

Cambridge O Level

COMMERCE**7100/21**

Paper 2 Written

October/November 2025

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 October/November 2025 series for most Cambridge IGCSE, Cambridge International A and AS Level components, and some Cambridge O Level components.

This document consists of **27** printed pages.

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.

**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.

Annotations guidance for centres

Examiners use a system of annotations as a shorthand for communicating their marking decisions to one another. Examiners are trained during the standardisation process on how and when to use annotations. The purpose of annotations is to inform the standardisation and monitoring processes and guide the supervising examiners when they are checking the work of examiners within their team. The meaning of annotations and how they are used is specific to each component and is understood by all examiners who mark the component.

We publish annotations in our mark schemes to help centres understand the annotations they may see on copies of scripts. Note that there may not be a direct correlation between the number of annotations on a script and the mark awarded. Similarly, the use of an annotation may not be an indication of the quality of the response.

The annotations listed below were available to examiners marking this component in this series.

Annotations

Annotation	Meaning
	Correct point
	Incorrect point
	Level one / Level two / Level three
	Benefit of the doubt
	Blank page
	Own figure rule
	Not answered question
	Repeat
	Indicates that the point has been noted, but no credit has been given.
	Too vague

Guidance on using levels-based marking

Marking of work should be positive, rewarding achievement where possible, but clearly differentiating across the whole range of marks, where appropriate.

The examiner should look at the work and then make a judgement about which level statement is the best fit. In practice, work does not always match one level statement precisely so a judgement may need to be made between two or more level statements.

Once a best-fit level statement has been identified, use the following guidance to decide on a specific mark:

- If the candidate's work **convincingly** meets the level statement, award the highest mark.
- If the candidate's work **adequately** meets the level statement, award the most appropriate mark in the middle of the range.
- If the candidate's work **just** meets the level statement, award the lowest mark.
- L1, L2 etc. must be clearly annotated on the response at the point where the level is achieved.

Assessment objectives

AO1 Knowledge and understanding

Demonstrate knowledge and understanding of business concepts, terms and theories.

AO2 Application

Apply knowledge and understanding of business concepts, terms and theories to problems and issues in a variety of familiar and unfamiliar business situations and contexts.

AO3 Analysis

Analyse business problems, issues and situations by:

- using appropriate methods and techniques to make sense of qualitative and quantitative business information
- searching for causes, impact and consequences
- distinguishing between factual evidence and opinion or value judgement
- drawing valid inferences and making valid generalisations.

AO4 Evaluation

Evaluate evidence in order to make reasoned judgements, present substantiated conclusions and, where appropriate, make recommendations for action and implementation.

Question	Answer	Marks	Guidance
1(a)(i)	<p>Define secondary production.</p> <ul style="list-style-type: none"> • Changing raw materials into finished/manufactured goods / raw materials are manufactured / goods made from primary production / is the manufacturing of goods / it is the second stage of production that includes manufacturing / construction 	1	
1(a)(ii)	<p>Calculate the total value of output for tertiary production in country B. Show your working.</p> <p>Correct answer = \$540bn or 540 000 000 000 (2) Method = $60 / 100 \times 900$ (1)</p>	2	
1(a)(iii)	<p>Explain <u>one</u> possible reason for the differences in output shown in Fig. 1.1 for the two countries.</p> <ul style="list-style-type: none"> • Country A more focused/specialises in primary industry whereas country B more focused/specialises in tertiary industry (2) • Country A may have more investment by government in primary industry whereas country B has more investment in tertiary industry (2) • Country A may be rich in natural earth resources whereas country B has few natural earth resources (2) • Country A is extracting more raw materials than country B (2) • Country A has less developed services such as tourism whereas country B has developed commercial services (2) • Country B is economically developed whereas country A is less economically developed • Country B has more advanced technology than country A (2) 	2	

