Cambridge Assessment International Education

Cambridge O Level

COMMERCE **7100/22**

Paper 2 Written **October/November 2020**

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 2020 series for most Cambridge IGCSE™, Cambridge International A and AS Level and Cambridge Pre-U components, and some Cambridge O Level components.

This document consists of **21** printed pages.

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Generic Marking Principles

These general marking principles must be applied by all examiners when marking candidate answers. They should be applied alongside the specific content of the mark scheme or generic level descriptors 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.

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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.

Subject Specific Marking Principles (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** 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** credit alternative answers/examples which are not written in the mark scheme if they are correct
- **c** 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, e.g. a scattergun approach to a question asking for *n* items
- **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. erosion/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

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' (OFR) 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 are used to indicate correct answers and crosses to indicate wrong answers. There is a direct relationship between ticks and marks.
- Other annotations will be used by examiners as agreed during standardisation, and the meaning will be understood by all examiners who mark that paper.
- For levels of response marking, each level awarded should be clearly annotated on the script the first time it is achieved.

PREPARATION FOR MARKING

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

MARKING PROCESS

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

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MARKING SPECIFICS

Crossed out work

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

0 (zero) marks or NR (no response)

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

Annotation

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

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Question	Answer	Marks	Guidance
1(a)	**Explain what is meant by specialisation, using an example from Fig. 1.1.** Concentrating on one task / job / process / product / workers doing different / particular tasks / division of labour / performing tasks that they are expert / best / skilled at (1) Example – director, lighting technician, sound assistant, camera operator / filmmaking (1)	**2**	1 mark for understanding of term and 1 mark for example Note: Allow description for example such as directing the film, doing the lighting, making sure the sound is working properly, shooting the film Award 0 marks for examples not shown in Fig. 1.1 such as an actor, teacher.
1(b)	**Explain how this film crew is productive.** Creating / making / producing films / movies (1) for consumers / cinema / television (1) to satisfy needs and wants (1) Performing tasks efficiently / quickly / well / using skilled workers (1) less mistakes (1) not wasting time (1) Providing a service (1) in tertiary production (1) to give entertainment (1) Workers divided into different tasks / division of labour / each person focuses on task given / specialises in their job (1) increasing their output / productivity. (1)	**2**	Up to 2 marks for explanation Note: Allow ‘making more / lots of films’ = 2.

Question	Answer	Marks	Guidance
1(c)	**Circle the correct answer to complete each of the following sentences:** **An actor injured during filming would be covered by employer's liability insurance <u>or</u> third party insurance** **Asking employees to turn off lights is often done to protect the printers <u>or</u> environment.** An actor injured during filming would be covered by **employer's liability insurance** <u>or</u> third party insurance Asking employees to turn off lights is often done to protect the printers <u>or</u> **environment.**	**2**	1 mark for each correct circled answer

Question	Answer	Marks	Guidance
1(d)(i)	**Explain <u>two</u> reasons why advertising is important for the film industry**. • To persuade / attract / interest customers (1) to go to the cinema / watch the film (1) to increase audiences (1) more revenue / profits (1) cover costs (1) • To encourage people to subscribe to film providers (1) e.g. Netflix (1) to increase sales / profits (1) • To inform customers / make customers know / aware of / promote the film (1) new films / updates / where the film is being shown / actors (1) • To remind customers (1) creating brand loyalty (1) so they continue to go to the cinema (1) • To promote brand name (1) increase sales/profits (1) • To compete (1) against other forms of entertainment (1) • To promote public image (1) so as to enhance the reputation of the industry (1) leading to business growth / success (1) gain competitive edge. (1)	**4**	1 mark for each reason plus 1 mark for explanation of each reason.

