

Please check the examination details below before entering your candidate information

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|---|--|--|--|--|---------------------------------|--|-------------|--|
| Candidatesurname | | | | | Other names | | | |
| Centre Number | | | | | Candidate Number | | | |
| Pearson Edexcel International GCSE (9–1) | | | | | | | | |
| Tuesday 14 May 2019 | | | | | | | | |
| Morning (Time: 1 hour 30 minutes) | | | | | Paper Reference 4CM1/02R | | | |
| Commerce Paper 2: Facilitating commercial operations | | | | | | | | |
| Calculators may be used. | | | | | | | 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.*

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 ☒.

- 1 (a) Which **one** of the following is a long-term source of finance.

Select **one** answer.

(1)

- A** Overdraft
- B** Mortgage
- C** Leasing
- D** Factoring

- (b) Which **one** of the following is given to a customer to show they have paid for a product.

Select **one** answer.

(1)

- A** Delivery note
- B** Quotation
- C** Receipt
- D** Invoice

- (c) Define the term **average inventory**.

(1)

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- (d) Define the term **bank draft**.

(1)

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DO NOT WRITE IN THIS AREA



(e) *Choconat* is a chocolate producer in the US. *Choconat* only uses organic ingredients that it imports from Costa Rica. These ingredients have been shown to support memory and concentration, maintain healthy blood pressure and strengthen a person's natural resistance to viruses.

(i) State **one** reason why *Choconat's* sales turnover may increase.

(1)

(ii) State **one** reason why *Choconat* might buy its ingredients from Costa Rica.

(1)

Figure 1 shows *Choconat's* sales turnover for 2017–2018.

| | Year 2017 \$ million | Year 2018 \$ million |
|----------------|----------------------|----------------------|
| Sales turnover | 46 | 52 |

Figure 1

(iii) Calculate, to two decimal places, the percentage change in sales turnover between 2017 and 2018 for *Choconat*. You are advised to show your workings.

(2)

.....%



P 5 9 9 3 6 A 0 3 1 6



(f) Explain **one** suitable mode of transport that a business could use to distribute its products from one country to another country 1,000 miles away.

(3)

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(g) Explain **one** reason why a retailer would use a warehouse.

(3)

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2 (a) Which **one** of the following is a method of written communication. (1)

Select **one** answer.

- A** Telephone call
- B** Face-to-face
- C** Letter
- D** Meeting

(b) Which **one** of the following is a payment made to shareholders. (1)

Select **one** answer.

- A** Dividend
- B** Interest
- C** Yield
- D** Equity

(c) *Hedgehog Lab* is a global technology business that specialises in building apps. It currently has three design and build premises across the globe, in China, USA and Germany.

Figure 2 shows the cost of each app and the number of apps sold.

| | Cost per app to build and design | Number of apps sold in 2018 |
|-------------------------------|---|------------------------------------|
| App using email log in | \$69 300 | 48 |
| App using social media log in | \$87 800 | 42 |

Figure 2

(i) Which app **sold** the most in 2018. (1)

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(ii) Which app **costs** the most to build and design. (1)

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(d) Define the term **inventory turnover**.

(1)

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(e) Explain **one** way a business could **improve** its sales turnover.

(3)

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(f) Explain why businesses with offices around the world use videoconferencing for meetings.

(3)

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Hedgehog Lab is planning to expand by opening premises in India. *Hedgehog Lab* will need \$300 000 for the expansion.

Hedgehog Lab is considering the following two sources of finance:

Option 1: crowdfunding in India

Option 2: venture capitalist in India.

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

(9)

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

(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.

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 ☒.

- 3 *iflix* is a subscription video-on-demand service with its regional headquarters for Asia in Kuala Lumpur, Malaysia.

The regional headquarters is where *iflix* distributes all its shows. It has partnerships with over 150 studios, including *Disney*, *Paramount* and *Warner Bros*. It uses social media as its main platform to advertise the services.

- (a) Which **one** of the following documents is sent by a business to customers to request payment for its service?

(1)

Select **one** answer.

- A Quotation
 B Order
 C Enquiry
 D Invoice

- (b) Which **one** of the following is used to make regular payments of the same amount each month?

(1)

Select **one** answer.

- A Cash on delivery
 B Postal order
 C Standing order
 D Bank giro

- (c) State **one** benefit to *iflix* of using social media to target customers.

(1)

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P 5 9 9 3 6 A 0 9 1 6



(d) Complete the invoice below to show the missing amounts.

| <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="font-size: 2em; font-weight: bold;">iflix</div> <div> <p>Invoice</p> <p>Date – 1 May 2019</p> <p>Customer name – Andrew Smith</p> <p>Number 401</p> </div> </div> | | |
|--|----------------------|------------------|
| Description | Services | Amount |
| April 2019 | <i>iflix</i> service | \$9.99 |
| Additional premium films | Premium film | \$5.99 |
| Additional charge | 4K resolution | (i) \$ (1) |
| | Subtotal | \$17.97 |
| | Tax rate | 21% |
| | Tax | (i) \$ (1) |
| | Total due | \$21.74 |
| Payment due within 14 days of the date of this invoice. | | |

Figure 3

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There has been a large increase in demand for *iflix* services in South Africa. *iflix* is planning to expand into South Africa before its competitors.

iflix is planning to target Cape Town, which is the largest city in South Africa, and is considering using one of two options to promote its services:

Option 1: national newspapers

Option 2: adverts on mobile apps.

(f) Justify which **one** of the two options *iflix* should choose.

(9)

Area with horizontal dotted lines for writing the answer.

(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** *The Giant Manufacturing Company* is one of the world’s largest bicycle companies. It manufactures high quality bicycles and accessories for professionals and people with a passion for cycling. It had a large increase in sales in 2016 when many of its competitors used collective advertising to promote the benefits of cycling.

Recently, its largest rival, *Trek*, has started using persuasive advertising. *Trek* is a lower price manufacturer of bicycles. Its adverts inform the public that a lower price does not mean lower quality.

- (a) Outline **one** reason why the biggest manufacturers use collective advertising.

(2)

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(b) Analyse how persuasive advertising by *Trek* could impact on *Giant*.

(6)

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Giant believes that customers want its bicycles and is planning to offer consumer credit to make it easier to purchase its expensive bicycles.

- (c) Evaluate the benefits to *Giant* of offering consumer credit. You should use the information provided as well as your knowledge of types of consumer credit.

(12)

Area with horizontal dotted lines for writing the response.

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