Question	Answer	Marks	Guidance
1(a)(iii)	<ul style="list-style-type: none"> Country B may have greater employment in the services sector whereas country A has less employment in tertiary production (2) One reason might be more technology / land / labour / natural resources (1) Lack of skilled workers (1) Less raw materials in one country / raw materials vary (1) Country B has a more educated workforce (1) 		
1(b)	<p>Circle the correct answer to complete each of the following sentences.</p> <p>An effect of the exploitation of natural resources is pollution.</p> <p>Money spent by tourists benefits a country's invisible trade.</p>	2	
1(c)(i)	<p>Explain <u>one</u> difference between a broker and a factor.</p> <ul style="list-style-type: none"> Brokers bring buyers and sellers together / looks for a market (1) whereas factors sell goods (1) on behalf of their principals (1) Brokers are responsible for the delivery of goods (1) whereas factors do not buy goods for their principals (1) Brokers do not have possession of the goods (1) whereas factors have possession of the goods / collect payments (1) Brokers cannot arrange contracts in their own names (1) whereas factors can only deal with goods as if they were the owners / can sell/buy in their own name (1) Brokers gain commission for their services (1) whereas a factor can earn extra commission if acting as a <i>del credere</i> agent / can make a profit (1) 	2	

Question	Answer	Marks	Guidance
1(c)(ii)	<p>Discuss the importance of containerisation to importers in the supply chain. Give reasons for your answer.</p> <p>Containerisation is an integrated/intermodal transport system that can be used on all types of transport using standard-sized metal containers that can be moved from one method of transport to another. Each container is assigned a unique BIC code for identification and tracking during its journey across the global supply chain. They are sealed fitted with locks. They act as warehouses and can be stacked out of doors.</p> <p>The supply chain is a complex logistics system that consists of facilities that convert raw materials into finished products which are later distributed to end customers.</p> <ul style="list-style-type: none"> Reduces costs by enabling economies of scale through use of large vehicles/ships / reduced handling. This makes importing a wider range of goods and results in lower consumer prices Containers can be used to carry a wide variety/large amount of goods in the supply chain such as commodities (coal, wheat), manufactured goods, cars, and refrigerated (perishable) goods. This enables the importing of a wider range of goods globally resulting in lower consumer prices. Container transportation offers lower transport costs due to the advantages of standardisation. Moving the same amount of break-bulk freight in a container is about 20 times less expensive than conventional means. Containers enable economies of scale using all transport mode terminals that were not possible through standard break-bulk handling. Containers are sealed so this reduces the risk of damage/spoilage theft leading to lower insurance costs 	6	<p>Up to 2 marks for describing containerisation/importers/supply chain</p> <p>Up to a further 2 marks for analysing the importance of containerisation in the supply chain</p> <p>Up to a final 2 marks for evaluating the importance of containerisation in the supply chain</p>

Question	Answer	Marks	Guidance
1(c)(ii)	<ul style="list-style-type: none"> Greater speed/efficiency in transferring containers between different methods of transport. Because of this transshipment advantage, transport chains involving containers are faster leading to customers receiving their goods through the supply chain more efficiently The container is its own warehouse, protecting the cargo it contains. This results in less expensive packaging for containerised cargoes The container contents are unknown to carriers since it can only be opened at the origin (seller/shipper), at customs, and the destination (buyer). This results in reduced damage/spoilage / theft Standardised containers (e.g. 40 ft) have made international trade more accessible to all importers so that they expand where they source goods from <p>Evaluation: The container is just one of the main cogs in the entire logistics and supply chain process, but its job cannot be understated. It serves a valuable role in ensuring that goods are safely transported to global destinations so to meet consumer demand.</p>		

Question	Answer	Marks	Guidance
2(a)	<p>Define <i>regional distribution centre (RDC)</i>.</p> <ul style="list-style-type: none"> A warehouse/centre/point used by a retailer to supply its shops/branches/outlets / stores stock for the shops in the region / Used by large-scale retailers to store goods. 	1	