1(d)(ii)	**Discuss whether FF Film Ltd. should use television or magazines to advertise the new movie. Which would you recommend? Give reasons for your answer.** **Television:** • Television has a wide audience so TV advertising is ideal for FF to attract a large market in a large area. • Television advertisements have the advantage of sight, sound, movement and colour to persuade a customer to buy. They are particularly useful if FF want to show what happens in an action movie. • However, a TV advertisement is very expensive, very short and there is no written record. • Difficult to make changes without reshooting the advert. • Can be difficult to target customers so the message is not reached to the selected film customers. • Many people watch trailers on the internet and social media nowadays so the TV advert is not seen. **Magazine:** • They are generally of good quality, e.g. printed on glossy paper so the advert looks better • They have advertisements and information on the special interests of the reader e.g. Film Weekly • Advertising in a specialist magazine can reach FF's target market quickly and easily • Readers / potential customers tend to read magazines at their leisure and keep them for longer, giving FF's advertisement multiple chances to attract attention • Also, many magazines now have online versions which broaden their readership • However, magazine advertising has no movement or sound images and may not be noticed due to competing advertisements • Many magazines are published monthly so there is a long lead time that increases the risk that the film may have already been shown in cinemas.	**8**	

Level	Mark	Description
3	7–8	The candidate is able to offer a recommendation with a thorough evaluation of both television advertising and magazine advertising.
2	5–6	Candidate offers a satisfactory analysis of using television advertising and / or magazine with or without a recommendation.
1	1–4	Candidate demonstrates some knowledge and understanding with application to film industry.
0	0	No creditable response.

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Question	Answer	Marks	Guidance
1(d)(ii)	• Depends on subscriptions so reaches far less customers • Comparatively expensive compared to newspapers. **Evaluation:** The benefits of the large target audience and impact of television advertising needs to be considered over the need to target specific customers and the lower cost that magazine advertising offers. Depending on the nature of a film a range of advertising, or multiple, advertising media may be useful. FF might consider that other advertising media are more appropriate e.g. cinema, where people already watching films are directly targeted.		

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Question	Answer	Marks	Guidance
2(a)	**Explain <u>one</u> difference between a bank deposit account and a bank current account.** • A deposit account is used to save money / for later use / limited withdrawals (1) whereas a current account is used for everyday transactions (1) • A deposit account earns interest (1) whereas some current accounts earn no / low interest (1) • A deposit account is likely to require notice for a withdrawal (1) whereas a current account requires no notice of withdrawal (1) • A deposit account does not charge any fees (1) whereas a current account has bank charges (1) • A deposit account does not allow the customer to spend more than their balance (1) whereas current account allows overdrafts (1) • A deposit account has lower minimum opening amount than a current account or allow use of figures = (**2** marks) • A deposit account does not receive bank statements (1) whereas current accounts bank statements are given (1) • A deposit account does not allow setting up payments such as standing orders / direct debits / cheques (1) whereas a current account allows payments such as standing orders / direct debits / cheques. (1)	**2**	Responses must reference both account types to award 2 marks.
2(b)(i)	**Describe a current account service Jack could use in each of the following situations:** **Obtaining money when the bank is closed.** At ATM / cashback provider (1) with a credit / debit card / PIN / 24/7 (1)	**2**	1 mark for the service and 1 mark for the description.
2(b)(ii)	**Authorising a creditor to withdraw money from his account.** Direct debit (1) enables variable / fixed amounts / variable / fixed intervals to be requested. (1)	**2**	1 mark for the service and 1 mark for the description.

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Question	Answer	Marks	Guidance
2(c)	**Do you think it is a good idea for Jack to have mobile banking? Give reasons for your answer.** **Yes** – can access your accounts from anywhere / at home (1) at any time (1) more convenient (1) no need to visit a bank (1) stand in a queue / saving time (1) can transfer funds / pay bills (1) check transactions (1) check account balance (1) more secure than internet banking (1) **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) hackers may get into the bank's system and steal Jack'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) some banks charge a fee for mobile banking. (1)	**3**	Up to 3 marks for justified reasoning of yes / no responses.
2(d)(i)	**What is meant by *credit*?** Buy now and pay later / paying for goods later / a form of borrowing.	**1**	

