) The main functions and responsibilities within a business. Organisation charts.

Trade

- a) *Levels of Trade*: Home and International trade – characteristics and purposes.
- b) *Types of Trade*:
 - i) *Retail Trade*:
Function of retailer; types of retailer, large and small; main characteristics; trends in retailing (e.g. after-sales service, barcoding, branding, packaging, 'self-service', shopping centres) and their effects.
 - ii) *Wholesale Trade*:
Wholesale merchant and agents (including brokers and factors): characteristics and functions; trade and cash discounts.
- c) *Main documents used in Home Trade*: quotation, catalogue, order, invoice, debit and credit notes, statement of account, receipt. Key information and functions of each.
- d) *International Trade*: the importance of international trade to the commercial life of a country; the pattern of a country's trade with the rest of the world.

Finance and banking

- a) *Means of payment*: cash (coin and notes), post office facilities; cheques including general and special crossings; credit transfers; credit cards.
- b) *Banking facilities*: services of banks in home and international trade: current and deposit accounts; bank overdrafts and loans.
- c) *Main documents used*: cheque, paying-in slip, bank statement, credit transfer forms, standing order, direct debit, letters of credit. Key information and functions of each.

4. Curriculum content

Communications and advertising

- a) *Method of communication*: oral and written; face-to-face, telephonic, electronic, internal, external; factors affecting choice of method.
- b) *Post Office, Telecoms or other organisations*: services provided; postal guides; telephone directories.
- c) *Equipment used in communications*: e.g. telephone, facsimile machine, computer etc; range and functions of each.
- d) *Main documents used*: letter, memo, minutes of meeting; agenda, report. Key information and functions of each.
- e) *Advertising*: purposes, types – informative and persuasive; media of advertising – advantages and disadvantages and factors affecting choice of medium.

Transport and warehousing

- a) *Transportation*: characteristics of different methods, and factors affecting choice of method.
- b) *Warehousing*: functions of warehousing, importance to trade, necessity for storage, including its importance in connection with seasonal production and demand.
- c) *Custom Authorities*: functions; excise and customs duties.
- d) *Main documents used*: delivery note, bill of lading, air waybill, packing note, goods received note. Key information and functions of each.

Insurance

- a) Business risks – types; insurable and non-insurable risks.
- b) Contracts of insurance – essential elements, pooling of risk, indemnity, insurable interest, utmost good faith; effecting an insurance policy – outline of procedures, including premiums; effecting a claim.
- c) *Main documents used*: proposal form, policy, cover note. Key information and functions of each.

4. Curriculum content

4.2 Paper 2: Arithmetic

The use of calculators is permitted.

Candidates should be familiar with the British and metric systems of weights and measures and with the following monetary systems: pounds and pence; dollars and cents.

The use of algebraic symbols and methods will be permitted.

Addition, subtraction, multiplication, and division applied to numerical calculations.

Vulgar and decimal fractions, weights and measures.

Proportion and proportional parts, including the distribution of costs and profits.

Percentage, profit and loss, simple interest, including relationship between percentages of cost and sale prices, gross and net profits, trade and cash discount, commission, depreciation. Equation of payments.

Compound interest.

Stocks and shares; dividends and rate of yield (before and after deduction of income tax).

Foreign exchange and arbitrage transactions.

Calculations involving rates and taxes, insurance, freight rates, simple prime and supplementary costs.

Elementary statistics, calculation and practical application of the arithmetic mean, median, mode; the compilation and use of simple index-numbers.

The construction of simple statistical tables and graphs.

Candidates may be required to give results to a specified degree of approximation.

The use of logarithms will be allowed unless forbidden in certain questions.

4. Curriculum content

4.3 Paper 3: Text processing

This examination paper may be taken on a typewriter or a word processor.

The aim of this examination is to assess a candidate's ability to produce a variety of business documents from printed, typewritten or handwritten drafts and to compose letters or memoranda from given notes.

Five tests will be given.

Test 1: An Accuracy Test at the rate of 30 words-a-minute for ten minutes.

Test 2: The production of a passage which may be in printed or manuscript form; the test may include the correction of errors as indicated and/or simple display and tabulation, either with or without ruling (40 minutes).

Test 3: Composition of letter or memorandum from notes. Marks will be awarded both for presentation and grammatically correct composition (35 minutes).

