

Cambridge O Level

COMMERCE

7100/22

Paper 2 Written

May/June 2024

MARK SCHEME

Maximum Mark: 80

Published

This mark scheme is published as an aid to teachers and candidates, to indicate the requirements of the examination. It shows the basis on which Examiners were instructed to award marks. It does not indicate the details of the discussions that took place at an Examiners' meeting before marking began, which would have considered the acceptability of alternative answers.

Mark schemes should be read in conjunction with the question paper and the Principal Examiner Report for Teachers.

Cambridge International will not enter into discussions about these mark schemes.

Cambridge International is publishing the mark schemes for the May/June 2024 series for most Cambridge IGCSE, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

This document consists of **25** printed pages.

PUBLISHED**Generic Marking Principles**

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptions for a question. Each question paper and mark scheme will also comply with these marking principles.

GENERIC MARKING PRINCIPLE 1:

Marks must be awarded in line with:

- the specific content of the mark scheme or the generic level descriptors for the question
- the specific skills defined in the mark scheme or in the generic level descriptors for the question
- the standard of response required by a candidate as exemplified by the standardisation scripts.

GENERIC MARKING PRINCIPLE 2:

Marks awarded are always **whole marks** (not half marks, or other fractions).

GENERIC MARKING PRINCIPLE 3:

Marks must be awarded **positively**:

- marks are awarded for correct/valid answers, as defined in the mark scheme. However, credit is given for valid answers which go beyond the scope of the syllabus and mark scheme, referring to your Team Leader as appropriate
- marks are awarded when candidates clearly demonstrate what they know and can do
- marks are not deducted for errors
- marks are not deducted for omissions
- answers should only be judged on the quality of spelling, punctuation and grammar when these features are specifically assessed by the question as indicated by the mark scheme. The meaning, however, should be unambiguous.

GENERIC MARKING PRINCIPLE 4:

Rules must be applied consistently, e.g. in situations where candidates have not followed instructions or in the application of generic level descriptors.

GENERIC MARKING PRINCIPLE 5:

Marks should be awarded using the full range of marks defined in the mark scheme for the question (however; the use of the full mark range may be limited according to the quality of the candidate responses seen).

GENERIC MARKING PRINCIPLE 6:

Marks awarded are based solely on the requirements as defined in the mark scheme. Marks should not be awarded with grade thresholds or grade descriptors in mind.

PUBLISHED**Social Science-Specific Marking Principles
(for point-based marking)****1 Components using point-based marking:**

- Point marking is often used to reward knowledge, understanding and application of skills. We give credit where the candidate's answer shows relevant knowledge, understanding and application of skills in answering the question. We do not give credit where the answer shows confusion.

From this it follows that we:

- a** DO credit answers which are worded differently from the mark scheme if they clearly convey the same meaning (unless the mark scheme requires a specific term)
- b** DO credit alternative answers/examples which are not written in the mark scheme if they are correct
- c** DO credit answers where candidates give more than one correct answer in one prompt/numbered/scaffolded space where extended writing is required rather than list-type answers. For example, questions that require *n* reasons (e.g. State two reasons ...).
- d** DO NOT credit answers simply for using a 'key term' unless that is all that is required. (Check for evidence it is understood and not used wrongly.)
- e** DO NOT credit answers which are obviously self-contradicting or trying to cover all possibilities
- f** DO NOT give further credit for what is effectively repetition of a correct point already credited unless the language itself is being tested. This applies equally to 'mirror statements' (i.e. polluted/not polluted).
- g** DO NOT require spellings to be correct, unless this is part of the test. However spellings of syllabus terms must allow for clear and unambiguous separation from other syllabus terms with which they may be confused (e.g. Corrasion/Corrosion)

2 Presentation of mark scheme:

- Slashes (/) or the word 'or' separate alternative ways of making the same point.
- Semi colons (;) bullet points (•) or figures in brackets (1) separate different points.
- Content in the answer column in brackets is for examiner information/context to clarify the marking but is not required to earn the mark (except Accounting syllabuses where they indicate negative numbers).