Question	Answer	Marks	Guidance
2(d)(ii)	**Evaluate the suitability to Jack of using hire purchase to buy the motorbike. Give reasons for your answer.** Hire purchase is an arrangement whereby a customer agrees to a contract to acquire an asset by paying an initial instalment and repays the balance of the price of the asset plus interest over a period of time • Using hire purchase, Jack will pay a deposit / down-payment to purchase the motorbike and then make regular monthly instalments / repayments, usually over a one to five-year period, until the total is paid. This will help with his cash flow • Interest will be added to the selling price of the motorbike to cover the length of time Jack will take to pay the total amount. So hire purchase is more expensive than paying in cash • Although Jack can use the motorbike, he will not own the motorbike until he has paid his final monthly instalment • The motorbike will be repossessed if he does not make the regular repayments • The goods cannot be sold until the payments have been completed • Hire purchase finance is usually provided by a third-party lender and an application form will have to be completed and credit checks made. As Jack is only 18 and just started work he may not be able to prove his creditworthiness. Although the fact that Jack has a regular income and that he has been saving regularly may help him to get hire purchase. **Evaluation:** It would be cheapest for Jack to buy the motorbike with his savings, if he has enough saved, because it would not cost him any extra in interest and he will own the motorbike immediately.	**6**	Up to 2 marks for **describing** hire purchase Up to a further 2 marks for **analysing** the suitability of hire purchase to Jack Up to a final 2 marks for **evaluating** how suitable hire purchase is for buying the motorbike.

Question	Answer	Marks	Guidance
3(a)	**Calculate how much the retailer will pay if the wholesaler's invoice is paid within 14 days. Show your working.** Amount of payment = $4704 (4) Method 50 × $120 = $6000 (1) minus 20% = $4800 (1) minus 2% = $96 (1)	**4**	Allow OFR.
3(b)	**The retailer has decided to postpone payment for a month. Explain why the retailer might have made this decision.** • Retailer may have a cash flow problem (1) making losses / too much unsold stock (1) does not have enough money to pay for the goods now (1) has to wait for tracksuits to be sold / other stock to be sold / to receive the money to pay (1) • May have other important bills to pay (1) wants to dispose of other stock (1) a business owner has to make decisions / prioritise (1) e.g. rent (1) so the business can continue to operate (1) • 2% is only a small amount of cash discount ($96 out of $4800) (1) compared to 20% trade discount (1) not worth having the discount (1) or having to pay bank charges on an overdrawn account (1) • May have a better use for his money (1) earn more than 2% (1) increase the retailer's return / profit. (1)	**3**	1 reason and explanation to a maximum of 3 marks.

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Question	Answer	Marks	Guidance
3(c)	**Discuss how important wholesalers are to manufacturers. Give reasons for your answer.** Wholesalers buy goods from manufacturers and then sell them to retailers so a wholesaler acts as distributor in the chain of distribution and may have specialised knowledge about the products in the market, so make it easier and simpler for the manufacturer to sell. Why wholesalers are important to manufacturers: • Aware of the trends in the market, passing on this information to the manufacturer who then knows what is selling well • Carry out marketing activities, helping to promote the goods • Store goods in their own warehouses, so reducing inventory costs and freeing up space for manufacturers to store raw materials rather than finished goods • Risk-bearing function – by buying and storing the goods the wholesaler reduces the risks of theft and spoilage to manufacturers • Can produce deliveries to customers which saves manufacturer costs • Buy in bulk which helps manufacturers clear production lines • May break bulk / brand / package so the manufacturer concentrates just on production. **Evaluation:** These functions make wholesalers very important to some manufacturers as they save on the cost of goods and increase sales, while saving time for manufacturers who want to focus on production. However, some wholesaler functions are performed by manufacturers who sell their goods direct to customers, so wholesalers are very important to some manufacturers but not as important to others.	**6**	Up to 2 marks for **describing** wholesaler / chain of distribution Up to a further 2 marks for **analysing** wholesaler functions to manufacturers Up to a final 2 marks for **discussing** how important wholesalers are to manufacturers.