Test 4: Production of a well displayed letter, memorandum, notice of meeting, agenda, minutes of meeting or report from corrected manuscript (20 minutes).

Test 5: *Typewriting* A simple form filling exercise (15 minutes).

Word Processing A simple display exercise which may include ruled or unruled tabulation (15 minutes).

The Accuracy Test will be collected at the end of ten minutes. The order of examination will be as given above.

The emphasis throughout will be on accuracy. Candidates should also be reminded of the need for consistency in style and layout within a single document. One clear line space is required before and after separate items within a document and between paragraphs.

Specific Objectives

Candidates should be able to:

- create a document, save, retrieve it, make amendments and print it (word processor operators only)
- accurately create and effectively display a variety of business documents from typewritten, printed or handwritten drafts e.g. business letters, reports, memoranda, advertisements, menus, notices, agendas and minutes of meetings
- recognise and respond to instructions regarding layout and emphasis
- recognise and respond to printers' correction signs and standard abbreviations used in manuscripts
- plan and organise the work in order to complete within the time constraints of the examination

4. Curriculum content

Edit documents (word processor operators only)

- recall saved data and insert, delete and move text

N.B. Merging of texts and the use of standard paragraphs will **not** be required.

Select and amend layout (word processor operators only)

- use the following facilities to create or amend documents:
 - o underscore
 - o centring
 - o tabulation
 - o emboldening
 - o variety of font styles
 - o margins of varying sizes
- candidates should be aware of and be able to use a variety of:
 - o line spacing
 - o heading styles: initial capitals, block capitals and spaced capitals
 - o paragraph styles: block, indented, hanging
 - o margin sizes: top, bottom, left and right including the use of ragged and justified side margins and right, left or centred alignment of tabulated work
 - o headers and footers: where a document extends to two or more pages the second and subsequent pages should be numbered

Composition

- compose and suitably display a letter or memorandum from given notes paying particular attention to spelling, punctuation and grammatical accuracy

Display and tabulation (word processor operators only)

- use the facilities available to produce effectively displayed material using a variety of font styles and highlighting facilities, and centring the work vertically and horizontally
- produce simple columnar tables correctly aligned (such tables may or may not incorporate columnar headings and ruling)

Proof-read and print (word processor operators only)

- use spellcheck and Thesaurus facilities to ensure accuracy of work
- on screen edit to ensure accurate copy is printed

No specific type of printer is required so long as a clear and clean copy is produced.

4. Curriculum content

Notes on the conduct of the examination for Word Processors

- 1 A computer with a word processing program must be available to each candidate for the duration of the examination.
- 2 Candidates must be seated at a distance which precludes dishonest practices, including copying work from a neighbouring screen.
- 3 Where the number of candidates exceeds the available equipment, the examination may be scheduled on more than one occasion, so long as all candidates take the examination on the prescribed date and necessary steps are taken to ensure security of papers.
- 4 The teacher is not to act as invigilator, but may be available to assist in the timing of the Accuracy Test and to assist should defects in a machine unexpectedly hamper a candidate's progress.
- 5 There is no limit to the number of times a task may be printed but only one copy of each task should be submitted for marking.
- 6 Printing may be carried out after the two hours allocated for the examination but must be executed by the candidate, who should ensure that his/her name, examination number and Centre number appears on each piece of work submitted.
- 7 All work will be required to be printed on A4 paper. Continuous stationery may be used. Where headed paper is required (letter headed paper or memorandum forms), candidates may either use the paper supplied or produce replicas of the headings.
- 8 In case of equipment/power failure, extra time may be allowed to complete the examination but a full report must be attached to the candidate's work.

Notes on the conduct of the examination for Typewriters

- 1 Where the number of candidates exceeds the available equipment, the examination may be scheduled on more than one occasion so long as all candidates take the examination on the prescribed date and necessary steps are taken to ensure security of papers.
- 2 The teacher is not to act as invigilator, but may be available to assist in the timing of the Accuracy Test and to assist should defects in a machine unexpectedly hamper a candidate's progress.
- 3 Ruling materials should be available (but work must not be ruled in pencil).

Accuracy Faults (Word Processing and Typewriting)

An Accuracy Fault applies to any word which is not 100% accurate compared with the given text.

A maximum of one Accuracy Fault is applied per word.

A word is defined as:

- (a) any normally recognisable word (hyphenated words count as one);
- (b) any series of characters which form a unit e.g. numbers, line of dots, postcode;
- (c) including following punctuation.

