

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)**

**Friday 2 June 2023**

Afternoon (Time: 1 hour 30 minutes)

Paper

reference

**4CM1/02R**

**Commerce**

**PAPER 2: Facilitating commercial operations**

**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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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 ☒.

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1 (a) Which **one** of the following is a request to purchase a product?

Select **one** answer.

(1)

- A A receipt
- B An invoice
- C A delivery note
- D An order

(b) Which **one** of the following is an approach to advertising?

Select **one** answer.

(1)

- A Interactive
- B Interesting
- C Collective
- D Responsible

(c) Define the term **retained profit**.

(1)

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

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(e) *Seabreeze* is a business owned by Olivia. It offers tours around Sydney Harbour in a sailing yacht. The tours last for 4 hours and include a luxury lunch and the use of expensive towels. Groups of 16–20 people are each provided with a branded *Seabreeze* beach bag when they board the yacht.

(i) State **one** way Olivia could reduce the purchasing costs of *Seabreeze's* tours. (1)

(ii) State **one** way Olivia uses point of sale material to promote *Seabreeze's* tours. (1)

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Figure 1 shows an extract from *Seabreeze's* weekly financial information.

2019	\$ Australian
Sales Revenue	29 000
Cost of Sales	14 150
Gross Profit	14 850

Figure 1

(iii) Calculate, to two decimal places the weekly Gross Profit Margin for 2019. You are advised to show your working.

(2)

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(f) Explain **one** benefit to a customer of having an overdraft with their bank.

(3)

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(g) Explain **one** way a bank can help a business to export its products.

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2 (a) Which **one** of the following is the formula used to calculate the Return on Capital Employed (ROCE)?

Select **one** answer.

(1)

- A**  $\frac{\text{Cost per item}}{\text{Profit per item}} \times 100$
- B**  $\frac{\text{Profit for the year}}{\text{Capital employed}} \times 100$
- C**  $\frac{\text{Capital employed}}{\text{Profit for the year}} \times 100$
- D**  $\frac{\text{Profit per item}}{\text{Cost per item}} \times 100$

(b) In which **one** of the following situations would a business send a letter?

Select **one** answer.

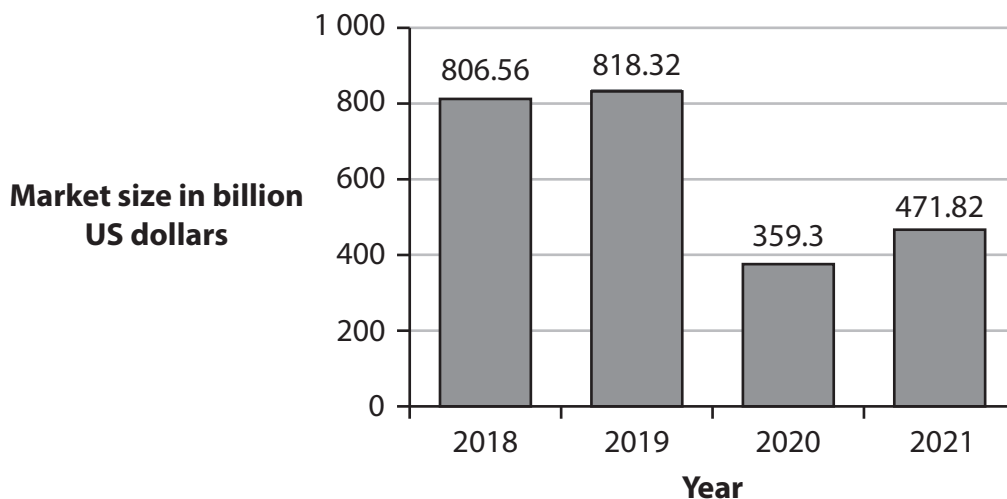
(1)

- A** To issue personal congratulations and a certificate to an employee
- B** To notify a customer of the immediate cancellation of an urgent order
- C** To send money to a crowdfunding appeal for online donations
- D** To save money communicating a general message to thousands of customers



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(c) **Figure 2** shows the size of the global airline market.



**Figure 2**

(i) Identify the year with the lowest change in the value of the market size on the previous year.

(1)

(ii) Identify the value of the market size in 2020.

(1)

(d) Define the term **informal credit**.

(1)





(e) Explain **one** benefit to a business of offering cash on delivery (COD) as a payment option to its customers.

(3)

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(f) Explain **one** benefit to a business of allowing customers to use hire purchase to buy its products.

(3)

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*Scottish Enterprise* helps Scottish businesses innovate and expand globally. It promotes Scottish products in trade fairs and exhibitions around the world. It provides capital towards research and development.

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*Scottish Enterprise* helped *Alexander Dennis Ltd (ADL)* with capital towards the development of a new and technologically innovative bus, the Enviro500.

With the help of *Scottish Enterprise*, *ADL* beat its competitors to supply 72 buses to Hong Kong's largest bus operator. There are likely to be many more orders in the future from this operator as the *ADL* bus is very good for city transport.

*ADL* is considering two options to increase the export of its buses to as many Asian cities as possible:

**Option 1:** use overseas agents and pay an agent's fee of 5% of the sales they make

**Option 2:** use *Scottish Enterprise* to carry out the promotion of its buses at international trade fairs for transport.