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Question	Answer	Marks	Guidance
4(a)	**Define *imports*.** Goods or services bought from other countries / goods or services brought / transported into a country.	**1**	
4(b)	**Complete the chain of distribution for the gold jewellery.** **Producer / Manufacturer / Jewellery maker** → Mrs Rana → **Agent / broker / factor / forwarding agent / merchant** → Mr Kavah	**2**	1 mark for each correct answer.
4(c)	**Describe <u>one</u> method of communication that Mr Kavah would use to contact Mrs Rana about a necklace missing from a delivery.** • Email (1) use of computer / internet / email address / electronic / written / record / attachments (1) • Telephone / smartphone / teleconferencing (1) direct / verbal / discussion / feedback / electronic / send a text (1) • Video call / video conferencing / skype / facetime (1) electronic / verbal / face to face / discussion / feedback (1) • Fax (1) written / record / electronic. (1)	**2**	1 mark for method plus 1 mark for description.

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Question	Answer	Marks	Guidance
4(d)	**Do airport authorities affect the importing of goods such as gold jewellery? Give reasons for your answer.** **Yes** – airports will provide security (1) reduces theft (1) e.g. metal detectors / CCTV (1) storage / keep goods (1) warehousing (1) to the airlines carrying the goods (1) as well as the providing runways (1) lifting gear / forklifts / handling equipment (1) vans to transport the cargo (1) allow customs authorities to operate at the airport. (1) **No** – the cargo is the responsibility of the airline (1) and the freight forwarder may be responsible for packing / despatch (1) and customs clearance (1) the jewellery can be inspected by the customs authorities (1) customs duties have to be paid to the customs authority (1) who check the amount of goods imported. (1)	**3**	Up to 3 marks for justified reasoning of yes / no responses.

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>4(e)</td><td>Evaluate whether insurable interest or utmost good faith is more important for Mrs Rana when applying for insurance against this type of theft.

Insurance against theft covers the chance of goods being stolen. Goods in transit insurance specifically covers Mrs Rana’s situation.

Insurable interest:
The insured needs to have a direct financial interest to receive the benefit, if there is a possibility of incurring losses. Therefore, you can only insure goods which belong to you and from which you will suffer loss. For example, Mr Kavah cannot insure goods that are still owned by Mrs Rana.

Utmost good faith:
All questions on the proposal form must be answered truthfully and all relevant facts, such as the correct value of the jewellery, must be accurate so that the insurance company has all the details to enable it to calculate a correct premium. If Mrs Rana was to tell lies on the proposal form and then try to make an insurance claim, she will find the insurance policy is void.

Evaluation:
Both insurance principles are important. Mrs Rana will not be able to obtain insurance in the first place without some proof of ownership of the goods, so there would be no point in her applying for it. In terms of utmost good faith, it is vital that Mrs Rana is accurate about the value of her jewellery otherwise the policy would be made void without payment of a claim/compensation and she would have wasted money on any premiums she paid.</td><td>8</td><td>
<table>
<tr><th>Level</th><th>Mark</th><th>Description</th></tr>
<tr><td>3</td><td>7–8</td><td>The candidate is able to offer a thorough evaluation of the principles of insurable interest and utmost good faith when applying for insurance against theft</td></tr>
<tr><td>2</td><td>5–6</td><td>Candidate offers a satisfactory analysis of the principles of insurable interest and / or utmost good faith when applying for insurance against theft</td></tr>
<tr><td>1</td><td>1–4</td><td>Candidate demonstrates some knowledge and understanding of insurance applied to theft of goods</td></tr>
<tr><td>0</td><td>0</td><td>No creditable response.</td></tr>
</table>

Note: either insurance principle could be judged the more important with relevant reasoning.</td></tr>
</table>