Question	Answer	Marks	Guidance
2(b)	<p>Explain <u>one</u> reason why Ola has taken out public liability insurance.</p> <ul style="list-style-type: none"> • Public liability insurance protects the business from any accidents/injuries that happen to customers/third parties / while customers are on the property (1) e.g. a member of the public falling on a slippery shop floor and breaking their leg (1) • Protects against claims / compensation / covers costs (1) due to negligence by Ola's business (1) • Lowers the risk / of being sued (1) of paying compensation (1) • Public liability insurance covers the cost of any legal action (1) without it, it could be very expensive / could lead to closure of some of her shops (1) • Gives peace of mind to Ola (1) knowing that her business is protected from loss (1) • Gives business confidence/trust (1) as Ola's business seen as responsible (1) 	2	
2(c)	<p>Explain <u>one</u> advantage to Ola of receiving 90 days' trade credit from her main supplier.</p> <ul style="list-style-type: none"> • Improves cash flow (1) as payment is delayed/spread out for 90 days/frees up funds • Can be used as opportunity cost of using it for other purposes/other parts of her business (1) example, such as renovation (1) • Allows Ola to look for potential buyers /sell goods (1) and earn revenue to pay the supplier (1) • Can be used to buy more stock (1) if there is increased demand / without strain of paying upfront / to help with day-to-day running of her business (1) 	2	

Question	Answer	Marks	Guidance
2(c)	<ul style="list-style-type: none"> • Can make larger or bulk purchases to meet customer demand (1) without immediate financial strain (1) • Interest-free/more affordable (1) cheaper than other sources / cheaper than overdraft/ no extra costs (1) • Gives a competitive edge (1) greater flexibility than competitors who might have shorter payment terms (1) 		
2(d)	<p>Ola uses road transport to deliver the building materials to the regional distribution centre (RDC).</p> <p>Should Ola use rail transport instead of road transport? Give reasons for your answer.</p> <p>Yes - rail is suitable for heavy goods (1) bulk loads (1) rail has large carrying capacity (1) Ola might need a fleet of trucks to carry vast amounts of raw materials (1) which could be very expensive (1) road is expensive over long distances / rail cost-effective over long distances (1) rail is suitable for long distances (1) road is slow over long distances (1) no delays caused by traffic jams (1) so can be delivered on time (1) whereas rail is more environmentally friendly (1) as no air pollution (1) because they reduce car use (1) not affected by bad weather (1)</p> <p>No – road has flexible / various routes (1) not restricted to any timetable/flexible timetables(1) quick over short distances (1) cheaper over short distances (1) Ola can deliver directly to the door of the regional distribution centre (1) without any transshipment (1) saving time/cost (1) making it more efficient (1) less costly/cheaper than rail (1) trucks are large enough to carry raw materials in bulk (1) can advertise on the side of the vehicles (1) e.g. website (1) so that people can order more materials (1) less handling / loading/unloading (1) making goods sent by road less likely to be damaged / stolen (1)</p>	3	

