

ELEMENTS OF COMMERCE

SUBJECT 7104

NOVEMBER 2013

PAPER 01

GENERAL COMMENTS

The standard of work submitted does not show much difference from that of the previous year. The well-prepared candidates submitted work of very high standard indicating their level of understanding of the questions. Those who did badly either used the layman's language rather than using the appropriate commercial terms or simply generalized without attending other requirements of the question in particular.

AREAS OF GOOD PERFORMANCE

- Stating the advantages of division of labour.
- Outlining the reasons for the eliminating of the wholesaler.

AREAS FOR DEVELOPMENT

- Where a question has two parts, candidates should ensure that both papers are addressed fully.

COMMENTS ON INDIVIDUAL QUESTIONS

QUESTION 1

- (a) Candidates could not distinguish between direct services and commercial services. The majority of candidates concentrated on discussing direct production and indirect production. Marks were only awarded where correct examples were given.
- (b) The question required candidates to state the importance of warehousing to a shoe manufacturer but most candidates simply generalized and as a result the importance was not stated.

- (c) This part of the question was fairly attempted by quite a good number of candidates indicating their understanding of part of the topic on production.

QUESTION 2

- (a) Candidates tend to ignore the instruction to 'describe'. Very few candidates could describe the characteristics of mail order firms. The majority of candidates treated Mail Order business as a postal service rather than a retailing firm/organisation.
- (b) A fair attempt was made by most candidates. However, the way in which the responses were presented was not that of giving explanations but merely listing points, e.g. retailers with enough capital buy directly, own warehouses, own transport, etc. Those who scored high marks gave reasons and explained them.

QUESTION 3

- (a) The majority of candidates lacked detail on the terms 'factor' and 'Charter party'. Candidates lacked knowledge. The well prepared candidates, however, gave very brilliant responses, e.g. 'A Charter Party is a contract of carriage of goods by sea'.
- (b) The descriptions by most candidates were simply stating the points, e.g. The Post Office box is for receiving mail.
- It is convenient
 - It is safe
 - User has own keys

QUESTION 4

- (a) Functions of the Commercial Banks were mistaken for those of the Reserve Bank by many candidates, e.g. offers nights facilities, offer cheque books, give foreign currency travellers cheques, etc.
- (b) Most candidates lacked adequate detail on the advantages of using a ATM;s resulting in them simply saying:
 - They are fast
 - They are safe
 - Have a pin code, etc
- (c) The characteristics of money were mistaken for functions of money. Other candidates simply listed points such as used to buy food, clothes, to pay rent, to pay school fees, etc.

QUESTION 5

- (a) The different forms of advertising media could be used to advertise several goods or services. The question on advertising media was poorly done by many pupils who did not take heed of the indicators in the question, i.e. 'the most suitable media'. Candidates should have considered the given situations.
- (b) Most candidates listed all the consumer rights and ignored the functions of the Consumer Council of Zimbabwe as a voluntary organisation lobbying for consumer protection.

QUESTION 6

- (a) Candidates lacked the correct formula for calculating the gross and net profit as well as the rate of stock turn.
- (b) Candidates concentrated on ownership of partnerships and private limited companies which they incorrectly elaborated on.

QUESTION 7

- (a) The question on Insurance was not answered correctly by most candidates who misused the terms of insurance and also lacked the formula for calculating compensation. Candidates who dwelt on the principles of indemnity answered the question fairly.
- (b) Details of a claim form were mistakenly taken for an answer to information required on a proposal form.
- (c) The roles played by actuaries and assessors were what candidates said were the functions for the broker whom some referred to as the insurer.