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Question	Answer	Marks	Guidance
5(a)	**Identify the type of warehouse shown in Fig. 5.1.** Regional Distribution Centre / RDC / regional centre / distribution centre.	**1**	
5(b)	**Do you think warehousing helps large-scale retailers to improve their rate of inventory turnover? Give reasons for your answer.** **Yes** – it stores goods (1) which are fast-moving / require quick turnover / new goods (1) which have to be delivered to stores quickly (1) e.g. perishable goods (1) so that they are fresh / do not deteriorate (1) e.g. seasonal goods (1) when demanded (1) resulting in speedy stock clearance (1) so that stores do not have empty shelves / consumers do not have shortages (1) increasing the number of times stock is sold / replaced. (1) **No** – slow-moving / bulky goods may block the warehouse (1) and expensive goods take longer to sell (1) blocking other goods from moving through into the warehouse. (1)	**3**	Up to 3 marks for justified reasoning of yes / no responses.

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<table>
<tr><th>Question</th><th>Answer</th><th>Marks</th><th>Guidance</th></tr>
<tr><td>5(c)</td><td>Explain <u>two</u> effects of large-scale retailers on consumers.

• Lower prices / discounts (1) saving consumers money / use of own brands / economies of scale / allow example (1)
• Technological effects (1) online shopping / quicker ways of shopping / self-service checkouts (1)
• Wider range of products (1) more choice / to satisfy needs and wants / different manufacturers / international brands (1)
• Use of self-service (1) freedom of choice / decline of personal service (1)
• Save time (1) one-stop shopping (1)
• Using loyalty cards (1) consumers accumulate points / leads to some shoppers becoming regular shoppers at these stores (1)
• Changes in consumer buying habits (1) longer opening hours (1)
• Closure of smaller shops / town centres with empty shops (1) consumers have less choice / have to travel further / visit shopping malls (1)
• More / better facilities / services (1): example e.g. toilet, café, parking. (1)</td><td>4</td><td>1 mark for each effect plus 1 mark for each relevant explanation.</td></tr>
<tr><td>5(d)</td><td>Which of these statements about retailing are true and which are false?

<table><tr><th></th><th>TRUE</th><th>FALSE</th></tr><tr><td>Factory outlets sell directly to consumers.</td><td>✓</td><td></td></tr><tr><td>An omnichannel retailer keeps customers informed about the progress of their orders.</td><td>✓</td><td></td></tr><tr><td>Supermarkets have a low rate of sales turnover.</td><td></td><td>✓</td></tr></table></td><td>3</td><td>1 mark for each correct answer.</td></tr>
</table>

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Question	Answer	Marks	Guidance
5(e)	**Evaluate the benefits to a large-scale retailer of owning its fleet of delivery trucks.** Large-scale retailers use transport to move goods to its stores. It needs to do this in good time to satisfy consumers' demands. Most large-scale retailers will distribute goods by road. • Owning the fleet means less documentation is needed compared to using a transport company • Better customer service as there will be direct contact with customers so that their needs / problems can be sorted out quickly • Goods will be better supervised as the retailer will have its own drivers which should mean less chance of theft / damage • Delivery times can be arranged with the stores so more flexible timings compared to timetables of some transport companies e.g. to allow for last-minute deliveries • The large-scale retailer will be able to buy specialised vehicles to suit the company's needs e.g. refrigerated trucks • Greater reliability so less delays • Reinforcing the brand by placing adverts on the side of the trucks e.g. logo / details of business, so saving on marketing; these cost savings can be passed on to customers in lower prices making them even more competitive in the retail market • More economic if there are regular loads as the profit margins enjoyed by transport companies are eliminated • Trucks can be hired out so the retailer will receive income. **Evaluation:** Although there will be a high capital cost initially and on-going high running costs, large-scale retailers will be able afford this and there are more other benefits from owning its own fleet than using a transport company.	**6**	Up to 2 marks for **describing** large-scale retailers / delivery fleet Up to a further 2 marks for **analysing** benefits of owning its delivery fleet Up to a final 2 marks for **evaluating** the benefits of owning its delivery fleet.

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