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O Level  
**Commerce**

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## Introduction

*O Level Commerce* is specifically written for international students studying for the Cambridge International Examinations (CIE) O Level Commerce syllabus, 7100/1 and 7100/2. This book would also be useful for students taking CIE's O Level Commercial Studies Examination as well as other public examinations in Commerce.

The contents of the book follow the latest examination syllabus. The book is broken down into 15 topic areas with an additional section to cover the functions and responsibilities within a business and organisation charts from the Commercial Studies syllabus. At the end of the chapters within each topic area, there are *Practice Questions* containing short answer questions, multiple choice questions and some questions requiring longer answers. Some of these questions are taken from CIE O Level past examination papers. There is also a summary of key facts at the end of each chapter called *Points to Remember* to enable students to revise the important points of the chapter.

At the end of each topic, two *Past Examination Questions with Model Answers* are provided. Comment is also made on the *Common Learner Errors* that have been found by examiners in past examination responses. In addition, there are suggestions for activities relating to the topic as a whole.

The *Glossary* at the end of the book provides a quick reference for students to aid their revision of commercial terms and concepts.

Additional sections on study skills and examination technique are provided. These aim to provide suggestions for students to enhance their revision at the end of the course and to give them more confidence in their approach to the final examinations.

The O Level Commerce examination consists of two papers. Paper 1 consists of 40 multiple choice questions covering the whole syllabus. Paper 2 consists of eight longer questions, either data response or structured from which candidates must select four questions to answer.

This Commerce syllabus aims to provide an outline of commercial activities and how these activities are influenced by changes in the commercial environment. Candidates are expected to appreciate how commercial activities affect the consumer, the producer, the retailer and the wholesaler involved in home and international trade. They are also expected to recognise how the development of Information Technology has made an impact on

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commercial activities and be aware of the significance of innovation and change on these activities.

In the examination, candidates will be tested on their knowledge and understanding of basic commercial principles, techniques, facts, terms as well as commercial documents and the main functions and features of commercial activities. Candidates will be expected to apply commercial principles and ideas to given situations and to use relevant data in written, numerical and diagrammatical form. Candidates will also be asked to analyse problems and to identify and select significant issues in a commercial situation. They will be expected to evaluate problems, to make judgements and to give reasoned opinion.

In each question in Paper 2, there will be some marks allocated for each of the four assessment objectives. Some of the answers are marked by rewarding points made with allocated marks. Other answers, usually in response to questions with large mark allocations and requiring analysis and reasoned opinion, are marked according to a 'Levels of Response' mark scheme. Levels of Response marking seeks to reward the quality of the answer rather than the quantity of the answer. The candidate who discusses one issue is likely to gain higher marks than the candidate who lists several facts.

The CIE O Level syllabus aims to respond to the international make-up of the candidature for the examination which is taken by candidates in over 25 different countries. Credit is always given for answers which contain examples relating to the country of the candidate. This textbook attempts to reflect the international nature of the syllabus by using examples and material from many parts of the world (not just the UK).

This textbook can be used in conjunction with the other resource materials as well. A list of suggested resources is supplied at the end of the book. Much commercial activity surrounds us every day. It is important for every student of Commerce to keep his/her eyes and ears open and to be receptive to the changing commercial environment.