Question	Answer	Marks	Guidance																		
2(e)	<p>Ola is planning to expand her business by opening more shops. She is considering two options:</p> <p>Option 1: becoming a private limited company Option 2: offering franchises.</p> <p>Discuss both options. Which option would you recommend? Give reasons for your answer.</p> <p>A private limited company is in the private sector, is a legal entity separate from its owners, with limited liability meaning the owners' personal assets are protected if the company faces debt. These companies are owned by shareholders usually run by a family.</p> <p>A franchise is a way of running a business by marketing it by offering franchises to franchisees who buy the rights to use the business name, products and marketing of the franchisor. The owner of an established brand is the franchisor who grants the franchisee the right to use the brand's name/trademarks to sell their goods or services. This arrangement is governed by a legal document called a franchise agreement. The franchisee pays the franchisor an initial upfront fee to acquire the rights and a percentage of ongoing sales revenue/royalties for continued use of the brand and support services which can include training.</p>	8	<table border="1"> <thead> <tr> <th data-bbox="1248 208 1387 271">Level</th><th data-bbox="1387 208 1522 271">Mark</th><th data-bbox="1522 208 2056 271">Description</th></tr> </thead> <tbody> <tr> <td data-bbox="1248 271 1387 473">3</td><td data-bbox="1387 271 1522 473">7–8</td><td data-bbox="1522 271 2056 473">The candidate is able to offer a thorough evaluation, with recommendation, of whether Ola should become a private limited company or offer franchises to fund expansion.</td></tr> <tr> <td data-bbox="1248 473 1387 674">2</td><td data-bbox="1387 473 1522 674">5–6</td><td data-bbox="1522 473 2056 674">Candidate offers a satisfactory analysis of the advantages and/or disadvantages of becoming a private limited company or offer franchises to fund expansion, without a recommendation</td></tr> <tr> <td data-bbox="1248 674 1387 876">1</td><td data-bbox="1387 674 1522 876">1–4</td><td data-bbox="1522 674 2056 876">Candidate demonstrates some knowledge and understanding, with application to Ola of becoming a private limited company or offering franchises to fund expansion.</td></tr> <tr> <td data-bbox="1248 876 1387 938">0</td><td data-bbox="1387 876 1522 938">0</td><td data-bbox="1522 876 2056 938">No creditable response</td></tr> </tbody> </table>	Level	Mark	Description	3	7–8	The candidate is able to offer a thorough evaluation, with recommendation, of whether Ola should become a private limited company or offer franchises to fund expansion.	2	5–6	Candidate offers a satisfactory analysis of the advantages and/or disadvantages of becoming a private limited company or offer franchises to fund expansion, without a recommendation	1	1–4	Candidate demonstrates some knowledge and understanding, with application to Ola of becoming a private limited company or offering franchises to fund expansion.	0	0	No creditable response			
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Question	Answer	Marks	Guidance
2(e)	<p>Arguments for and against becoming a private limited company:</p> <p>It is easier to raise capital.</p> <p>Forming a private limited company means that the business can have shareholders as investors to raise the capital needed.</p> <p>The business will have limited liability so there is a likelihood of attracting sufficient shareholders to invest/more investors</p> <p>Ola will have other people to share control of the business that could help in decision-making</p> <p>However, becoming a private limited company is costly as there are legal procedures needed to set up a company which makes it expensive</p> <p>Some of the funds raised may be needed to pay setting up company costs thereby reducing its expansion plans</p> <p>Ola might find it difficult to find people willing to invest in the business even though they have legal protection and this could impact on its expansion plans</p> <p>Ola cannot sell shares to the public to raise capital thereby limiting amount invested/small capital</p> <p>Financial situation is not private as accounts are publicly available</p> <p>In some countries, the number of shareholders is restricted to 50 so this reduces expansion</p> <p>There will be more restrictions on what the business can do as it is controlled by memorandum/articles of association.</p> <p>Arguments for and against offering franchise opportunities:</p> <p>For each franchise that is opened Ola will receive a fee, so every time a franchise opens Ola can use the fees to expand by opening more shops herself.</p> <p>Franchising the business can be a cost-effective way to grow her business as she will not have to cover the cost of investing in new premises or staff</p>		

Question	Answer	Marks	Guidance
2(e)	<p>Additional sales lead to additional profit and in the long-term, she should have a saleable asset for her future.</p> <p>Easier management as the franchisees run their businesses therefore reducing the management demands placed on Ola. Franchises develop the brand so the more franchisees the better known the brand becomes.</p> <p>A larger business is more secure and additional turnover and profit can provide access to better deals for equipment, vehicles and other business purchases.</p> <p>There are many costs involved to get a successful franchise model in place for future growth of the business including investment in preparing legal documents, operations manuals, marketing materials and recruitment.</p> <p>Franchising will take a lot of time and investment especially when initially setting up the franchise model as Ola will have to take the time to ensure she attracts the right franchisees and control what they do.</p> <p>She will have to develop training and support for the franchisees to successfully sell her brand which will make setting up more expensive and time-consuming.</p> <p>Evaluation:</p> <p>Overall, I recommend that Ola converts to a private limited company. As she has 45 shops, this would suggest to potential investors that the business has growth prospects to invest in. The costs and time setting up the franchise model may be too expensive for Ola and it may take too long to expand. Also, the more franchises Ola sets up the greater the workload to manage and monitor what they do.</p>		