3 Calculation questions:

- The mark scheme will show the steps in the most likely correct method(s), the mark for each step, the correct answer(s) and the mark for each answer
- If working/explanation is considered essential for full credit, this will be indicated in the question paper and in the mark scheme. In all other instances, the correct answer to a calculation should be given full credit, even if no supporting working is shown.
- Where the candidate uses a valid method which is not covered by the mark scheme, award equivalent marks for reaching equivalent stages.
- Where an answer makes use of a candidate's own incorrect figure from previous working, the 'own figure rule' applies: full marks will be given if a correct and complete method is used. Further guidance will be included in the mark scheme where necessary and any exceptions to this general principle will be noted.

4 Annotation:

- For point marking, ticks can be used to indicate correct answers and crosses can be used to indicate wrong answers. There is no direct relationship between ticks and marks. Ticks have no defined meaning for levels of response marking.
- For levels of response marking, the level awarded should be annotated on the script.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who marked that paper.

PREPARATION FOR MARKING

- 1 Make sure that you have completed the relevant training and have access to the *RM Assessor Guide*.
- 2 Make sure that you have read and understand the question paper, which you can download from <https://support.rm.com/ca>
- 3 Log in to RM Assessor then mark and submit the required number of practice and standardisation scripts. You will need to mark the standardisation scripts to the required accuracy in order to be approved for marking live scripts. You may be asked to re-mark them, or to mark a second sample, if you do not meet the required accuracy on your first attempt.

MARKING PROCESS

- 1 Mark strictly to the FINAL mark scheme, applying the criteria consistently and the general marking principles outlined on the previous page.
- 2 If you are in doubt about applying the mark scheme, consult your Team Leader.
- 3 Mark at a steady rate through the marking period. Do not rush, and do not leave too much until the end. If you anticipate a problem in meeting the deadline, contact your Team Leader immediately and the Examiners' Helpdesk.
- 4 Examiners will prepare a brief report on the performance of candidates to send to their Team Leader via email by the end of the marking period. The Examiner should note strengths seen in answers and common errors or weaknesses. Constructive comments on the question paper, mark scheme or procedures are also appreciated.

MARKING SPECIFICS**Crossed out work**

- 1 **All a candidate's answers, *crossed out or not*, *optional or not*, must be marked.**
- 2 The only response not to be marked is one that has been crossed out and replaced by another response for that exact same question.
- 3 Consequently, if a candidate has crossed out their response to an optional question and gone on to answer a different optional question then both attempts must be marked. The higher mark will be awarded by the system according to the rubric.

0 (zero) marks or NR (no response)

- 1 Award **NR** if there is nothing at all written in answer to that question (often the case for optional questions).
- 2 Award **NR** if there is a comment which is not an attempt at the question (e.g. 'can't do it' or 'don't know' etc.)
- 3 Award **NR** if there is a symbol which is not an attempt at the question, such as a dash or question mark.
- 4 Award **0** (zero) if there is any attempt at the question which does not score marks. This includes copying the question onto an Answer Booklet.

Annotation

- 1 Every question must have at least one annotation e.g. <NAQ> if it is an NR and <X> or <seen> if 0 marks are awarded.
- 2 **Every mark awarded for a question (as shown in the mark input box to the right of the screen) must be indicated by a correctly positioned tick on the script. The number in the box below the tick annotation must be equal to the mark awarded in the input box.**
- 3 Every page of a script must have at least one annotation e.g. <BP> for a blank page.

Question	Answer	Marks	Guidance
1(a)	<p>Explain what is meant by division of labour, using an example from Fig. 1.1.</p> <p>Dividing/breaking down a task/production process into small parts / each worker has a different task/job (1) Example – forklift driver/someone transporting/driving / packer packing/someone labelling / someone carrying boxes (1)</p>	2	1 mark for understanding of the term and 1 mark for example
1(b)	<p>Explain <u>two</u> disadvantages of division of labour to a manufacturer.</p> <ul style="list-style-type: none"> • Production workers may become bored doing the same task (1) make mistakes/lack of quality/less efficiency (1) • Workers less motivated/less job satisfaction (1) more likely to leave the business/manufacturing may halt or slow down/fall in quality (1) • Production disrupted/less flexibility in the workplace/workers not multi-skilled/interdependence (1) if workers cannot cover for absent colleagues/workers only skilled in one task (1) 	4	1 mark for each disadvantage and 1 mark for each explanation × 2
1(c)	<p>Do you think warehouses should use more technology? Give reasons for your answer.</p> <p>Yes – Increased efficiency/output/production (1) provides economies of scale (1) saves time (1) improves stock control (1) allow an example such as robots picking/packing goods (1) less need for workers (1) cuts costs/wages (1) fewer mistakes / no human error (1) use of cameras (1) better safety/security (1) reduces theft (1) 24/7 (1) better use of space (1) workers are freed to do higher-level tasks / easier for workers (1) can give competitive edge to those warehouses that automate processes (1)</p> <p>No – large capital investment needed (1) workers need to be trained to operate the system properly (1) system requires maintenance/more maintenance staff (1) less jobs for warehouse workers / unemployment (1)</p>	3	Up to 3 marks for justified reasoning of yes and/or no responses