(g) Justify which **one** of these two options *Alexander Dennis Ltd (ADL)* should choose to increase the exports of its buses.

(9)

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(Total for Question 2 = 20 marks)

**TOTAL FOR SECTION A = 40 MARKS**



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## SECTION B

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

*Freddies Flowers* is an online florist. It selects the best available flowers every week from markets in Great Britain and Europe. It delivers 40,000 boxes of flowers each week to homes in the UK. Deliveries are made every day.

Regular customers pay to have fresh flowers delivered to their homes or businesses in the UK. Payment is made online using a credit card. Many customers have flowers delivered each week and pay on the morning of delivery.

In 2020, *Freddies Flowers* had 100,000 regular customers. It aimed to increase the number of customers to 200,000 within 12 months. To do this it needed to raise funding for a marketing campaign.

3 (a) Which **one** of the following is a service provided by a commercial bank?

Select **one** answer.

(1)

- A Printing national currency notes
- B Lending money to the Central Bank
- C Issuing postal orders to individuals
- D Providing foreign currency to the public

(b) Which **one** of the following is a reason why *Freddies Flowers* only accepts payment by credit card online?

Select **one** answer.

(1)

- A To save the transaction fee per sale of flowers
- B To ensure that drivers deliver the flowers on time
- C To receive secure payment from customers for the flowers
- D To allow customers to receive flowers before paying



(c) State **one** reason why *Freddies Flowers* uses email when answering customer queries.

(1)

(d) Complete the Credit Note below to show the missing amounts.

CREDIT NOTE NO. 3567

**Freddies Flowers Ltd** VAT REG NO: 209 405 916  
 1-4 Cumberland Place  
 Southampton  
 Hampshire  
 SO15 2NP

Mr R Smith Invoice No: 1234  
 190 High Holborn Invoice Date: 14/06/21  
 London Credit Note Date: 28/06/21  
 WC1V 7BH

Qty	Order No	Description	Unit Price £	Amount £
(i) .....	22221	Seasonal bouquets	25.00	75.00
<b>VAT</b>				15.00
<b>TOTAL</b>				(ii) .....

Reason for credit: delivered to incorrect address

(2)

**Figure 3**

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(e) Analyse why *Freddies Flowers* might choose to use crowdfunding to finance its marketing campaign.

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An increase in the number of regular customers means *Freddies Flowers* needs to make more deliveries in the cities and rural areas of the UK to meet this demand.

Deliveries need to be made quickly so the flowers remain fresh. The large boxes prevent damage to the fragile contents.

In central London, UK, *Freddies Flowers* uses its own fleet of electric bikes instead of delivery vans. The bikes are branded with *Freddies Flowers*. They have special platforms on which to carry large loads of the light boxes.

Riders of the *Freddies Flowers* bikes enjoy using them as they can stop wherever they like and take them into apartment blocks and other buildings. The batteries can be recharged at charging points around the city. The bikes do not have to pay the central London congestion charge. This is a charge made by many UK cities on all non-electric vehicles entering the cities to reduce the number of vehicles in the city centres.

Delivery vans are used for rural areas and cities as they can carry more flowers and travel further than electric bikes.

*Freddies Flowers* wants the most cost-effective way to deliver throughout the UK and is considering two options:

**Option 1:** more electric bikes

**Option 2:** more delivery vans.

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

(9)

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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.

Chocolate is made from cacao beans. *Uncommon Cacao* buys cacao beans from 400 small farms around Belize port and neighbouring Guatemala in Central America.

*Uncommon Cacao* prepares the beans for export to luxury chocolate makers in California where there is a shortage of high quality beans.

For chocolate makers, the preparation means the beans are of an excellent and consistent standard. For the farmers, it ensures a fair and stable price for their product in a growing market where demand is high.

The cacao beans are carefully loaded into containers for the seven-day sea journey from Belize port to Oakland port in California, USA. The containers ensure the beans are not broken whilst being loaded. The containers are well ventilated to maintain the quality of the beans.

Once in California, the beans remain in the containers which are unloaded from the ship onto trucks. The containers are then delivered to a large specialist warehouse for distribution to the chocolate makers in California, USA.

- 4 (a) Outline **one** reason why *Uncommon Cacao* chooses to transport the cacao beans by sea.

(2)

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(b) Analyse how containerisation helps maintain the quality of the beans as they are transported to the USA.

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(6)

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The US is a world leading importer and consumer of chocolate and chocolate products. Demand for chocolate products in the US is expected to continue to grow.

Several world famous and highly respected national newspapers such as The Washington Post, The New York Times and The Huffington Post have promoted *Uncommon Cacao* by publishing articles about its business and the benefits it brings to small farmers in Belize and Guatemala. These newspapers are distributed throughout the US and even worldwide.

- (c) Evaluate how national newspapers help *Uncommon Cacao* promote its products in the US. You should use the information provided and your own knowledge of commerce in your answer.

(12)

Dotted lines for writing the answer to question (c).



P 7 2 9 6 3 A 0 1 9 2 0

(Total for Question 4 = 20 marks)

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

**Source information**

<https://www.seekbusiness.com.au/business-listing/cruise-sydney-harbour-on-famous-catamaran-max-20-passengers-double-your-income/599274>

<https://www.statista.com/statistics/1110342/market-size-airline-industry-worldwide/>