Question	Answer	Marks	Guidance
3(a)(i)	<p>Complete the missing figures labelled (x), (y) and (z) in Fig. 3.1.</p> <ul style="list-style-type: none"> • (x) \$28 800 (1) • (y) \$22 000 (1) • (z) \$67 000 (1) 	3	
3(a)(ii)	<p>Define assets.</p> <ul style="list-style-type: none"> • Anything that is owned by a company / item that belong to a business 	1	
3(a)(iii)	<p>Give <u>one</u> example of a current liability.</p> <ul style="list-style-type: none"> • Creditors / overdraft / utility bills such as electric / insurance / rent / supplies / legal fees / wages /interest / dividends payable / trade payables 	1	
3(b)	<p>Explain <u>one</u> reason why Sam's Garage does not accept payment in cash for petrol.</p> <ul style="list-style-type: none"> • Does not want to keep large amounts of cash at garage (1) less likely to have robbery/theft (1) • Cash is easy to steal (1) better for security (1) • Eliminates fraud (1) as no fake/counterfeit money (1) • Less employee theft (1) reducing skimming (1) • Faster service/more convenient (1) can process petrol sales quicker/efficiently (1) • Timesaving (1) no need to count money / visit bank with cash deposits (1) • Digital transactions more accurate record of sales (1) less mistakes / improved analysis of accounts (1) • Cashless society (1) more people using electronic payments or example such as credit card / bank transfers (1) 	2	

Question	Answer	Marks	Guidance
3(c)	<p>Identify two after-sales services that might be offered by Sam's Garage.</p> <ul style="list-style-type: none"> • Repairs • Tyre fitting / pumping • Breakdown service • Servicing car maintenance • Brake replacements • Maintenance checks / inspecting / testing vehicle • Selling spare parts • Warranty/replacement • Car washing • Delivery/transport of vehicles / car towing • Sell car accessories such as floor mats 	2	
3(d)	<p>Do you agree that it is a good idea for Sam's Garage to use leaflets to advertise its after-sales services? Give reasons for your answer.</p> <p>Yes – they are cheap (1) easy/quick to produce (1) for a small business/sole trader (1) as they may not be able to afford other advertising media (1) can hand them / deliver to target group/local people (1) with relevant information/details (1) example, such as contact details (1) kept for reference/long-lasting (1) passed on to other people (1) can easily be changed (1) can use colour (1) eye catching/visual impact (1) making them persuasive (1) can be flexibly distributed at garage or door-to-door (1)</p>	3	

Question	Answer	Marks	Guidance
3(d)	No – they might be treated as junk mail (1) easily ignored (1) limited information (1) and the information is not read (1) and then just thrown away (1) pollutes the environment (1) not wide coverage (1) time-consuming to distribute (1) no audio impact (1) less impact/less attractive (1) if printed in black or white (1) excludes illiterate readers (1) costly to distribute / need to hire people (1) difficulty to track response rate (1) better to use for example social media / posters / billboard / internet (1)		
3(e)	<p>Evaluate whether Sam's Garage should offer discount for prompt payment. Give reasons for your answer.</p> <p>Cash discount is a reduction in price given by the seller to the buyer to encourage prompt payment.</p> <ul style="list-style-type: none"> • A quick way for Sam's Garage to increase sales as customers like a good deal • Improves Sam's Garage's cashflow as it reduces payment time • Increases available working capital so that can be used to buy more cars • Encourages impulse buying so increase in sales • Can encourage word-of-mouth advertising to increase sales • Less need for Sam's Garage to use external finance as there is increased cash flow from early payment • It reduces bad debts/risk of late payments for Sam's Garage as the buyer makes the payment within the specified period/on time • Discounts encourage buyers to continue buying from Sam's Garage rather than going elsewhere 	6	<p>Up to 2 marks for describing discount / sales promotions</p> <p>Up to a further 2 marks for analysing whether Sam's Garage should offer discount for prompt payment</p> <p>Up to a final 2 marks for evaluating whether Sam's Garage should offer discount for prompt payment</p>