Question	Answer	Marks	Guidance
1(d)	Circle the correct answer to complete each of the following sentences. Primary and secondary industries are part of the chain of production . Warehousing is an essential element of logistics .	2	1 mark for each correct answer

Question	Answer	Marks	Guidance															
1(e)	<p>The video game manufacturer is considering two options to promote a new game. Option 1: social media advertising Option 2: television advertising. Discuss each of these two options. Which would you recommend? Give reasons for your answer.</p> <p>Social media advertising is any type of below-the-line marketing that is developed for and relies on social media networks, platforms, or apps. <i>Television advertising</i> is a method of above-the-line marketing used to sell goods and services via adverts on TV for short periods of time.</p> <p>Social media advertising</p> <ul style="list-style-type: none"> • Social media advertising can be targeted to new games/gamers – to gain new followers • Social media is used by young people more – can target this group to increase sales • Social media advertising is cost-effective – compared to other types of advertising or example • Covers global area/can be seen by many people/viral marketing – leading to an increase in brand awareness / sales • Helps to build loyalty – engaging with other gamers • Viral posts can be used – to increase reach • It is very easy to measure social media advertising - if an advertisement for a video game isn't working, media planners can pause the campaign or reallocate funds on demand. • It is simple to test the effectiveness of certain promotional messages - such as a demo for a new video game, while an advertising campaign is running. • Can gain customer feedback about games – helps to improve products / build customer relationships / can respond quickly to complaints. 	8	<table border="1"> <thead> <tr> <th data-bbox="1498 217 1603 284">Level</th> <th data-bbox="1603 217 1697 284">Mark</th> <th data-bbox="1697 217 2049 284">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="1498 284 1603 587">3</td> <td data-bbox="1603 284 1697 587">7–8</td> <td data-bbox="1697 284 2049 587">The candidate is able to offer a recommendation with a thorough evaluation of both social media advertising and television advertising with application to a video game manufacturer.</td> </tr> <tr> <td data-bbox="1498 587 1603 922">2</td> <td data-bbox="1603 587 1697 922">5–6</td> <td data-bbox="1697 587 2049 922">Candidate offers a satisfactory analysis of using social media advertising and/or television advertising with application to a video game manufacturer with or without a recommendation</td> </tr> <tr> <td data-bbox="1498 922 1603 1257">1</td> <td data-bbox="1603 922 1697 1257">1–4</td> <td data-bbox="1697 922 2049 1257">Candidate demonstrates some knowledge and understanding of social media and/or television advertising with application to a video game manufacturer without a recommendation</td> </tr> <tr> <td data-bbox="1498 1257 1603 1324">0</td> <td data-bbox="1603 1257 1697 1324">0</td> <td data-bbox="1697 1257 2049 1324">No creditable response.</td> </tr> </tbody> </table>	Level	Mark	Description	3	7–8	The candidate is able to offer a recommendation with a thorough evaluation of both social media advertising and television advertising with application to a video game manufacturer.	2	5–6	Candidate offers a satisfactory analysis of using social media advertising and/or television advertising with application to a video game manufacturer with or without a recommendation	1	1–4	Candidate demonstrates some knowledge and understanding of social media and/or television advertising with application to a video game manufacturer without a recommendation	0	0	No creditable response.
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Question	Answer	Marks	Guidance
1(e)	<ul style="list-style-type: none"> • Can drive traffic to the website – providing more marketing opportunities • Quick/easy to update – can spend time on production • Negative reviews can be seen by everyone – can damage reputation • Needs time/resources – to keep content engaging / deal with customer queries • Despite targeted advertisements supporting the social platform many gamers will be annoyed or unnerved by messaging that is too frequent, or too specific. • Since social media is an accessible platform used by gamers, it attracts a lot of competition - brands must strive to stand out with compelling content. <p>Television advertising</p> <ul style="list-style-type: none"> • Television has a wide audience - so TV advertising is ideal to advertise to large markets. • Television advertisements have the advantage of sight, sound, movement and colour - to persuade a customer to buy a game. They are particularly useful if a video games manufacturer wants to show what happens in an action game. • However, a TV advertisement is very expensive, very short and there is no written record - so information regarding features such as a games ease of use may not be included. • Difficult to make changes - without reshooting the advert. • Can be difficult to target customers – e.g. young gamers, so the message is not reached to the selected video game customers. • Many gamers will watch trailers on the internet and social media platforms such as YouTube nowadays - so the TV advert is not seen. 		

