Cambridge
O Level

Cambridge International Examinations
Cambridge Ordinary Level

COMMERCE **7100/22**

Paper 2 Written **October/November 2016**

MARK SCHEME

Maximum Mark: 80

Published

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1 (a) (i) 1 mark for correct answer [1]

- Refining oil

(ii) Valid points include: [2]

- the petrol station is dependent on the oil being drilled (1) and being transported (1) and being sold in petrol stations (1)

Accept any other relevant points

(b) (i) 1 mark for each reason with a further 1 mark for an explanation to a maximum of two reasons or 4 × 1 mark [4]

- Advertising may be used to inform/be informative consumers (1) of the products available/jobs (1)
- Helps to increase sales (1) so increasing profits/income (1)
- Can be persuasive (1) and try to attract consumers to buy products (1)
- To remind consumers (1) that their products still exist (1)
- To create a brand name/image (1) creating brand loyalty (1)
- It may also be used to improve the general public's view of the oil industry (1) by emphasising the good it does/create better image (1)
- To gain economies of scale (1) reducing costs (1)

Accept any other relevant points.

(ii) 1 mark for a suggested media with up to a further 2 marks for the reasons for the choice [3]

N.B. Television is <u>not</u> considered appropriate for a local petrol station.

- Radio (1) large audience (1) can be targeted (1) use of jingles/music (1) cheap (1)
- Newspaper (1) local readership (1) can provide details/information (1) kept for reference (1) cheap (1) can target customer groups (1)
- Leaflets/pamphlets/brochures (1) may be distributed in immediate area (1) and are cheap to produce (1) can be kept for reference (1) can provide details/information (1)
- Billboards/posters/hoardings (1) use of colour (1) seen again and again (1) wide choice of sites (1) cheap to produce (1) 24/7 (1) provides information (1)
- Internet/Social Media (1) adverts can be easily changed (1) can provide details/information (1) 24/7 (1) can target customers (1)
- Directories or e.g. (1) can provide details/information (1) cheap to produce (1) can be kept for reference (1)
- Magazines (1) long life span (1) provides information (1) can target customers (1) use of colour (1) kept for reference (1)

Accept any other relevant points.

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(c) (i) 1 mark for each item stated [4]

- Visible exports
- Invisible exports
- Visible imports
- Invisible imports
- Transfer payments
- Borrowing
- Investment
- Official reserves

Note: The phrase imports and exports or visible and invisible trade = 2 marks maximum.

(ii) Level 2 (4–6 marks) Has discussed whether or not the country should join a trading bloc and has given a reasoned opinion (If a candidate has presented a one-sided argument, award 4 marks max.)

Level 1 (1–3 marks) Has commented on the country joining a trading bloc with/without an opinion

- There will be more trade encouraged with free trade between member countries, with free access to larger markets leading to a wider choice of goods for consumers
- Prices will be more competitive with less controls of import duties/quotas, with more opportunities to export
- Ability to set up factories in each other's countries able to take advantage of cheap land, and raw materials. Financial aid given for particular projects/industries frees up labour to find work in another country
- Standardisation of measures/documents, possibly currency making it easier to sell to other countries
- Competition from companies of other countries because if a country is able to produce goods as a cheaper price than local producers making the same goods then it becomes cheaper for retailers to import those goods
- Countries exclude other countries with which they had good trade links e.g. Australian wool into Europe with the external tariff making the wool more expensive
- Countries can be over regulated with too many rules with some decisions not favouring individual bloc members e.g. EU CAP on UK farmers
- The annual contribution made by governments to trading bloc budgets may be large causing less to be spent within the country
- Businesses may have to adopt their products to suit the needs/tastes of different countries consumers, this may add to their costs.

