Pearson Edexcel International GCSE

Centre Number | Candidate Number

Commerce

Wednesday 9 May 2018 – Afternoon
Time: 2 hours

Paper Reference
4CM0/01

You do not need any other materials.

Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided
  – *there may be more space than you need.*

Information

- The total mark for this paper is 100.
- The marks for **each** question are shown in brackets
  – *use this as a guide as to how much time to spend on each question.*
- A calculator may be used.

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.

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Turn over ▶

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Answer ALL questions.

Some questions must be answered with a cross in a box ⊠. If you change your mind about an answer, put a line through the box ⊠ and then mark your new answer with a cross ⊠.

1   Complete the following sentences by inserting only **one** word in each space.

(a) Fidelity .... is an insurance risk against the
dishonesty of employees.

(1)

(b) The owners of a private .... company are its
shareholders.

(1)

(c) A car can be paid for over a number of years using

.... purchase.

(1)

(d) Exchanging goods for goods is known as ....

(1)

(Total for Question 1 = 4 marks)

2   Using an example in each case, define:

(a) sales promotion

(2)

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(b) after-sales service.

(2)

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(Total for Question 2 = 4 marks)

3 An investor purchased 2,000 shares in a company. The company declared a dividend at the end of the year and the investor received £400.

Calculate the dividend paid per share. Show your working.

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(Total for Question 3 = 2 marks)

4 State **two** disadvantages of using video conferencing for communication.

1 ....

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2 ....

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(Total for Question 4 = 2 marks)

5 Give **two** reasons why department stores offer credit cards to customers.

1 ....

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2 ....

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(Total for Question 5 = 2 marks)

6 Name **two** documents used in the home trade that are sent after an invoice.

1 ....

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2 ....

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(Total for Question 6 = 2 marks)

Turn over ▶

7   For each example, identify whether it is in the primary industry or the tertiary industry by putting a cross ⊠ in the correct box below.

Example	A Primary industry	B Tertiary industry
(i) Entertainment	⊠	⊠
(ii) Forestry	⊠	⊠
(iii) Healthcare	⊠	⊠
(iv) Quarrying	⊠	⊠

(Total for Question 7 = 4 marks)

8   What is the name of the service that enables people to deposit cash when the bank is closed?

....

....

(Total for Question 8 = 1 mark)

9   Suggest **two** likely effects of the devaluation of a country's currency on its international trade.

1 ....

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2 ....

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(Total for Question 9 = 2 marks)

10 State **two** features of standing orders as a method of payment.

1 ....

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2 ....

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(Total for Question 10 = 2 marks)

11 List **three** functions of advertising agencies.

1 ....

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2 ....

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3 ....

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(Total for Question 11 = 3 marks)

12 Give **two** reasons why some risks are non-insurable.

1 ....

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2 ....

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(Total for Question 12 = 2 marks)

13 Explain how the introduction of self-service checkouts can improve the efficiency of a supermarket.

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(Total for Question 13 = 4 marks)

14 The following chart shows information about a country's employment in 2017.

Public sector employment and private sector employment
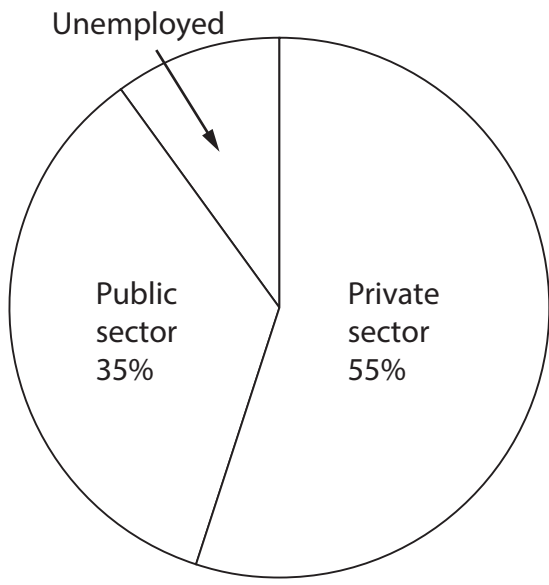
Unemployed

Total working population is 27 million.

(a) State **one** feature of a public sector organisation.

(1)

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(b) Calculate the actual number of people who were unemployed in 2017. Show your working.

(2)

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(c) Explain **one** advantage of public sector organisations.

(3)

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(Total for Question 14 = 6 marks)

15 Gerry and Jill set up a business selling camping equipment. They were advised to form a partnership and were told it was important to draw up a Deed of Partnership. Part of this Deed is shown below.

DEED OF PARTNERSHIP

Between: Gerry Hitchens
And: Jill Dougan

Capital: Each partner will contribute initial capital to the value of £40 000

Authority: Each partner has equal authority in making decisions

Duration: The partnership shall end on 30 April 2023 or when more partners join

Date: 30 April 2018

(a) (i) Identify **two other** items of information that might have been included in the Deed of Partnership.

(2)

1 ....

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2 ....

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(ii) Describe the role of a sleeping partner in a partnership.

(2)

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(iii) Analyse why Gerry and Jill thought it was important to draw up a Deed of Partnership.

(4)

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(b) Explain why large-scale businesses are not usually partnerships.

(4)

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Gerry and Jill have had a successful first year and now want to expand by selling tents as well as other camping equipment. There are two options available to finance this expansion.

Option 1 – To sell assets

Option 2 – To apply for a bank loan

(c) Justify which option Gerry and Jill should choose by explaining why you have selected this option and rejected the other.

(8)

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(Total for Question 15 = 20 marks)

16 One channel of distribution is shown below.

| Manufacturer | ➡ | Retailer | ➡ | Customer |

(a) Explain **one** advantage for the manufacturer of selling directly to customers.

(3)

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(b) Explain **one** disadvantage for the customer if the retailer is left out of this channel of distribution.

(3)

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Another type of distribution channel is shown below.

| Manufacturer | → | Wholesaler | → | Retailer | → | Customer |

(c) Explain why, in this channel of distribution, wholesalers:

(i) continue to have a very important role

(4)

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(ii) are used less.

(4)

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When a business sells it goods abroad it may use an overseas agent.

(d) Explain the advantages for a business of using an overseas agent.

(6)

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(Total for Question 16 = 20 marks)

17 Sgar is a manufacturer of branded children's clothes. It employs 150 production workers.

Workers:
- cut the cloth
- sew the clothes with machines
- put on buttons
- fold
- pack the clothes.

(a) (i) Using an example from Sgar, state what is meant by specialisation.

(2)

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(ii) Describe **one** advantage and **one** disadvantage for production workers of specialisation.

(4)

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(b) Sgar advertises its clothes for sale through mail order catalogues.

Name **two other** ways that consumers can shop from home.

(2)

1 ....

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2 ....

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(c) Explain how the following would be used to advertise Sgar's clothes:

(i) branding

(3)

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(ii) packaging.

(3)

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(d) The issue of consumer protection has been discussed by the directors of Sgar.

Evaluate the importance of consumer protection to Sgar.

(6)

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(Total for Question 17 = 20 marks)

TOTAL FOR PAPER = 100 MARKS