



UNIVERSITY *of* CAMBRIDGE  
International Examinations

Cambridge  
**O Level**

# SYLLABUS

**Cambridge O Level**

**Commerce**

**7100**

For examination in June and November 2014

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# 1. Introduction

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## 1.1 Why choose Cambridge?

University of Cambridge International Examinations is the world's largest provider of international education programmes and qualifications for 5 to 19 year olds. We are part of the University of Cambridge, trusted for excellence in education. Our qualifications are recognised by the world's universities and employers.

### Developed for an international audience

Cambridge O Levels have been designed 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 Cambridge O Level syllabus also allows teaching to be placed in a localised context, making it relevant in varying regions.

### Recognition

Every year, thousands of learners gain the Cambridge qualifications they need to enter the world's universities.

Cambridge O Level is internationally recognised by schools, universities and employers as equivalent to UK GCSE. Learn more at [www.cie.org.uk/recognition](http://www.cie.org.uk/recognition)

### Excellence in education

We understand education. We work with over 9000 schools in over 160 countries who offer our programmes and qualifications. Understanding learners' needs around the world means listening carefully to our community of schools, and we are pleased that 98% of Cambridge schools say they would recommend us to other schools.

Our mission is to provide excellence in education, and our vision is that Cambridge learners become confident, responsible, innovative and engaged.

Cambridge programmes and qualifications help Cambridge learners to become:

- **confident** in working with information and ideas – their own and those of others
- **responsible** for themselves, responsive to and respectful of others
- **innovative** and equipped for new and future challenges
- **engaged** intellectually and socially, ready to make a difference

### Support in the classroom

We provide a world-class support service for Cambridge teachers and exams officers. We offer a wide range of teacher materials to Cambridge schools, plus teacher training (online and face-to-face), expert advice and learner-support materials. Exams officers can trust in reliable, efficient administration of exams entry and excellent, personal support from our customer services. Learn more at [www.cie.org.uk/teachers](http://www.cie.org.uk/teachers)

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

We are a part of Cambridge Assessment, a department of the University of Cambridge and a not-for-profit organisation.

We invest constantly in research and development to improve our programmes and qualifications.

## 1.2 Why choose Cambridge O Level?

Cambridge helps your school improve learners' performance. Learners develop not only knowledge and understanding, but also skills in creative thinking, enquiry and problem solving, helping them to perform well and prepare for the next stage of their education.

Schools worldwide have helped develop Cambridge O Levels, which provide an excellent preparation for Cambridge International AS and A Levels.

Cambridge O Level incorporates the best in international education for learners at this level. It develops in line with changing needs, and we update and extend it regularly.

## 1.3 Why choose Cambridge O Level Commerce?

Cambridge O Levels are established qualifications that keep pace with educational developments and trends. The Cambridge 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 Commerce is recognised by universities and employers throughout the world as proof of knowledge and understanding.

Cambridge O Level Commerce candidates gain an introduction to the nature of commercial activities, how these activities are affected by changes in the commercial environment, and the impact they have on national and international consumers, producers, retailers and wholesalers. The syllabus looks at the purpose and function of major commercial activities, examining language, concepts and decision-making procedures, and the importance of communication and documentation. Candidates learn about the nature and importance of innovation and change, and develop complementary skills of enquiry, interpretation and communication.

## 1.4 How can I find out more?

### If you are already a Cambridge school

You can make entries for this qualification through your usual channels. If you have any questions, please contact us at **[international@cie.org.uk](mailto:international@cie.org.uk)**

### If you are not yet a Cambridge school

Learn about the benefits of becoming a Cambridge school at **[www.cie.org.uk/startcambridge](http://www.cie.org.uk/startcambridge)**.

Email us at **[international@cie.org.uk](mailto:international@cie.org.uk)** to find out how your organisation can become a Cambridge school.

## 2. Assessment at a glance

All candidates must take Paper 1 and Paper 2. Questions involving simple calculations may be set.

Paper 1	1 hour
The paper consists of 40 multiple-choice questions.	
Weighting: 30% of total marks	

Paper 2	2 hours
Candidates answer <b>four</b> questions from a choice of eight.	
There will be stimulus response questions (containing numerical, textual and visual information) and structured questions.	
Weighting: 70% of total marks	

### Availability

This syllabus is examined in the May/June examination series and the October/November examination series.

This syllabus is available to private candidates.

Cambridge O Levels are available to Centres in Administrative Zones 3, 4 and 5. Centres in Administrative Zones 1, 2 or 6 wishing to enter candidates for Cambridge O Level examinations should contact Cambridge Customer Services.