Question	Answer	Marks	Guidance
1(e)	<p>Evaluation</p> <ul style="list-style-type: none"> The benefits of the large target audience and impact of television advertising needs to be considered over the need to target specific gamers and the lower cost that social media advertising offers. Social media advertising has become a popular tool among advertisers as people have stopped watching TV like they used to. Ultimately, it comes down to where the world is headed. If no one's left watching television, or at least responding to the commercials, then there is no point advertising there. While a 20-second TV advert will cost you thousands of dollars, a targeted social media advertisement will cost a fraction of the price and probably lead to more conversions compared to the former. As the majority of the population shifts to the digital world, it makes sense to follow them there than be left behind although depending on the nature of the game a range of advertising media, including TV, advertising media may be useful. 		

Question	Answer	Marks	Guidance
2(a)(i)	<p>State <u>one</u> trade document that WW would send to a retailer in response to an enquiry.</p> <p>Quotation / price list / catalogue</p>	1	
2(a)(ii)	<p>State <u>one</u> reason why WW would issue a credit note.</p> <p>When goods have been overcharged or mistake made on invoice / goods have been returned / insufficient goods have been delivered / goods have been damaged or lost in transit</p>	1	

Question	Answer	Marks	Guidance
2(b)	<p>A retailer purchased goods priced at \$11 000 from WW. The retailer received a 20% trade discount and a further 5% cash discount for quick payment.</p> <p>Calculate how much the retailer paid for the goods. Show your working.</p> <p>Answer = \$8360 (3) Method = \$11 000 – \$2 200 (1) = \$8 800 – \$440 (1)</p>	3	3 marks for correct answer. 2 marks for correct method but calculation error Allow OFR

Question	Answer	Marks	Guidance
2(c)	<p>Explain <u>two</u> reasons why small-scale retailers prefer to buy from a wholesaler instead of buying from manufacturers.</p> <ul style="list-style-type: none"> • Wholesaler can provide a variety of goods (1) can meet their customer needs / whereas if a manufacturer was used, they would need to go to individual manufacturers / wasting time/money (1) • Wholesalers provide storage of goods (1) e.g. seasonal goods / this saves space for the retailer / which the manufacturer would not do as space is needed for production (1) • Convenience (1) as wholesaler is usually well situated / to provide retailer needs at short notice / whereas manufacturer could be located anywhere in the country/world (1) • Breaking bulk (1) with bulk purchases split into smaller quantities / saving retailer expense of keeping large stocks / retailers do not have the capital to buy in bulk / do not want to buy in large quantities / they only have a small turnover (1) • Wholesalers provide advice (1) e.g. market trends / have wide knowledge of the market / whereas manufacturers do not provide such expertise (1) • Wholesalers will allow credit (1) can take the goods and pay later / so that the retailer can sell the goods before paying the wholesaler / if the retailer had bought from a manufacturer, they might have been expected to pay cash (1) • Wholesaler provides delivery (1) saves on transport costs / so that retailers do not run short of goods / whereas manufacturers would not be able to provide this service (1) • Wholesalers give trade discount/discount (1) enabling small-scale retailers to make a profit (1) • Wholesalers can prepare goods for sale (1) e.g. packing (1) reduces costs (1) 	4	1 mark for each reason and 1 mark for each explanation × 2