Question	Answer	Marks	Guidance
3(e)	<ul style="list-style-type: none"> • However, discounts erode Sam's Garage's profit margin, especially if the discount is too large • However, discounts require extra accounting work as Sam's Garage would need to keep track of transactions • However, discounts may be unnecessary reductions if customers already pay on time <p>Evaluation: The effect of internet car sales has meant that motor garages such as Sam's need to have cars competitively priced and offering discounts is a good way of being competitive. However, it is money lost, as discounts add up to up to significant sums over time which can have a negative effect on Sam's Garage's sales revenue and ultimately profit.</p>		

Question	Answer	Marks	Guidance
4(a)	<p>State <u>two</u> features of a deposit account.</p> <ul style="list-style-type: none"> • Interest on money deposited • Acts as a savings account/for saving money/save money / security of savings • Minimum balance requirement • Instant access to money • Notice of withdrawal maybe required / may limit the amount withdrawn / money can be withdrawn at anytime • A passbook may be provided • A withdrawal slip needed to take out money 	2	

Question	Answer	Marks	Guidance
4(b)(i)	<p>Explain a current account service Jonah could use in each of the following situations: wanting to see details of his bank account.</p> <ul style="list-style-type: none"> • Bank statement (1) showing transactions / credit/debit balances / how much owing (1) • Log in to your bank's website or mobile app or bank app or internet banking (1) to download statements (1) showing transactions / credit/debit balances (1) • Using an ATM (1) to obtain a min-statement (1) showing transactions / credit/debit balances (1) 	2	
4(b)(ii)	<p>Withdrawing money when the bank is closed.</p> <ul style="list-style-type: none"> • At ATM / cashback provider (1) with a credit / debit card / PIN / 24/7/anytime (1) • Use debit card / mobile wallet (1) at shops such as supermarkets (1) • Use telephone/internet/online banking/banking app/mobile app (1) to transfer money / 24/7/at any time (1) 	2	
4(c)	<p>Do you agree that the best way for Jonah to communicate with his bank is by mobile app? Give reasons for your answer.</p> <p>Yes – easy access / anywhere (1) 24/7/anytime (1) fast with one click (1) convenient (1) in the comfort of own home (1) because it can save time (1) save money (1) instead of going into / queuing in a bank (1) especially useful for customers without access to a local bank (1) safer than carrying cash to a bank (1) can be used when bank is closed (1) you can check account balances (1) receive alerts (1) make payments / transfer money (1) no need for internet connection (1) safer than internet banking (1) and normally free to use (1) can have chatbot support (1)</p>	3	