### Combining this with other syllabuses

Candidates can combine this syllabus in an examination series with any other Cambridge syllabus, except:

- syllabuses with the same title at the same level
- 7101 Cambridge O Level Commercial Studies

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

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## 3. Syllabus aims and objectives

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### 3.1 Aims

The syllabus will enable candidates to:

- 1 Develop knowledge and understanding of the purposes and functions of important commercial activities and commercial institutions.
- 2 Develop an appreciation of the environment within which commercial activities take place.
- 3 Develop knowledge and understanding of the language, concepts and decision making procedures of commercial activities.
- 4 Develop knowledge and understanding of the importance of commercial communication and documentation and the impact of information technology.
- 5 Develop knowledge and understanding of the nature and significance of innovation and change on commercial activities.
- 6 Develop and apply the skills of selection, interpretation and evaluation.

### 3.2 Assessment objectives

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

#### 1 Knowledge and Understanding

- 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.

#### 2 Application

- application of commercial principles and ideas to given situations using appropriate terminology;
- use of relevant data and information in written, numerical and diagrammatical form.

#### 3 Analysis

- identification and selection of the significant issues in a commercial situation;
- analysis of problems relating to a commercial situation.

#### 4 Evaluation

- distinguishing between evidence and opinion;
- making reasoned judgements and communicating them in an accurate and logical manner.

## Specification Grid

Assessment Objectives	Paper 1 marks	Skill Weighting	Paper 2 marks	Skill Weighting	Total Weighting
Knowledge & Understanding	16 ± 2	12%	25 ± 2	22%	34%
Application	11 ± 2	8%	23 ± 2	20%	28%
Analysis	8 ± 2	6%	18 ± 2	16%	22%
Evaluation	5 ± 2	4%	14 ± 2	12%	16%
Total Marks	40	30%	80	70%	100%



## 4. Curriculum content

The syllabus provides an outline of commercial activities and how these activities are influenced by changes in the commercial environment. Candidates will be expected to appreciate the implications of commercial activities on the consumer, producer, retailer and wholesaler in both home and international trade. Candidates will also be expected to recognise the impact developments of IT within commercial activities.

During their study, candidates should have the opportunity to visit centres of industry and commerce.

<i>Topic</i>	<i>Amplification</i>
<b>1 PRODUCTION</b>	
1.1 The chain of production	Production of goods and services to satisfy human wants and needs. Process of production from primary through secondary to tertiary production showing how value increases at each stage of production.
1.2 Extractive, manufacturing and construction industries and tertiary activities	Meaning of these types of industries with examples.
1.3 Specialisation and division of labour	Meaning and use of the terms specialisation and division of labour. Forms of specialisation: by country, by region, by town, by firm, by factory, by individual.
1.4 Commerce	Process of exchange of goods and services.
1.5 Trade	Nature, purposes and importance of trade, both at home and overseas.
1.6 Aids to trade	Banking and finance, communications, advertising, transport, warehousing, insurance.
1.7 The relationship between industry, commerce and direct services	Ways in which industry, commerce and direct services are inter-related and interdependent.

2 RETAIL TRADE	
2.1 Role of the retailer in the chain of distribution	Services of the retailer as the middleman between manufacturer and consumer, responses to changes in customer requirements and expectations.
2.2 Types of retailer	Types: large and small (hypermarkets, supermarkets, multiples, specialty shops, unit/independent retailers); their characteristics; advantages and disadvantages.
2.3 Selling techniques, trends in retailing and the implications of e-commerce	E.g. branding, packaging, self-service, after-sales service, bar-coding, EPOS, shopping centres, loyalty cards, implications of e-commerce on retailing.
2.4 Home shopping	Mail order, telesales, television shopping, online shopping (e-tailing). Characteristics and reasons for the use of each.
2.5 Large scale retailing	Advantages and disadvantages of large scale retailing; effects on wholesalers, other retailers and consumers.  Reasons for the survival of the small scale retailer, e.g. personal service, opening hours, additional services.

3 CONSUMER CREDIT	
3.1 Use of credit	Concept of credit. Increased use of credit. Advantages and disadvantages of credit to the buyer and the seller.
3.2 Types of credit	(i) Hire Purchase: main features; advantages and disadvantages; finance of Hire Purchase; comparison with Extended Credit (see 15.1).
	(ii) Extended Credit (Deferred Payments): main features; advantages and disadvantages.
	(iii) Store Cards: main features; advantages and disadvantages.
	(iv) Credit Cards: main features; advantages and disadvantages (see 13.2).
	(v) Informal Credit. Suitability of methods of credit in certain circumstances with reasons for choice.