Accept any other relevant points. [6]

2 (a) (i) Valid points include (Any 2 × 1 marks): [2]

- Trade credit allows the purchaser to pay for them later (1) after an agreed period of time (1) for goods after they have received them (1)
- The credit period will allow the buyer to sell the goods (1) and so pay for them from the proceeds of the sale (1)
- The credit period given may vary/for a short period of time (1) and depend on the credit-worthiness of the customer (1) but usually used for trusted/reliable buyers (1)

Accept any other relevant points.

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(ii) 1 mark for each advantage and disadvantage stated with a further mark for a brief explanation. Maximum one advantage (2 marks) and one disadvantage (2 marks) [4]

Advantages
- AAA's sales will increase (1) as customers can buy even if they have no money at present (1)
- Customers will remain loyal to AAA (1) leading to repeat business (1) because of favourable credit terms (1)
- Gives a competitive edge (1) over other wholesalers that do not offer trade credit (1)

Disadvantages
- AAA runs the risk of a loss if customer does not pay (1) amount becomes a bad debt (1)
- AAA will have to investigate the credit worthiness of potential credit customer (1) extra time/fees to be paid (1)
- AAA's cash flow will be reduced (1) as the money is not being immediately received (1)

Accept any other relevant points.

(iii) Valid points include (Any 4 × 1 marks): [4]
- A statement of account shows the transactions/description of goods bought (1) during a period (usually one month) (1) for goods bought on credit (1)
- AAA can identify how much the customer owes/total cost (1) and if the customer has been late with payments (1) and follow up if necessary (1)
- The customer can check that all the invoices on the statement relate to goods bought by him (1) and that all payments he has made have been recorded by AAA (1) and any errors made (1)
- The statement of account, therefore, acts as a check (1) and a reminder from AAA of payments due (1) and a demand/request for payment (1)
- Serves as evidence/proof (1) in legal disputes (1)

Accept any other relevant points.

(b) (i) 1 mark for showing amount due and amount of discount. 1 mark for net due after discount [2]

– 20 cases @ $50 per case = $1000
Less discount @ 20% = 200 (1)
Net due $800 (1) or 2 marks for the correct answer

(ii) 1 mark for amount to be credited. 1 mark for correct new amount due [2]

Cost of four damaged cases before discount	$200
Discount @ 20%	$40
Net Credit	$160 (1)

Amount owed by Joe $800 minus $160 = $640 (1) or 2 marks for the correct answer

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(c) Level 2 (4–6 marks) Has discussed whether or not AAA should continue to operate as a traditional wholesaler or change to being a cash and carry warehouse and has given a reasoned opinion (If a candidate has presented a one-sided argument, award 4 marks max.)

Level 1 (1–3 marks) Has made some comments on whether or not AAA should remain as a traditional wholesaler or change to being a cash and carry warehouse with/without an opinion

- Traditional wholesaler delivers from his premises to retailer, gives credit to retailer. Retailer does not often, if ever, visit wholesaler's premises
- Cash and carry wholesalers offer self-service wholesaling. Retailer visits wholesaler's premises and picks goods. Wholesaler does not deliver and does not give credit
- By reducing services such as credit and delivery, wholesaler can cut prices, thus allowing the small retailer more chance of competing with larger stores
- The wholesaler will have fewer expenses of staff and delivery and will have no risk of bad debts from giving credit
- AAA must consider how many of its existing customers would still buy without delivery or credit
- It could also pick up new customers as its prices would be less than traditional wholesalers
- It will increase costs in refurbishing a cash and carry warehouse e.g. new shelving.

Accept any other relevant points. [6]

3 (a) (i) 1 mark for each type of retailer stated to a maximum of two types of retailer [2]

- Department store
- Multiple chain store
- Kiosks
- Discount store
- Supermarket
- Unit retailer/independent retailer
- Speciality store
- Pop-up shops
- Small scale retailers
- Large scale retailers.

Accept any other relevant points.