Question	Answer	Marks	Guidance
2(d)	<p>Traditional wholesalers are declining in many countries. Evaluate whether wholesalers should also act as retailers by selling direct to the public to reduce this decline. Give reasons for your answer.</p> <p>Advantages</p> <ul style="list-style-type: none"> • Larger market with potential to increase sales/profits • Can promote their brands to wider customer groups • Can build stronger relationships with consumers • Can charge lower prices <p>Disadvantages</p> <ul style="list-style-type: none"> • They would not want to compete with their own customers, that is the retailers who then might decide to use the services of another wholesaler. • The wholesaler would need to have two different kinds of premises (one for the retailer in a shopping area and a warehouse on an industrial estate) this would increase costs, that the wholesaler might not be able to afford. • Operating both would increase the workload, requiring different/more skills with extra staff being needed who would require training on customer service • More deliveries will be required leading to higher transport costs. • Wholesalers do not have a direct link with customers this would be time consuming to provide personal services • Would need to provide extra services such as home delivery • Lacks knowledge of the market to understand consumer wants • Less convenient for public to visit if wholesaler is located further away than where public live and work 	6	<p>Up to 2 marks for describing wholesalers/retailers</p> <p>Up to a further 2 marks for analysing whether wholesalers should act as retailers to reduce their decline</p> <p>Up to a final 2 marks for evaluating whether wholesalers should act as retailers to reduce their decline.</p>

Question	Answer	Marks	Guidance
2(d)	<p>Evaluation</p> <p>Wholesalers make money due to economies of scale. It means that the more products they sell the more money they make. This is due to the size of their margins. The margin is how much they make by selling each product. Wholesalers only make a small percentage markup per item, but sell a lot of items. Retailers on the other hand sell at a higher markup, but sell fewer items. Therefore, wholesalers won't make enough money if they sell to the public. The focus should be placed on these large orders for bulk wholesale, so that orders with a large amount or number of orders will make their business successful.</p>		

Question	Answer	Marks	Guidance
3(a)(i)	<p>Calculate the profit for the year (net profit).</p> <p>Answer = \$40 500 (3) Method = \$135 540 + 77 850 = \$213 390 (1) \$213 390 – \$61 390 = \$152 000 – \$111 500 (1) OR \$152 000 (1) - \$111 500 (1) = 2 marks</p>	3	3 marks for correct answer with up to 2 marks for correct method but calculation error
3(a)(ii)	<p>State <u>one</u> reason why Dani accepts debit cards for cash sales.</p> <ul style="list-style-type: none"> • Payment is guaranteed/secure • Immediate/instant payment/faster/direct payment / no credit • No bad debts • Reduces paperwork • Security / prevents theft of cash • Minimises cash handling 	1	
3(a)(iii)	<p>What is meant by credit sales?</p> <p>Sale of goods on credit / goods bought on credit / payment is received later / buying now, pay later / in instalments / sales made through credit cards</p>	1	

Question	Answer	Marks	Guidance
3(b)	<p>Define <i>speciality shop</i>.</p> <p>A shop that sells a narrow/restricted/limited range of goods/specific goods/niche goods/one kind of goods/one type of goods</p>	1	
3(c)	<p>Do you agree that the most appropriate form of business ownership for Dani is to be a sole trader? Give reasons for your answer.</p> <p>Yes - Dani will have full ownership (1) be in complete control (1) makes all business decisions (1) no need to gain the approval of others (1) can input own ideas (1) receives all the profits (1) no legal requirements when setting up (1) has flexibility (1) e.g. can take holidays when they like (1) can adapt to changes quickly (1) music shop is small, so can offer a personal service (1)</p> <p>No – Has unlimited liability (1) liable for all debts (1) can lose personal possessions (1) may find it difficult to raise finance (1) to expand (1) as sole traders considered risky to lend money to (1) may have to work long hours / no holidays (1) due to size unable to exploit economies of scale (1) no continuity (1) as business dies with owner (1) might be better as a partnership/limited company (1) more capital can be raised (1) has more status than a sole trader (1) can share losses/risks with (1) shared decision-making (1) more ideas (1)</p>	3	Up to 3 marks for justified reasoning of yes and/or no responses