4. Curriculum content

Accuracy faults are:

- 1 keying/spelling/punctuation faults
- 2 words with spaces within the word
- 3 no clear space between words
- 4 incorrect capitalisation
- 5 words in the wrong place
- 6 words omitted
- 7 words added
- 8 failure to indicate a paragraph as in draft
- 9 no line space between paragraphs (1 fault throughout)

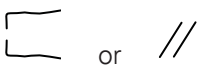



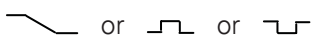


Acceptable Formats and Typing/Keyboarding conventions

Abbreviations

dr	dear	bn	been
w	with	wl	will
sh	shall	shd	should
cat	catalogue	fig(s)	figure(s)
co(s)	company(ies)	org	organisation
yr(s)	your(s), year(s)	ffy	faithfully

Days of the week, months of the year and parts of the address e.g. "Rd" – should normally be presented in full.

Correction Signs

Marginal Note (if necessary)	Notation in body of work	Meaning
N P		New paragraph
run on		Do not start a new paragraph
		Insert extra letter(s) or word(s) or apply correction sign
trs		Transpose letters or words
stet or 	Retain deleted word(s)
del or 	Line through word(s)	Strike out

4. Curriculum content

l c	-	Change to lower case
u c	-	Change to capital letter
caps	_____	Use all capital letters
sp caps	_____	Use spaced capitals

Alignment on printed forms

Information should be vertically aligned, where appropriate, or inserted an equal distance from any printed information.

Figures

Candidates are reminded of the need for consistency of style throughout a single document.

Times

20.00 hours or 2000 hours	acceptable
2000hours	not acceptable
3 p.m.	acceptable
3 pm	acceptable
3pm	acceptable

Other figures

25% or 25 per cent	both acceptable
5 cm or 5cm	both acceptable
3 mm x 10 mm	acceptable
3mm x 10mm	acceptable
3mmx10mm	acceptable

In continuous matter, figures or words should be used consistently unless otherwise instructed.

Dates

On letters and memoranda the date should be in full (day/month/year or month/day/year).

Enclosures

Any method of indicating enclosures is acceptable.

Headings

A minimum of one clear space is required after main headings, sub-headings and shoulder headings.

Margins

In the absence of specific instructions, top, bottom and side margins must be a minimum of 13 mm. There is no insistence on margins being of equal width.

4. Curriculum content

Punctuation

Maximum of 3 spaces acceptable after
full stop (period)
question mark
exclamation mark

Minimum 1 space, maximum 2 spaces acceptable after
colon
semi-colon
comma

Dash - acceptable as a hyphen preceded and followed by a space.

Tabulation

Columns should be aligned to the right or left or centred.

There is no prerequisite for spaces between columns, nor for such spacing to be of equal width.

Figures which are totalled should be aligned to the right.

Underlining

The underlining should not extend beyond the space occupied by the letters or information underlined.

Document Layout

Candidates are reminded of the need for a consistent approach.

In the absence of specific instructions, any conventional method of displaying commercial documents and communications will be accepted. If in doubt, candidates should follow the layout indicated in the draft.

Business Letters

The most common form is fully blocked with open punctuation.

Memoranda

Headings *should* include: To From Date
and may require: Ref Subject

5. Resource list

Student Support

Author	Title	Date	Publisher	ISBN
A Anderton	<i>GCSE Business Studies</i>	2004	Causeway Press	1873929285
D Butler	<i>GCSE Business Studies</i>	2001	OUP	0198328354
M Gane	<i>Commerce Examination Questions Answered</i>		(can be obtained from M Gane, 10 The Gower, Thorpe, Egham, Surrey, TW20 8UD, United Kingdom)	
Hughes and Loveridge	<i>Textbook of Commerce, 4th edition</i>	1992	Butterworths Tolley	0406501289
Kennerdell, Williams and Schofield	<i>OCR GCSE Business Studies</i>	2001	Hodder and Stoughton	0340790520
D Lobley	<i>Success in Commerce</i>	1993	John Murray	0719551579 (4th edition), or 071955277X (International Student Edition)
D Wallace	<i>Coursework in Business Studies and Commerce</i>	1987	Causeway Press	0946183376 (out of print)
D Wallace	<i>Business Studies and Commerce Coursework Pack</i>	1988	Causeway Press	0946183465 (out of print)
M Trigwell-Jones	<i>O Level Commerce</i>	2009	Cambridge University Press	9780521727938

For the teaching of all-finger keyboarding it is suggested that schools try using the typing trainer supplied with word processing packages. Letter and other documents layout can be gleaned from existing typing textbooks or from special handbooks/textbooks provided by software companies.