Question	Answer	Marks	Guidance															
4(c)	<p>No – network access might be unavailable (1) e.g. in rural areas (1) the bank's system might be down so no access is possible (1) e.g. app glitches / server downtime (1) cause delays /block account (1) security risk (1) as hackers may get into the bank's system / cyberattack / scammed (1) and steal a customer's money / data could be taken (1) loss of phone gives access to bank details (1) will not be able to obtain all bank services e.g. mortgage (1) limited personal interaction / immediate feedback (1) may not provide the advice needed (1) some banks charge a fee for mobile banking (1)</p>																	
4(d)	<p>Jonah wants to buy a new laptop from a retail store. He is considering two options to buy the laptop:</p> <p>Option 1: store card Option 2: bank loan.</p> <p>Discuss each of these two options. Which option do you recommend? Give reasons for your answer.</p> <p>A store card is provided by large-scale retailers through which credit is given. It can generally only be used to make purchases within a named store. It allows a customer to buy items on credit and pay the balance later with interest charged if you do not pay in full each month. Retailers offer store cards to encourage customer loyalty and often provide incentives such as a discount, exclusive access to sales events, free shipping or points, loyalty rewards programme. A bank loan is a fixed amount of bank borrowing over a set term with regular repayments. The borrower repays the amount borrowed plus an interest rate, which is fixed.</p>	8	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th data-bbox="1254 608 1378 671">Level</th><th data-bbox="1378 608 1501 671">Mark</th><th data-bbox="1501 608 2051 671">Description</th></tr> </thead> <tbody> <tr> <td data-bbox="1254 671 1378 854">3</td><td data-bbox="1378 671 1501 854">7–8</td><td data-bbox="1501 671 2051 854">The candidate is able to offer a thorough evaluation, with recommendation, of whether Jonah should be using a store card or a loan to pay for the laptop.</td></tr> <tr> <td data-bbox="1254 854 1378 1013">2</td><td data-bbox="1378 854 1501 1013">5–6</td><td data-bbox="1501 854 2051 1013">Candidate offers a satisfactory analysis of the advantages and/or disadvantages of using a store card and/or loan to pay for the laptop without recommendation</td></tr> <tr> <td data-bbox="1254 1013 1378 1179">1</td><td data-bbox="1378 1013 1501 1179">1–4</td><td data-bbox="1501 1013 2051 1179">Candidate demonstrates some knowledge and understanding, with application to Jonah of using a store card or a loan to pay for the laptop.</td></tr> <tr> <td data-bbox="1254 1179 1378 1243">0</td><td data-bbox="1378 1179 1501 1243">0</td><td data-bbox="1501 1179 2051 1243">No creditable response</td></tr> </tbody> </table>	Level	Mark	Description	3	7–8	The candidate is able to offer a thorough evaluation, with recommendation, of whether Jonah should be using a store card or a loan to pay for the laptop.	2	5–6	Candidate offers a satisfactory analysis of the advantages and/or disadvantages of using a store card and/or loan to pay for the laptop without recommendation	1	1–4	Candidate demonstrates some knowledge and understanding, with application to Jonah of using a store card or a loan to pay for the laptop.	0	0	No creditable response
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Question	Answer	Marks	Guidance
4(d)	<p>Store card:</p> <ul style="list-style-type: none"> Often receive a discount on the laptop He may earn reward points which can be used to obtain free gifts / special offers / free delivery Provides interest-free credit if paid off each month so helping Jonah's cash flow and helping Jonah to spread payments However, high interest rates can make it more difficult to pay off, if not paid on time However, temptation to overspend so can lead to debt However, can only use the store card in the named store unlike a credit card <p>Bank loan:</p> <ul style="list-style-type: none"> Jonah can pay back over a long period of time so that repayments can be spread Interest rate is fixed and usually lower than interest payments on a store card However, interest has to be added so it could be more costly than a store card However, risk of having his laptop repossessed if loan is not paid back However, a loan can encourage Jonah to buy a more expensive laptop that he can need / afford <p>Evaluation:</p> <p>A store card will offer a discount / reward so is more attractive but an inexperienced borrower, like Jonah, may not repay the debt in time so it will end up costing him a lot more when interest is added. If the laptop that he wants to buy is very expensive, it is recommended that he obtains a bank loan so that he can spread the repayments. Ultimately, whatever he decides, the most important thing for Jonah is to either repay in full on a store card to avoid interest or to make sure that he can afford the monthly loan repayments.</p>		