Question	Answer	Marks	Guidance																	
3(d)	<p>Dani wants to expand the business by investing in a guitar testing booth. She is considering two options to fund this expansion.</p> <p>Option 1: loan Option 2: overdraft.</p> <p>Discuss each of these two options. Which would you recommend? Give reasons for your answer.</p> <p>Loan is a medium to long-term source of finance provided by banks with fixed interest charged on the sum borrowed. Overdraft is a short-term form of flexible borrowing up to an agreed limit using a bank current account.</p> <p>Loan</p> <ul style="list-style-type: none"> • Would usually be repaid by monthly instalments over a set period of time, with a fixed rate of interest. • It is a long-term source of finance usually for a large amount. Dani would receive a fixed amount. • Normally used for a specific purpose, such as buying equipment, i.e. an asset such as fixtures and fittings because the bank will use it as security/collateral, but Dani might still need a deposit. <p>Overdraft</p> <ul style="list-style-type: none"> • Would enable Dani to spend more than she has in the bank, up to an agreed limit. Interest is charged on the amount overdrawn. • Overdrafts tend to be used in the short term for working capital requirements – such as buying more stock. • The interest charged is likely to be higher than for a loan. • Does not require much paperwork to complete. • The overdraft can be received quickly and repaid at irregular intervals – when Dani has the money. • Interest will be charged until she has repaid the overdraft in full. 	8	<table border="1"> <thead> <tr> <th data-bbox="1496 215 1615 279">Level</th> <th data-bbox="1615 215 1711 279">Mark</th> <th data-bbox="1711 215 2051 279">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="1496 279 1615 619">3</td> <td data-bbox="1615 279 1711 619">7–8</td> <td data-bbox="1711 279 2051 619">The candidate is able to offer a thorough evaluation, with a recommendation, of whether Dani should be using a loan or an overdraft to invest in new facilities.</td> </tr> <tr> <td data-bbox="1496 619 1615 954">2</td> <td data-bbox="1615 619 1711 954">5–6</td> <td data-bbox="1711 619 2051 954">Candidate offers a satisfactory analysis of the advantages and/or disadvantages of using a loan and/or overdraft to invest in new facilities without evaluation.</td> </tr> <tr> <td data-bbox="1496 954 1615 1257">1</td> <td data-bbox="1615 954 1711 1257">1–4</td> <td data-bbox="1711 954 2051 1257">Candidate demonstrates some knowledge and understanding, with application to investing in new facilities, by a loan or an overdraft.</td> </tr> <tr> <td data-bbox="1496 1257 1615 1359">0</td> <td data-bbox="1615 1257 1711 1359">0</td> <td data-bbox="1711 1257 2051 1359">No creditable response.</td> </tr> </tbody> </table>			Level	Mark	Description	3	7–8	The candidate is able to offer a thorough evaluation, with a recommendation, of whether Dani should be using a loan or an overdraft to invest in new facilities.	2	5–6	Candidate offers a satisfactory analysis of the advantages and/or disadvantages of using a loan and/or overdraft to invest in new facilities without evaluation.	1	1–4	Candidate demonstrates some knowledge and understanding, with application to investing in new facilities, by a loan or an overdraft.	0	0	No creditable response.
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3(d)	<p>Evaluation Dani needs finance for a specific project – for a guitar testing booth - so a loan seems most appropriate if she doesn't have enough cash available, but it will depend on how much the booth will cost. If it is a large amount of money, which would have to be repaid over a longer time, then a loan is again the recommended option, but if this facility costs a relatively small amount of money, Dani might just use her overdraft.</p>		

Question	Answer	Marks	Guidance
4(a)	<p>State <u>one</u> benefit of using ferries to transport freight between ports.</p> <ul style="list-style-type: none"> • Speed/efficient/quick turnaround of vehicles/cargoes • Ease of loading/unloading • Can carry bulky goods/large quantities/heavy goods • Can carry a variety of cargo • Less handling / protects against theft / damage • Cheap/fewer costs 	1	