One text book which is often suggested for Word Processing or Office Applications courses is:

CG Skinner and EM Prentice, *IT Skills for Business*, Hodder and Stoughton, 0340538392

5. Resource list

Teachers' Resources

Author	Title	Date	Publisher	ISBN
Hughes and Loveridge	Textbook of Commerce, 4th edition	1992	Butterworths Tolley	0406501289
D Lobley	Success in Commerce	1993	John Murray	0719551579 (4th edition), or 071955277X (International Student Edition)
M Trigwell- Jones	<i>O Level Commerce</i>	2009	Cambridge University Press	9780521727938

Resources are also listed on CIE's public website at www.cie.org.uk. Please visit this site on a regular basis as the Resource lists are updated through the year.

Access to teachers' email discussion groups, suggested schemes of work and regularly updated resource lists may be found on the CIE Teacher Support website at <http://teachers.cie.org.uk>. This website is available to teachers at registered CIE Centres.

6. Additional information

6.1 Guided learning hours

O Level syllabuses are designed on the assumption that candidates have about 130 guided learning hours per subject over the duration of the course. ('Guided learning hours' include direct teaching and any other supervised or directed study time. They do not include private study by the candidate.)

However, this figure is for guidance only, and the number of hours required may vary according to local curricular practice and the candidates' prior experience of the subject.

6.2 Recommended prior learning

Candidates beginning this course are not expected to have studied Commercial Studies or Commerce previously.

6.3 Progression

O Level Certificates are general qualifications that enable candidates to progress either directly to employment, or to proceed to further qualifications.

6.4 Component codes

Because of local variations, in some cases component codes will be different in instructions about making entries for examinations and timetables from those printed in this syllabus, but the component names will be unchanged to make identification straightforward.

6.5 Grading and reporting

Ordinary Level (O Level) results are shown by one of the grades A*, A, B, C, D or E indicating the standard achieved, Grade A* being the highest and Grade E the lowest. 'Ungraded' indicates that the candidate's performance fell short of the standard required for Grade E. 'Ungraded' will be reported on the statement of results but not on the certificate.

6. Additional information

Percentage uniform marks are also provided on each candidate's Statement of Results to supplement their grade for a syllabus. They are determined in this way:

- A candidate who obtains...
 - ... the minimum mark necessary for a Grade A* obtains a percentage uniform mark of 90%.
 - ... the minimum mark necessary for a Grade A obtains a percentage uniform mark of 80%.
 - ... the minimum mark necessary for a Grade B obtains a percentage uniform mark of 70%.
 - ... the minimum mark necessary for a Grade C obtains a percentage uniform mark of 60%.
 - ... the minimum mark necessary for a Grade D obtains a percentage uniform mark of 50%.
 - ... the minimum mark necessary for a Grade E obtains a percentage uniform mark of 40%.
 - ... no marks receives a percentage uniform mark of 0%.

Candidates whose mark is none of the above receive a percentage mark in between those stated according to the position of their mark in relation to the grade 'thresholds' (i.e. the minimum mark for obtaining a grade). For example, a candidate whose mark is halfway between the minimum for a Grade C and the minimum for a Grade D (and whose grade is therefore D) receives a percentage uniform mark of 55%.

The uniform percentage mark is stated at syllabus level only. It is not the same as the 'raw' mark obtained by the candidate, since it depends on the position of the grade thresholds (which may vary from one session to another and from one subject to another) and it has been turned into a percentage.

6.6 Resources

Copies of syllabuses, the most recent question papers and Principal Examiners' reports are available on the Syllabus and Support Materials CD-ROM, which is sent to all CIE Centres.

Resources are also listed on CIE's public website at **www.cie.org.uk**. Please visit this site on a regular basis as the Resource lists are updated through the year.

Access to teachers' email discussion groups, suggested schemes of work and regularly updated resource lists may be found on the CIE Teacher Support website at **<http://teachers.cie.org.uk>**. This website is available to teachers at registered CIE Centres.

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