(ii) 1 mark for stating an advantage and a further mark for an explanation to a maximum of two advantages or 4 × 1 marks [4]

- Car parks (1) which is usually free (1)
- Wide choice of shops (1) giving choice of shops to visit (1) which are in walking distance (1)
- Consumers can easily compare prices (1) in different shops (1) that are close to each other (1)
- One-stop shopping (1) can carry out all shopping wants in one place (1) saving time (1)
- Additional services/facilities provided (1) such as play areas/restaurants/cinemas (1)
- Wide variety of goods (1) giving choice (1)
- Air-conditioned (1)
- Use of credit/debit cards/multiple payment methods (1)

Accept any other relevant points.

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(b) (i) Valid points include (Any × marks): [2]

Chain of distribution is the movement/transferring/stages/journey of goods/services from the primary/producer/manufacturer (1) through a distribution channel or visual e.g. (1) up to the final consumer (1) and the movement of payment (1) back to the producer/manufacturer/supplier (1)

Accept any other relevant points.

(ii) 1 mark for brief description with a further mark for a fuller description to a total of two services (Any 2 × 2) (1 + 1 marks) [4]

- Wholesaler will break bulk (1) and will split a bulk purchase into smaller quantities (1)
- Wholesalers will carry a variety/range of goods (1) from different producers (1).
- Can provide advice to the retailer (1) e.g. of what products sell well (1)
- Prepare goods for sale (1) e.g. processing/packaging/labelling (1)
- Provide trade discount (1) lowering retailer costs/enables retailer to make a profit (1)
- Can provide a warehouse (1) where goods will be stored (1)
- Risk-bearing (1) will buy ahead of demand/losses for damaged goods (1)
- Transport (1) deliver goods (1)
- Display (1) so retailers can inspect (1)

Note. No marks for credit.

Accept any other relevant points.

(c) (i) 1 mark for each characteristic identified to a maximum of two characteristics [2]

- Low cost building
- Large/big shops or size measurements given
- Car park
- Wide variety of goods/brands
- On the edge/outskirts of towns
- Open long hours
- Accept credit/debit cards or multiple payments
- Long opening hours
- Many facilities or an e.g. such as food court/petrol station

Accept any other relevant points.

(ii) Level 2 (4–6 marks) Has discussed negative or positive effects on local retailers of the opening of the new hypermarket has explained effects.

Level 1 (1–3 marks) Has commented on likely effects on local retailers of the opening of the new hypermarket with/without explanation

- Consumer will be attracted to hypermarket by low prices and variety of goods. This will reduce sales of retailer unless he can find another competitive advantage
- Hypermarket has bulk purchasing power, therefore, retailer unlikely to be able to compete on price
- Hypermarket does not offer personal service, therefore, retailer must emphasise his personal service
- Hypermarket only sells fast-moving lines, so retailer might specialise in special lines of goods (niche market)

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- Hypermarket opens long hours, which small retailer is unlikely to do. Therefore, he must carefully choose hours when maximum number of customers can visit
- If small retailer does not find some competitive advantage to keep customers loyal to him, then he will probably close
- Depends where the hypermarket is/issue of traffic congestion in a busy place

Accept any other relevant points. [6]

4 (a) (i) Valid points include (Any 2 × 1 marks) [2]

- Easy to raise large capital (1) as regarded as safer/reliable to invest in (1) no upper limit (1)
- Shares listed on stock exchange (1) open to the public to buy (1)
- Has continuity of existence (1) passed down from generation to generation
- Le.g.al entity (1) buy and sell in its own name (1)
- Limited liability (1) encourages people to invest (1)

Accept any other relevant points.

(ii) Up to 2 marks for one advantage [2]

- Easy to buy/sell shares (1) through stock exchange (1)
- Limited liability (1) personal assets not at risk/only responsible for invested amount (1)
- Publication of accounts (1) shareholders can see how the business is being run (1)
- Dividends can be received (1) if profits are made (1)

Accept any other relevant points.