Question	Answer	Marks	Guidance
5(a)(i)	<p>Explain the term global ecommerce.</p> <ul style="list-style-type: none"> Global ecommerce refers to businesses selling their products over the internet/online/electronically/websites (1) to buyers worldwide/internationally/in different countries (1) 	2	
5(a)(ii)	<p>Calculate the increase in global ecommerce sales from 2017 to 2023.</p> <ul style="list-style-type: none"> \$4.16 / 4.160 trillion / \$4 160 000 000 000 	1	
5(b)	<p>Explain <u>one</u> reason why it is important for an ecommerce business to have a goods return option on its website.</p> <ul style="list-style-type: none"> Helps build confidence / trust / enhances reputation (1) as it shows commitment to providing quality products / reliable business (1) Enhances customer satisfaction / customer relationships (1) mitigating the risk of an unsatisfactory purchase / know that they return faulty goods if not wanted / can return faulty goods (1) Creates customer loyalty (1) increases repeat customers (1) Many customers want to see a return option before buying products (1) if it is not there, they will shop elsewhere / increases sales (1) Customers who are pleased with the return option are likely to share positive reviews online (1) positive return online reviews are likely to lead to more customers considering buying the products / increasing sales (1) Provides a competitive advantage (1) attracting new customers (1) 	2	

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5(c)	<p>Which of these statements about ecommerce methods of payments are true and which are false? Tick (P) TRUE or FALSE in the correct column.</p> <p>TRUE FALSE</p> <table border="1" data-bbox="338 414 1118 779"> <thead> <tr> <th></th> <th>TRUE</th> <th>FALSE</th> </tr> </thead> <tbody> <tr> <td>Credit card companies charge online stores commission on sales.</td> <td>✓</td> <td></td> </tr> <tr> <td>Digital receipts are sent directly to the customer's home address.</td> <td></td> <td>✓</td> </tr> <tr> <td>Mobile wallets enable online purchases through a smartphone.</td> <td>✓</td> <td></td> </tr> </tbody> </table>		TRUE	FALSE	Credit card companies charge online stores commission on sales.	✓		Digital receipts are sent directly to the customer's home address.		✓	Mobile wallets enable online purchases through a smartphone.	✓		3	
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5(d)	<p>Evaluate <u>two</u> effects of the growth of ecommerce on traditional retailers. Give reasons for your answer.</p> <p>Traditional retailers are people who buy from wholesaler and sell to consumers in physical stores Ecommerce is buying and selling products using the internet</p> <ul style="list-style-type: none"> • Fewer visitors / lower sales / losses in physical retail stores as customers are increasingly buying online • Increased competition as online retailers offer lower prices / wider range of goods creating pressure on traditional retailers • Due to more people buying online, traditional stores are closing • Due to more people buying online, it has led to job cuts at stores. 	6	<p>Up to 2 marks for describing ecommerce / online retailers</p> <p>Up to a further 2 marks for analysing the effects of growth of ecommerce on retailers</p> <p>Up to a final 2 marks for evaluating the effects of growth of ecommerce on retailers</p>												

Question	Answer	Marks	Guidance
5(d)	<ul style="list-style-type: none"> • Due to more people buying online less income coming into stores • As more consumers buy online retailers have had to invest in websites, costing them money • In order for traditional retail stores to survive many have needed to close their stores and adopt ecommerce as their main selling point saving on the overheads of physical stores • Retailers have had/been forced to open e-commerce stores /invest in new technology which is costly • To provide an ecommerce experience, a retailer will need to: have the latest technology, e.g. ecommerce software, and specialised IT support which is a big expense • The retailers have to provide efficient end-to-end order processing / re-stocking 24/7 so to meet customers' expectations • Retailers have had to provide a reliable delivery service which will increase costs in comparison to a physical store • Having shipping of goods online will affect a retailer's profit margin. <p>Evaluation: Some consumers are resistant to change and will not use online/internet shopping so traditional retail stores are unlikely to stop all together. Also, deliveries of online purchases may be lost/stolen/not delivered on time/increase traffic congestion and pollution which may make customers unhappy so they might still return to traditional retail stores.</p>		

Question	Answer	Marks	Guidance
5(d)	However, as ecommerce has become increasingly reliable, more consumers shop online so more retail stores will close or will not expand/improve/modernise their retail outlets because they have higher overhead costs than an online store. To remain competitive, many retailers will need to sell online, just to survive.		