**4 CONSUMER PROTECTION**

4.1 Safeguarding the consumer	Reasons for consumer protection.
4.2 Methods of safeguarding the consumer	E.g. laws, organisations, codes of practice, other means. (A detailed knowledge of specific legislation is not required.)

**5 WHOLESALE TRADE**

5.1 The role of the wholesaler in the chain of distribution	Different patterns of distribution. Trends in wholesaling: forces making for the elimination and the survival of the independent wholesaler. (See also 11 Warehousing.)
5.2 Functions and services of the wholesaler	Services provided for the manufacturer, retailer, consumer.
5.3 Intermediaries	Role of merchants and agents (including brokers and factors). Forwarding agents (freight forwarders).

**6 DOCUMENTS OF TRADE**

6.1 Documents of home trade	Main documents used in home trade: enquiry, quotation, catalogue, price list, order, invoice, advice and delivery notes, credit notes, statement of account, receipt. Key information and purposes of these documents.
6.2 Terms of payment	Cash and trade discounts, mark-up.

**7 INTERNATIONAL TRADE**

7.1 The importance of international trade	Benefits of international trade to a country. The interdependence of countries within a global market. Imports, exports, visible and invisible trade.
7.2 Balance of Trade and Balance of Payments	Distinction between Balance of Trade and Balance of Payments. Calculation and interpretation of statistics relating to international trade i.e. balance of trade and balance of payments from given figures.
7.3 Customs Authorities	Main functions e.g. collection of duties, collection of trade statistics. Supervision of bonded warehouses (see 11.2).
7.4 Trading blocs	E.g. ASEAN, European Union, SADC. Main features and aims of a trading bloc. Advantages and disadvantages of joining a trading bloc.
7.5 Free trade and protectionism	Importance of freeports in international trade. Restrictions on trade e.g. tariffs, quotas, embargoes.
7.6 Difficulties faced by exporters and importers	E.g. distance, language, methods of payment.

**8 ADVERTISING**

8.1 The role of advertising	Purposes, benefits, social aspects and dangers. Types: informative, persuasive, collective (generic) and competitive.
8.2 Media	Advertising media: advantages and disadvantages of main forms; factors affecting choice of medium.
8.3 Methods of appeal	Devices and methods of appeal e.g. music, colour, famous people, emotions.
8.4 Sales promotion	Distinction between advertising and sales promotion. Methods of promotion e.g. point of sale, offers, sponsorship.
8.5 Trends in advertising	E.g. digital billboards, Internet.

**9 COMMUNICATIONS**

9.1 Importance of communications in the global economy	Rapid and accurate transmission of information in the global economy.
9.2 Methods of communications, internal and external	Oral, written, telephonic, electronic (including fax, Internet, Intranet, e-mail, teleconferencing, videoconferencing). Circumstances and factors affecting choice of method.
9.3 Post Office, Telecoms	Services provided.

**10 TRANSPORT**

10.1 Transportation	Importance of transportation in the chain of distribution. Characteristics of different methods: road, rail, air, sea, waterway, pipeline. Factors affecting choice of method. Modes of transport e.g. passenger train, ferry, delivery van. Benefits to a business of having own transport.
10.2 Containerisation	Main features; advantages. Reasons for increased use.
10.3 Other trends in transportation	Modern developments and trends in the handling of goods and passengers e.g. charter transport, growth of air freight, express road routes, changes in use of rail transport.
10.4 Transport documents	Delivery/consignment note; bill of lading, air waybill. Key information and purposes of each.
10.5 Ports and airports	Services offered at seaports and airports.

**11 WAREHOUSING**

11.1 Role of warehousing	Warehousing functions; importance to trade. Link with seasonal production, demand and price stability.
11.2 Types of warehouse	Bonded; cold storage; cash and carry; large scale retailers' regional distribution centres; manufacturers' and retailers'. Main features of each type of warehouse. Importance of each in either home or international trade.

**12 INSURANCE**

12.1 Purposes of insurance	E.g. compensation, financial protection, business confidence, investment. The importance of pooling of risk.
12.2 Business and personal risks	Types of risks. Examples of insurable and non-insurable risks, including risks to international traders (see 7.6).
12.3 Insurance principles	Essential elements: indemnity (including contribution and subrogation), insurable interest, utmost good faith.
12.4 Effecting insurance cover	Outline of procedures, including premiums. Main documents: proposal form, cover note, policy. Key information and purposes of each. The role of an insurance broker.
12.5 Statistical basis of insurance	The pooling of risk factors influencing the level of insurance premium. Evaluation of insurance quotations.
12.6 Effecting a claim	Outline of procedures, including claim form.