(b) (i) 2 marks for each difference (with 2 marks max.) for home market and 2 marks max. for export market [4]

- Home market is buying/selling within a country/internal trade (1) export market is selling to other countries/external trade (1)
- Home market has wholesalers/retailers (1) export market has importers/exporters/merchants/overseas agents (1)
- Home market has no customs duties/quotas (1) export market has customs duties/quotas (1)
- Home market the same weights/units of length/voltage are used (1) export market uses different units of weight/measures (1)
- Home market uses the same currency or example such as £ (1) whereas export market countries use different currencies or example such as the dollar
- Home market has same means of payment or example cheques (1) whereas export market different means of payment are used or example such as documentary credits (1)
- More complicated documents in export market trade than in home trade (1) allow e.g.s to highlight differences
- Different forms of transport used or road/rail in home market (1) air/sea in export market (1)
- Differences in language as in home market the same language is used or example such as English (1) whereas in export market different languages will be used or example (1)

Accept any other relevant points.

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(b) (ii) 1 mark for each method identified to a maximum of two methods [2]

- Rail/train
- Sea/ship
- Air
- Truck, if neighbouring country with land border

Accept any other relevant points.

(c) Valid points include (Any 2 × 2 marks) [4]

- Advertising (1) to persuade/inform consumers to buy/know about their products (1)
- Example of an advertising media e.g. TV (1) explanation of that media/how it helps (1)
- Sales (1) selling old stock (1)
- Special offers/loss leaders (1) reduction of prices (1)
- Sales promotion (1) e.g. BOGOF (1)
- Competition (1) to encourage consumers to buy their products/win a prize (1)
- Free gift (1) to encourage consumers to buy/obtain gift (1)
- Special displays (1) of products/fashion shows/shop window (1)
- Endorsement by celebrities (1) as a method of appeal (1)
- Loyalty cards/points (1) can exchange points for goods (1)

Accept any other relevant points.

(d) Level 2 (4–6 marks) Has discussed whether or not communication is important to Amy Fashions in both its home market and export markets and has given a reasoned opinion

Level 1 (1–3 marks) Has commented on communication in the home and/or export markets with/without an opinion

- Written communication such as brochures and letters
- Electronic communications such as telephone calls and e-mails
- Prompt response to any complaints from retailers
- Routine non-personal communication could be written
- Electronic communication would be quicker and could be used for special offers to retailers
- BBB Fashions could set up special e-mail address or phone numbers for complaints.
- Communication is important and arguably the most important would be to respond promptly to complaints.

Accept any other relevant points. [6]

5 (a) (i) 1 mark for defining 'pooling of risk' and up to 2 further marks for explaining, using Fig. 3. [3]

- Pooling of risk is the principle that the fortunate, who pay premiums but make no claims, help the unfortunate who make claims or people contributing to a pool to gain compensation in case of loss (1)
- In Fig. 3 the 500 businesses that paid the premiums (1) help the 15 businesses who made claims/received compensation (1)

Accept any other relevant points.

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(ii) 1 mark for identifying total premium of $2 million and 500 customers

1 further mark for correct answer [2]

$\frac{\$2 \text{ million}}{500}$ (1) = $\underline{\$4{,}000}$ (1) or 2 marks for the correct answer

(iii) 1 mark for each cost identified, maximum 2 costs [2]

- Salaries/wages
- Premises
- Transport
- Computers
- Office
- Electricity

Accept any other relevant points.

(iv) 1 mark for identifying X [1]

- Profit

(b) 1 mark for each action stated [4]

- Find out how the accident happened (1)
- Check to see if the accident is covered by the policy (1)
- Contact the insurer/insurance company (1)
- Try to find any witnesses (1)
- Inform the police (1)
- Take photographs (1)
- Have documents/proof of car value (1)
- Check if the loss is covered by policy (1)
- Check the excess to be paid (1)
- Complete a claim form (1) in utmost good faith (1)
- Use of assessors/loss adjusters (1)

Accept any other relevant points.

(c) Valid points include (Any 2 × 1 marks): [2]

- Insurers like CCC accept risk (1) they transfer the risk from the insured to themselves.(1) In this way they enable businesses to operate (1) and control risk (1) and are, therefore, productive as they are satisfying peoples' needs/wants (1) to protect their goods/property (1) providing a service (1)

Accept any other relevant points.

