

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

Candidate Number

Pearson Edexcel International GCSE (9–1)

Time 1 hour 30 minutes

Paper
reference

4CM1/01

Commerce

PAPER 1: Commercial operations and associated risks

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.*
- You must **show all your working out** with **your answer clearly identified** at the **end of your solution**.

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*
- Calculators 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.

Turn over ►

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Pearson

SECTION A

Answer ALL questions. Write your answers in the spaces provided.

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 (a) Which **one** of the following is in the secondary sector?

Select **one** answer.

(1)

- A Farming
- B Car production
- C Coal mining
- D Banking

(b) Which **one** of the following is a physical limit on the amount of goods imported into a country?

Select **one** answer.

(1)

- A Tariff
- B Licence
- C Duty
- D Quota

(c) Define the term **bad debt**.

(1)

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(d) Define the term **cash and carry**.

(1)

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(e) **Figure 1** shows the value of exports and imports for the UK for the third quarter of 2018.

Exports £m	Imports £m
71 585	50 038

Figure 1

(i) Calculate the balance of trade for the UK third quarter of 2018.

You are advised to show your working.

(2)

£m

(ii) State **one** advantage of international trade for the UK.

(1)

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The UK exports products to South Africa. Since January 2017 the pound has appreciated against the South African Rand.

(iii) State **one** effect on South Africa of the appreciation in the pound.

(1)

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(f) Explain **one** advantage for a business of division of labour.

(3)

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(g) Explain **one** disadvantage to consumers of mobile retailing (mcommerce).

(3)

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NEXT is a UK retail clothing chain. In 1999 it launched online shopping and now serves customers in 70 countries. *NEXT* continues to improve its customer service by introducing new initiatives such as 'next day delivery', where items are delivered to the customer the day after they were ordered online.

With more and more customers purchasing goods online, *NEXT* is concerned about the number of items that are returned by customers to its warehouses.

(h) Analyse the disadvantages to *NEXT* of allowing customers to return unwanted goods.

(6)

Area with horizontal dotted lines for writing the answer to the question.

(Total for Question 1 = 20 marks)



2 A customer in France wishes to buy a car from India. The cost of the car is 460 200 Indian Rupees (RS). The exchange rate is €1.00 = RS78

(a) Which **one** of the following would the customer pay for the car?

Select **one** answer.

(1)

- A €3 589
- B €5 900
- C €59 000
- D €460 122

(b) Which **one** of the following is an arrangement where a business gives permission to another to use its name and products?

Select **one** answer.

(1)

- A Brand
- B Guarantee
- C Franchise
- D Leasing



(c) John wanted to buy insurance for a two week holiday to China. **Figure 2** shows a website that offered him different quotations.

Insurer	Policy Price	Max Excess	Medical	Cancellation	Baggage
Alpha	£21.15	£100	£10m	£1 250	£1 500
Cheaper Travel	£21.29	£100	£50m	£1 000	£1 000
Virgin Money	£22.94	£200	£15m	£1 500	£1 250
Go2 Travel	£23.04	£250	£10m	£1 000	£1 000
Insurance Republic	£23.10	£149	£10m	£1 250	£1 000
Cedar Tree	£24.00	£95	£15m	£2 000	£1 500
ERV	£24.07	£150	£5m	£1 000	£500

Figure 2

(i) Identify which insurance company offered the lowest amount of cover for lost baggage.

(1)

(ii) Identify the insurance company that offered the highest amount of medical cover.

(1)

(d) Define the term **multinational**.

(1)



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(e) Explain the importance of the principle of insurable interest when taking out insurance.

(3)

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(f) Explain the function of the wholesaler breaking bulk.

(3)

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Nissan is a global car manufacturer. It purchases components from around the world to manufacture cars. Increasing competition from other car manufacturers is beginning to concern *Nissan*. *Nissan* needs to reduce its overall costs. To do this, it is considering the following two options:

Option 1: reduce the costs of buying components from around the world

Option 2: reduce the number of *Nissan* showrooms.

(g) Justify which **one** of these two options *Nissan* should choose.

(9)

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(Total for Question 2 = 20 marks)

TOTAL FOR SECTION A = 40 MARKS



SECTION B

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

- 3 *Tesco* is a supermarket chain with 6,993 stores across the world. It serves 80,000,000 customers every week. It is always looking to improve its sales and compete with other supermarket chains across the world.

(a) Which **one** of the following is a feature of a hypermarket?

Select **one** answer.

(1)

- A** Located in city centres
- B** Sells a narrow range of goods
- C** One-stop shopping
- D** Operates limited opening hours

(b) Which **one** the following is a retail technique *Tesco* could use to sell its products?

Select **one** answer.

(1)

- A** Competition
- B** Advertising
- C** Subsidy
- D** Own label

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(c) State **one** reason why *Tesco* gives its customers loyalty cards.

(1)

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(d) Outline **one** reason why *Tesco* prefers to use local suppliers for the fresh food it sells at its stores.

(2)

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(e) Analyse why *Tesco* stores have flexible opening hours.

(6)

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Tesco wants to further expand and open stores in countries where there are no Tesco stores. It will, therefore have to secure suppliers for the new stores. It is considering the following two options:

Option 1: buying direct from suppliers

Option 2: buying from a wholesaler.

(f) Justify which **one** of these two options Tesco should choose.

(9)

Dotted lines for writing the answer.



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(Total for Question 3 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS



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SECTION C

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

- 4 *Huawei* is a Chinese manufacturer of electronic products including mobile phones and tablets. Over the past few years there has been a large increase in the sale of mobile phones. Most customers look at *Huawei* products online. As there are many other competitors in the market, *Huawei* has to maintain a high standard of product manufacture and of the service it provides.

In 2020, the cost of a *Huawei* P20 was £250. *Huawei* had a special offer of a 12.5% discount on this phone.

- (a) Calculate the cost of buying a P20 after the discount has been applied. You are advised to show your working.

(2)

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(b) Analyse why *Huawei* might need to regularly update its website.

(6)

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(c) Evaluate why it is important for *Huawei* to ensure that the goods it sells are not faulty. You should use the information provided and your own knowledge of commerce in your answer.

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(Total for Question 4 = 20 marks)

**TOTAL FOR SECTION C = 20 MARKS
TOTAL FOR PAPER = 80 MARKS**



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