Question	Answer	Marks	Guidance
4(b)	<p>Describe <u>one</u> service provided at ports for shipping companies.</p> <ul style="list-style-type: none"> • Clear waterways/marked channels (1) providing safe access (1) • Tugs/pilots (1) to move ships (1) • Wharves/cranes (1) to load/unload cargo (1) • Container terminals (1) to handle containers coming into port (1) • Loading/unloading containers (1) to be taken off / put on ship (1) • Warehousing (1) for storage / safekeeping / • Bonded warehouses (1) controlled by customs / storage of dutiable goods (1) • Repair facilities (1) with wet/dry docks (1) • Fuel (1) to service vessels (1) • Transport infrastructure (1) for connections to road/rail links (1) • Parking area (1) for cars/trucks (1) • Security (1) e.g. dock police/fire service (1) • Customs (1) to collect duties / to prevent smuggling (1) 	2	1 mark for service and 1 mark for linked description
4(c)(i)	<p>Define <i>quota</i>.</p> <p>A limit on the number of goods that are allowed to be imported into a country or exported out of a country / limit on imports / limit on exports</p>	1	

Question	Answer	Marks	Guidance
4(c)(ii)	<p>Do you think it is a good idea for a country to impose trade restrictions, such as quotas? Give reasons for your answer.</p> <p>Yes – to prevent dumping of goods (1) selling goods below cost in home market (1) creating unfair competition (1) To protect against unemployment (1) from cheap imports (1) To protect infant industries / local businesses (1) which are not yet established (1) so that they can grow / compete in the world market (1) To gain revenue from tariffs (1) which can be spent on infrastructure (1) e.g. new roads/healthcare (1) Can use embargoes (1) to prevent the entry of harmful/dangerous/demerit goods (1) such as guns (1) Trade restrictions have a favourable effect on the balance of payments of the importing country (1) they reduce imports and increase the export surplus (1) so can improve a deficit in the balance of payments (1) putting a country in a stronger financial position better economic growth (1)</p> <p>No – Some countries without resources are unable to produce goods and services (1) e.g. due to climate / lack of raw materials (1) so have to depend entirely on imports (1) International trade provides a wider variety of goods/services (1) leading to more choice for consumers (1) thereby improving their standard of living (1) Helps to develop the economy (1) with more jobs (1) less unemployed (1) May lead to retaliation (1) bad relations (1) by a country imposing taxes on another country's exports (1)</p>	3	Up to 3 marks for justified reasoning of yes and/or no responses.

Question	Answer	Marks	Guidance
4(d)	<p>Evaluate the benefits to Country Y of joining a trading bloc.</p> <p>A trade bloc is a group of countries joined together through a trade agreement.</p> <ul style="list-style-type: none"> • Increased trade / economic growth with access to larger markets • Wider choice / better quality of goods for consumers by obtaining goods not locally available / goods move freely between member countries • No tariffs so there is free trade • Competitive/cheaper prices as Country Y can take advantage of cheaper raw materials • Economies of scale with mass production / free movement of goods • More jobs with free movement of labour / increased GDP / opportunity to set up factories in other member countries • Standardisation of measures/documents (possibly currency) making it easier to sell to other countries • Travel costs may be reduced with less bureaucracy / same currency • Financial aid e.g. for infrastructure projects / areas of poverty • Improves political relationships leading to peace between nations • Foreign investment may increase standard of living / level of employment <p>Evaluation Trading blocs have many advantages in enabling free trade between geographically close countries. This can lead to lower prices, increased export potential, higher growth, economies of scale and greater competition. However, these advantages can be outweighed by losing some political sovereignty. Also, the move to free trade tends to create winners and losers, with some domestic industries losing out to lower-cost imports. Country Y will have to decide if the advantages outweigh the disadvantages.</p>	6	<p>Up to 2 marks for describing benefits to Country Y of joining a trading bloc</p> <p>Up to a further 2 marks for analysing benefits to Country Y of joining a trading bloc</p> <p>Up to a final 2 marks for evaluating benefits to Country Y of joining a trading bloc</p>