**13 BANKING**

13.1 Banking services	Deposit/savings accounts and current/cheque accounts and services provided e.g. paying-in slip, bank statement.
13.2 Means of payment for home and international trade activities	Cash; cheques; credit transfers; standing orders; direct debits; electronic transfers; documentary credits; bank drafts; debit cards; credit cards. Characteristics, purposes and documents involved.
13.3 Trends in banking	E.g. ATMs, telebanking, Internet banking.

**14 THE BUSINESS UNIT**

14.1 Location of a business	Factors to be considered e.g. labour, raw materials, markets, transport.
14.2 Public and private sector	Distinction between enterprises in the public and the private sector.
14.3 Main forms of business organisation in the private sector	Sole trader, partnership, limited company (private and public). Appropriateness of different forms of ownership to commercial situations. Characteristics relating to ownership, control, liability of owners (both limited and unlimited), provision of capital, distribution of profits.
14.4 Franchises	Franchises – main characteristics, advantages and disadvantages.
14.5 Multinationals	Definition of a multinational. Importance of and reasons for multinationals in the global economy. Opportunities offered to, and conflicting interests of, multinational companies locating in individual countries.

**15 FINANCE**

15.1 Sources of finance	The distinction between long-term and short-term finance. Long-term finance e.g. shares (ordinary and preference), debentures, mortgages, loans, sale and leaseback. Short-term finance e.g. overdraft, factoring, leasing, trade credit, hire purchase. Main features of each; advantages and disadvantages. Methods of self-financing e.g. retained profits, savings. Suitability of choice of finance in commercial situations with reasons for choice.
15.2 Business finance	Meaning, calculation and importance of capital (fixed and working), turnover, rate of turnover, profit (gross and net). Methods of improving profit and turnover.

## 5. Resource list

Student support:

Author	Title	Date	Publisher	ISBN
L Fitzmaurice	<i>Textbook of Commerce</i> , 5th edition	2008	Pearson	9780435982256
Kennerdell, Williams and Schofield	<i>Business Studies for OCR GCSE</i>	2009	Hodder Education	9780340983492
R Dransfield and D Needham	<i>Business Studies for IGCSE</i>	2010	Nelson Thornes	9781408506479
M Trigwell-Jones	<i>O Level Commerce</i>	2009	Cambridge University Press	9780521727938

Teachers' resources:

Author	Title	Date	Publisher	ISBN
L Fitzmaurice	<i>Textbook of Commerce</i> , 5th edition	2008	Pearson	9780435982256
D Lobleby	<i>Success in Commerce</i>	1993	Hodder Education	0719551579
M Trigwell-Jones	<i>O Level Commerce</i>	2009	Cambridge University Press	9780521727938



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## 6. Additional information

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### 6.1 Guided learning hours

Cambridge 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 Commerce previously.

### 6.3 Progression

Cambridge 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

Cambridge 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.

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 percentage uniform 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 series to another and from one subject to another) and it has been turned into a percentage.

## 6.6 Access

Reasonable adjustments are made for disabled candidates in order to enable them to access the assessments and to demonstrate what they know and what they can do. For this reason, very few candidates will have a complete barrier to the assessment. Information on reasonable adjustments is found in the *Cambridge Handbook* which can be downloaded from the website **[www.cie.org.uk](http://www.cie.org.uk)**

Candidates who are unable to access part of the assessment, even after exploring all possibilities through reasonable adjustments, may still be able to receive an award based on the parts of the assessment they have taken.

## 6.7 Support and resources

Copies of syllabuses, the most recent question papers and Principal Examiners' reports for teachers are on the Syllabus and Support Materials CD-ROM, which we send to all Cambridge International Schools. They are also on our public website – go to **[www.cie.org.uk/olevel](http://www.cie.org.uk/olevel)**. Click the **Subjects** tab and choose your subject. For resources, click 'Resource List'.

You can use the 'Filter by' list to show all resources or only resources categorised as 'Endorsed by Cambridge'. Endorsed resources are written to align closely with the syllabus they support. They have been through a detailed quality-assurance process. As new resources are published, we review them against the syllabus and publish their details on the relevant resource list section of the website.

Additional syllabus-specific support is available from our secure Teacher Support website **<http://teachers.cie.org.uk>** which is available to teachers at registered Cambridge schools. It provides past question papers and examiner reports on previous examinations, as well as any extra resources such as schemes of work or examples of candidate responses. You can also find a range of subject communities on the Teacher Support website, where Cambridge teachers can share their own materials and join discussion groups.

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