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(d) Level 2 (4–6 marks) Has discussed two or more of the means of payments and has given a reasoned opinion (If a candidate has discussed only one means of payment award 4 marks max.)

Level 1 (1–3 marks) Has commented on one or two means of payment with/without an opinion

- Cheques – written instructions to customer's bank to pay CCC
- Direct debits – authorised by customer, giving CCC ability to debit customer's bank account.
- Debit card – customer gives debit and number to CCC, who then use it to debit customer's bank account.
- Credit card – customer gives credit card number to CCC, who then take payment from credit card company, who in turn send bill to customer.
- Cheques involve paying in to CCC's bank and are least efficient method.
- Direct debits mean CCC can take a series of payments without having separate authorisations and is most efficient for more than one payment.
- Debit cards are efficient for one-off payments, but bank may charge a small fee.
- Credit cards are also efficient for one-off payments but there is usually a larger fee than for debit cards.
- Direct debits or debit cards would be the most efficient, depending on whether there is a series of payments (Direct debits) or a one-off payment (Debit card).

Accept any other relevant points. [6]

6 (a) (i) 1 mark for stating method: air/sea freight and up to 3 further marks for explanation of why DDD Enterprises uses it [4]

- Air transport (1) is the fastest way (1) of getting goods over long distances (1)
- Leather goods will generally be low in bulk/lightweight (1) and high in value (1) thus absorbing the increased cost (1)
- Costs have been decreasing (1) such as insurance/packing (1) due to larger capacity planes (1) and better fuel economy (1)
- Less risk of theft/damage/more secure (1) as not likely to be with an airline for a long time (1)
- If fashion goods arrive quickly, they can be sold more quickly (1) so less risks of going of fashion (1) and of damage/deterioration (1)
- Sea transport (1) carries many goods/bulky loads (1) over long distances (1) cheaper than air (1)

Note. No marks to 'other countries'. Accept any other relevant points.

(ii) 1 mark for a brief explanation and a further mark for a fuller explanation [2]

- Customs officers may need to examine the leather goods due to the need to ensure that hides of endangered animals have not been used (1) as that would be against the law (1)
- To inspect documentation (1) e.g. ensure the details of number on the invoice is correct (1) to ensure that goods are what they are (1)
- That the correct amount of duty has been paid (1) to raise revenue/protect home leather producers (1)
- To prevent smuggling (1) of ille.g.al goods/any other items inside the leather goods (1)
- For trade barriers (1) e.g. quotas (1)

Accept any other relevant points.

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(iii) Valid points include (Any 4 × 1 marks): [4]

- Different countries use different currencies (1) and exchange rates fluctuate daily (1) DDD may price goods in U.S.$, (1) but the amount paid by the local importer will fluctuate as the local currency fluctuates/may lead to a loss for DDD (1)
- If DDD's currency becomes stronger (1) DDD may not be able to export the same quantity of goods before (1) since DDD's goods will be more expensive (1) and the importer may look elsewhere to import leather goods (1)
- If DDD gives credit to its international customers, then it is more difficult to establish the credit worthiness of its customer (1) Different customs and unstable countries may increase the risk of non-payment (1) and leads to the need to recover debts (1) through the court system may be more difficult (1)

Accept any other relevant points.

(b) (i) Level 2 (4–6 marks) Has discussed two sources of finance and has given a reasoned recommendation. (If a candidate has discussed only one source award 4 marks max).