Question	Answer	Marks	Guidance
5(a)	<p>Identify the age group with the lowest number of accidents per million drivers.</p> <p>60–69</p>	1	
5(b)	<p>Explain <u>two</u> factors, other than age, that would affect the level of car insurance premiums.</p> <ul style="list-style-type: none"> • The value of the car (1) premiums will be higher if the car is new / expensive model (1) • The model of the car/type of car e.g. sports car (1) premiums will be higher for cars with bigger engines (1) • Drivers' history/records/number of accidents (1) premiums will be higher if drivers have committed driving offences such as speeding (1) • The area where the car is used (1) the premium will be higher in locations where crime rates are higher / in urban areas (1) • Where the car is kept at night (1) premiums will be lower if the car is locked away in a garage (1) • Claims/past records/skilled driver (1) premiums will be higher if the driver has a history of car claims (1) • Cost of repairs/condition of the car (1) premiums will be higher if parts are expensive to replace / allow example (1) • Mileage of the car (1) premiums are higher for cars that spend more time on the road (1) • Gender of the driver (1) premiums can be higher for males than females (1) • Marital status (1) premiums can be higher for single people than married people (1) • Occupation (1) premiums can be higher for high-risk jobs than low-risk jobs (1) • Theft record of car/car brand (1) premiums can be higher for car more popular with car thieves (1) • Medical record (1) premiums can be higher for people with certain medical conditions (1) 	4	1 mark for each factor and 1 mark for each explanation x 2

Question	Answer	Marks	Guidance												
5(c)	<p>A 50-year-old driver has been quoted a car insurance annual premium of \$600. The driver has a 40% no claims discount.</p> <p>Calculate the premium. Show your working.</p> <p>Answer = \$360 (2) Method = $40/100 \times \\$600 = \\240, $\\$600 - \\240 (1)</p>	2	2 marks for correct answer with 1 mark for correct method but calculation error												
5(d)	<p>Which of these statements about transport and the environment are TRUE and which are FALSE?</p> <table border="1" data-bbox="344 655 1361 919"> <thead> <tr> <th></th> <th>TRUE</th> <th>FALSE</th> </tr> </thead> <tbody> <tr> <td>Riding a bicycle to work causes air pollution.</td> <td></td> <td>✓</td> </tr> <tr> <td>Electric cars produce lower carbon emissions than petrol cars.</td> <td>✓</td> <td></td> </tr> <tr> <td>Environmental pressure groups promote increased use of transport for deliveries.</td> <td></td> <td>✓</td> </tr> </tbody> </table>		TRUE	FALSE	Riding a bicycle to work causes air pollution.		✓	Electric cars produce lower carbon emissions than petrol cars.	✓		Environmental pressure groups promote increased use of transport for deliveries.		✓	3	1 mark for each correct answer
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Question	Answer	Marks	Guidance
5(e)	<p>Evaluate whether or not a business should buy and operate their own fleet of vans to deliver goods.</p> <p>Arguments for</p> <ul style="list-style-type: none"> • Provides direct contact with customers – leading to increased customer satisfaction • Goods are better supervised – so less theft • Delivery times can be flexible – so no need to wait for someone else’s vehicle / can be used at any time / 24/7 • Advertising can be done on side of van – so can promote business • More economic if regular loads – so saves money • Less documentation/paperwork needed – so cutting down on administration • Vans can be hired out – enabling income/profit to be earned • Specialised vans e.g. refrigerated vans can be bought – to meet business needs better • No rent paid to a third party – so the business will save money • Leased vehicles will be maintained by leasing company – reducing maintenance costs • Can deliver large amounts of goods at once – as there is more capacity <p>Arguments against</p> <ul style="list-style-type: none"> • High capital cost – with possible interest being paid to the bank for a loan • High running costs – such as fuel/drivers wages/decreasing profit • Need to employ someone to manage the fleet – adding to costs • May be difficult to obtain return loads – so the vans are underused • May be involved in accidents – so unable to be used • Money spent on own transport could be spent better – such as on a new website. 	6	<p>Up to 2 marks for describing reasons for having its own fleet of vans to make deliveries</p> <p>Up to 2 marks for analysing whether (or not) a business should have its own fleet of vans to make deliveries</p> <p>Up to 2 marks for evaluating whether (or not) a business should have its own fleet of vans to make deliveries</p>

Question	Answer	Marks	Guidance
5(e)	Evaluation A business will have to decide whether the benefits outweigh the disadvantages. A small business would find it often better to use other companies' transport or when its own transport fleet cannot cope with the workload. Overall, if business has the necessary finance available, it should purchase its own fleet of vans so to facilitate deliveries at any time and decrease the costs of leasing.		