Write your name here

Surname		Other names

Pearson Edexcel
International GCSE

Centre Number

Candidate Number

Commerce

Monday 22 January 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.

Turn over ▶

P 5 2 9 8 3 A 0 1 1 6

Pearson

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) A tax on imported goods is a ....

(1)

(b) An individual buying a franchise is known as a ....

(1)

(c) Goods sold below their cost price to attract customers are called

.... leaders.

(1)

(d) Mark-up is the .... margin on a product offered for sale.

(1)

(Total for Question 1 = 4 marks)

2 Using an example of a type of organisation in each case, define:

(a) private sector

(2)

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(b) public sector.

(2)

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(Total for Question 2 = 4 marks)

P 5 2 9 8 3 A 0 2 1 6

3 An investor owns 750 shares in a company. The company has declared a dividend of 15 pence per share.

Calculate how much dividend the investor will receive. Show your working.

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(Total for Question 3 = 2 marks)

4 State **two** disadvantages for a customer of paying for goods using a store card.

1 ....

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2 ....

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(Total for Question 4 = 2 marks)

5 Give **two** reasons why supermarkets bulk buy.

1 ....

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2 ....

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(Total for Question 5 = 2 marks)

6 Name **two** documents that must be presented to the bank when using documentary credits.

1 ....

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2 ....

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(Total for Question 6 = 2 marks)

7 For each type of business listed, identify whether it is a business producing goods or a business providing services by putting a cross ⊠ in the correct box below.

Business	Producing goods	Providing services
(i) Abel's shoe repairs	⊠	⊠
(ii) Cement Engineering Ltd	⊠	⊠
(iii) Fiona's fish farm	⊠	⊠
(iv) Pat's convenience store	⊠	⊠

(Total for Question 7 = 4 marks)

8 Name **one** postal service that a business could use to send a final demand for payment.

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....

(Total for Question 8 = 1 mark)

9 Suggest **two** ways in which a coffee shop could increase its turnover.

1 ....

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2 ....

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(Total for Question 9 = 2 marks)

10 State **two** features of credit transfer as a method of payment.

1 ....

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2 ....

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(Total for Question 10 = 2 marks)

11 Outline **three** functions of central banks.

1 ....

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2 ....

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3 ....

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(Total for Question 11 = 3 marks)

12 Identify **two** reasons why medical equipment would be sent by air.

1 ....

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2 ....

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(Total for Question 12 = 2 marks)

13 Brokers and factors are two intermediaries who work on behalf of other people in international trade.

Compare the work of brokers and factors as intermediaries.

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(Total for Question 13 = 4 marks)

14 Below is a street plan of a town centre. Martha is going to open a bookshop in the town centre. Two shops, marked Y and Z on the street plan, are available for Martha to rent.

BUS STATION	Y		CAR PARK	
	FOOD STORE			
HIGH STREET				
MARKET STALLS		CLOTHES SHOP	PREMIER BANK PLC	MUSIC SHOP
BAKER	BUTCHER	POST OFFICE	COFFEE SHOP	BARBER SHOP	PHARMACY
MAIN STREET				
SUPERMARKET	ZANNY FLOWERS LTD	INTERNET CAFE	Z	ASTON, HILL & FROST ACCOUNTANTS
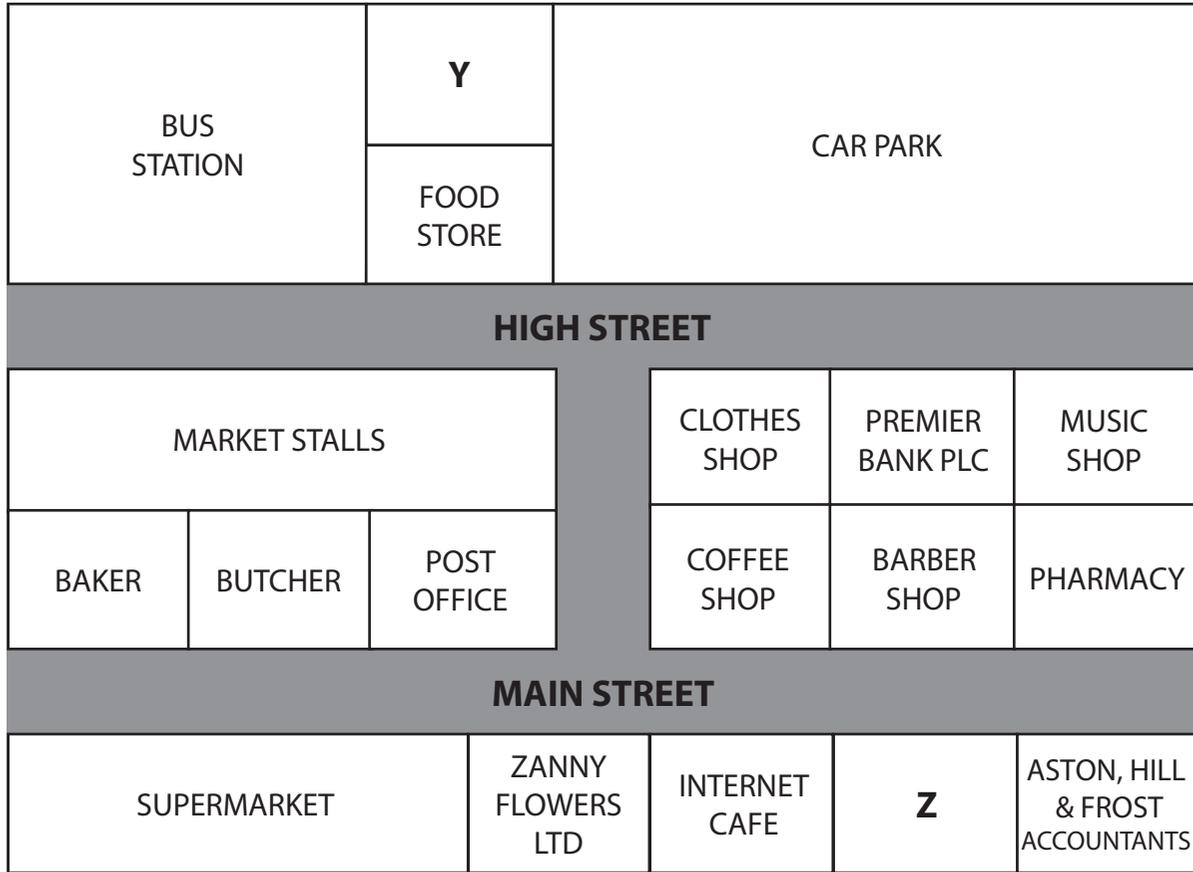
(a) Identify **one** example from the diagram of each of the following:

(i) private limited company

(1)

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....

(ii) public limited company.

(1)

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(b) Suggest **two** possible reasons why Martha has located her business in shop Z.

(4)

1 ....

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2 ....

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(Total for Question 14 = 6 marks)

15 The table below shows the exports and imports in 2017 for Country A.

Its main exports are tea, clothing and tourism. Its main imports are shipping, cars and chemicals.

	Exports (£million)	Imports (£million)
Visible trade	550	650
Invisible trade	235	380

(a) State the difference between visible and invisible trade, using examples for each from Country A.

(4)

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(b) (i) Calculate the balance of payments in 2017 for Country A.

(3)

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(ii) Why might the government of Country A be concerned with these balance of payments figures?

(3)

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(c) Explain why countries specialise in producing specific products.

(4)

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(d) Explain **two** disadvantages of a multi-national company operating in a country.

(6)

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(Total for Question 15 = 20 marks)

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16 Fruity Wholesalers, an independent wholesaler, supplies local retailers with fruit. It owns a cold storage warehouse where fruit is stored. It uses its own fleet of vans for delivery.

(a) Suggest a suitable channel of distribution that Fruity Wholesalers could use.

(2)

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(b) Discuss why Fruity Wholesalers needs a cold storage warehouse.

(4)

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(c) Explain **one** reason why Fruity Wholesalers uses road transport to deliver to retailers.

(3)

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(d) Some people argue that it is better for retailers to buy directly from manufacturers rather than from wholesalers.

To what extent do you agree with this view?

(6)

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(e) Explain how the growth of cash-and-carry in recent years has helped some independent wholesalers to continue in business.

(5)

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(Total for Question 16 = 20 marks)

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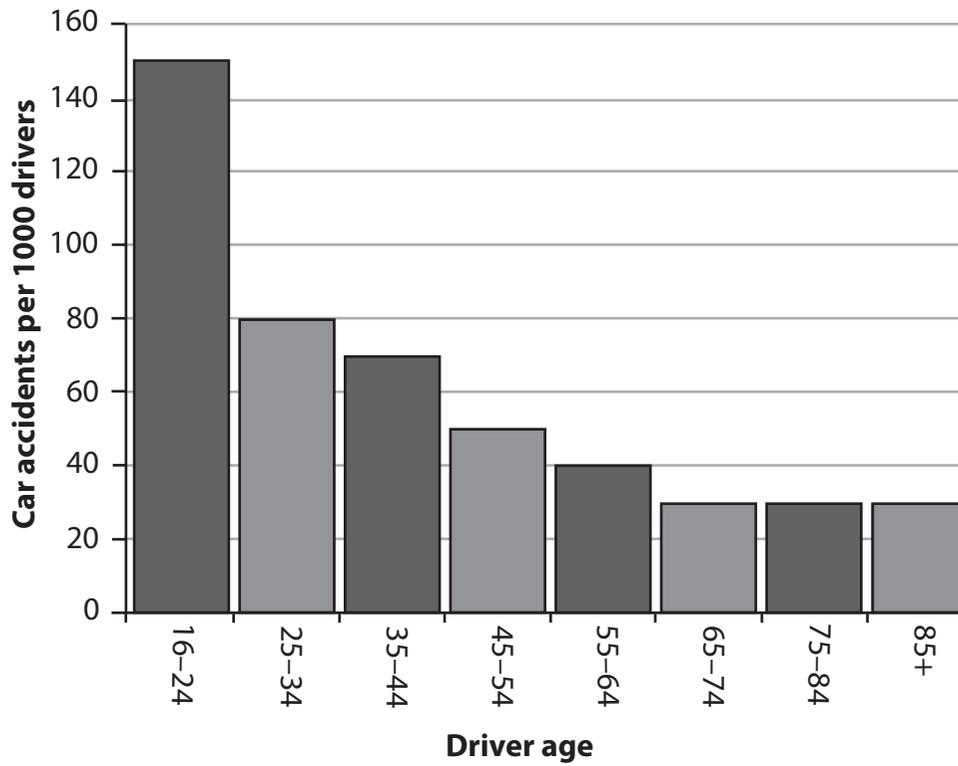
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17 The following graph shows a country's insurance statistics on the number of car accidents based on age. These statistics are used by insurance companies to calculate insurance premiums.

(a) (i) What is an insurance premium?

(2)

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(ii) Apart from age, analyse **one** factor that would influence the level of car insurance premiums.

(3)

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14

(b) Explain why younger drivers have more car accidents than older drivers.

(3)

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(c) Identify **four** actions a driver would need to take after a car accident before completing an insurance claim form.

(4)

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(d) Evaluate whether indemnity or utmost good faith is more important when making an insurance claim following a car accident.

(8)

(Total for Question 17 = 20 marks)

TOTAL FOR PAPER = 100 MARKS