Level 1 (1–3 marks) Has commented on one or both sources with/without recommendation

- One source of finance would be the retained capital, a second would be a bank loan, another would be to sell shares, and selling assets.
- The advantage of using retained earnings is that there is no interest to pay, as the cash is already owned by the business.
- The disadvantage of retained earnings is that there is often not enough, because it has been used for dividends or other capital expenditure.
- A bank loan may be approved if DDD has a good record and the financial statements show that it could be repaid.
- The bank loan will cost DDD interest and has to be repaid over a number of years.
- Selling shares could raise more capital to fund the machinery purchase. This would be easier if DDD is a public limited company.
- The ownership of the company would have to be shared with the new shareholders.
- If the company have sufficient internal funds (retained earnings) this would be the cheapest way, otherwise the bank loan would probably be the easiest to obtain.

Note. Hire Purchase and leasing not suitable sources.

Accept any other relevant points. [6]

(b) (ii) Valid points include (Any 4 × 1 marks) [4]

- No initial cost of purchasing (1) as leasing means DDD does not own the machinery (1)
- No borrowing needed (1) so no interest to pay (1)
- A maintenance contract is usually in place for a leased machine (1) so they do not have to pay/worry about paying for repairs (1)
- They may keep their machinery up-to-date/upgraded (1) by leasing new machines when one lease is finished (1)
- Working capital can be used for other purposes (1) allow example (1)

Accept any other relevant points.

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7 (a) 1 mark for stating an action and a further 1 mark for explaining the action, to a maximum of two actions (2 × 2 marks) [4]

- Nasreen could consider advertising her salon (1) This could be done by a leaflet drop/or in a local newspaper/The purpose of the advertising would be to inform potential customers about Nasreen's salon/ may be persuade them to visit it (1)
- Nasreen could also use salon promotion (1) techniques, such as offering discounts to her customers/to attract customers (1)
- Nasreen could also offer a loyalty bonus (1) such as every fourth haircut free (1)
- Provide new services (1) e.g. nail polish (1)
- Carry out market research (1) find out what customers wants (1)
- Develop a website (1) to take online bookings/advertise the salon (1)

Accept any other relevant points.

(b) 1 mark for each action stated to a maximum of four actions (Any 4 × 1 marks) [4]

- Customer must obtain a medical report on her injury
- Go to salon/telephone salon to lodge complaint
- Customer must produce evidence that the injury was caused by a faulty hairdryer in Nasreen's salon/provide photographs
- Make a note of the salon's name/address/hairdresser seen
- Customer must follow up original complaint in writing
- Customer must try to settle claim amicably/ask for refund/compensation
- Complain to the Council/town hall
- Contact solicitor
- Start legal action/sue if necessary
- Do nothing
- Do not visit the salon in future
- Tell family/friends
- Write a bad review on social media/internet

Accept any other relevant points.

(c) (i) 1 mark for each characteristic identified to a maximum of two characteristics (Any 2 × 1 marks) [2]

- The product or service is developed/licensed by the franchisor
- Agreement/contract (1) between franchisor and franchisee (1)
- The franchisee trades under the name of the franchise/rents or leases the business/sells their goods
- The franchisee pays royalties/fees/share of profits
- The franchisee follows rules/regulations of franchisor
- The franchisee is usually given sole rights in a particular geographical area
- The franchisee is given help/training by the franchisor
- Local/national advertising carried out by the franchisor
- Stock supplied to franchisee by franchisor

Accept any other relevant points.

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(ii) Level 2 (4–6 marks) Has discussed whether or not Nareen should change from being her business to a franchise and has given a reasoned opinion (If a candidate has presented a one-sided argument, award 4 marks max.)

Level 1 (1–3 marks) Has made some comments on franchises with/without an opinion

- The service of the franchisor is well known and Nasreen will enjoy its good reputation
- Nasreen will receive expert assistance from the franchisor
- Reduces risk of failure for Nasreen
- Some advertising by franchisor at no cost to Nasreen
- Supplies from franchisor may be cheaper than on open market
- Economies of scale
- Loss of control – Nasreen cannot act independently, the policies of the business are those of the franchisor
- Payments must be made to the franchisor, usually an up-front fee and an agreed percentage of turnover
- Restricted to trade in only franchisor's services and related products

Advantages and disadvantages are weighed. Decision relates to Nasreen, her existing business and competition and whether she feels sales revenue will increase and business will become more profitable.

Accept any other relevant points. [6]

(d) 1 mark for each reason for packaging up to a total of four reasons [4]

- To make them attractive to consumers
- Easy to identify/recognise goods
- To protect the product from damage/deterioration/theft
- Information/description of goods shown
- To prolong the shelf life/freshness
- To enable self-service
- Easy to handle
- Increase sales/profits
- Differentiates goods from others/shows the brand
- Helps to advertise
- Easy to display
- To encourage impulse buying from consumers

Accept any other relevant points.

8 (a) (i) Valid points include (Any 2 × 1 marks) [2]

- Primary production is concerned with obtaining raw materials/natural resources (1) from the earth/nature (1) as the first stage of production/extractive industry (1)

Note. No marks for examples.

Accept any other relevant points.

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(ii) 1 mark for stating a difference with a further 1 mark for an explanation to a maximum of two differences (2 × 2 marks) [4]

- Public sector businesses are owned by national/local governments/state (1) whereas private sector businesses are owned by individuals or groups of individuals or other private sector businesses/business people (1)
- Public sector businesses are usually run for the good of the population/basic needs (1) whereas private sector businesses have profit as one of their main objectives (1)
- Public sector businesses will receive their funding from government (1) while private sector business will receive their funding from individuals/borrow the money from commercial enterprises (1)
- Public sector businesses are accountable to the State/Government (1) whereas a private sector business are accountable through their owners (1)

Accept any other relevant points.

(b) Level 2 (4–6 marks) Has discussed whether or not multinationals benefit the countries in which they are located and has given a reasoned opinion (If a candidate has presented a one-sided argument, award 4 marks max.)

Level 1 (1–3 marks) Has commented on a multinational locating in a country with/without an opinion

- Multinationals provide employment for local workforce and train them.
- They should pay taxes in the country.
- They provide opportunities for other local companies to be suppliers.
- They may help to improve infrastructure.
- Their international sales may bring foreign exchange.
- Some skilled workers are recruited from abroad.
- They take advantage of cheap labour rates.
- They transfer money to other subsidiaries to avoid tax.
- They exploit the environment.
- They may force local businesses out by taking their labour force and using overseas suppliers.
- A reasoned decision is required, balancing some of the benefits and problems to reach a conclusion.

Accept any other relevant points. [6]

(c) (i) 1 mark for making a decision (usually Yes, unless clear reasons showing rail is not the best way where No could be awarded)

Up to a further 3 marks for explaining reasons, which can show why other forms of transport are rejected [4]

- Rail is suitable for bulk goods (1) because large quantities can be moved safely (1)
- Rail is cheap/fast for long distances (1)
- Rail is generally less polluting (1) and can carry heavy goods (1)
- Rail needs transhipment (1) whereas road is door-to-door (1)
- Rail needs considerable initial investment in infrastructure (1) such as track and mountainous areas can cause problems (1)
- One alternative would be road transport, which is easier to start up (1) However, many trucks are needed for the same amount of coal as can be carried on one train (1)

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- Trucks will interfere with the local population/cause traffic congestion (1) and cause safety concerns on the roads (1)
- Rail needs transhipment (1) whereas road is door-to-door (1)
- Air is too expensive (1) bulky goods such as coal would not be carried (1)
- Water transport by river and canal can be used, but suitable rivers must be available.

Accept any other relevant points.

(ii) Up to 2 marks for each description of a service to a maximum of two services
(Any 2 × 2 marks) [4]

- Pilots/tugs (1) to move ships/goods (1)
- Cranes (1) to load/unload ships (1)
- Terminals (1) with specialised equipment or e.g. cranes (1) to move containers (1)
- Warehousing (1) store/keep goods (1)
- Transport (1) connection to inland/road transport to move goods around seaport (1)
- Dock labour (1) to load/unload ships (1)

Note. No marks for customs.

Accept any other relevant points.

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