

Please check the examination details below before entering your candidate information

Candidates surname					Other names				
Centre Number					Candidate Number				
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Pearson Edexcel International GCSE (9–1)

Time 1 hour 30 minutes **Paper reference** **4CM1/01R**

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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Q:1/1/1/1/1/1/1/




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 would be classified as being in the secondary sector?

Select **one** answer.

(1)

- A Drilling for oil
- B Baking the cakes
- C Farming the land
- D Insuring the risk

- (b) Which **one** of the following defines the chain of distribution?

Select **one** answer.

(1)

- A The manufacture of goods for sale
- B The method of transport used to move goods to retailers
- C The preparation of goods for sale in a warehouse
- D The transfer of goods from the manufacturer to the consumer

- (c) Define the term **cash-and-carry**.

(1)

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

(1)

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(e) *Magonn* is a clothes shop in Ho Chi Minh City, Vietnam, selling fashionable clothes to young women. When fashions change it often sells its old stock of clothes at a much lower price. This is called discounting.

(i) Calculate the price of a dress after a 27% discount given by *Magonn* on the original price of 730 000 Vietnamese Dong (VND). You are advised to show your workings.

(2)

..... VND

(ii) State **one** possible disadvantage for *Magonn* of discounting the price of its dresses.

(1)

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(iii) State **one** advantage for *Magonn's* customers of buying clothes that have been discounted.

(1)

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(f) Explain **one** reason why a country might place quotas on the products it imports.

(3)

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(g) Explain **one** reason why a business might outsource its production.

(3)

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Handwriting practice lines consisting of a solid top line, a dashed middle line, and a solid bottom line. There are 10 such lines provided for the student's response.



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2 (a) Which **one** of the following would a sole trader have?

Select **one** answer.

(1)

- A** Shares to sell
- B** Total control
- C** One partner
- D** Limited liability

Takealot is an online business in South Africa selling a wide variety of products. It has introduced a new website to allow customers to buy its products more quickly.

Takealot has 14 million customers and 81.6% use their mobile phones to order products.

(b) Which **one** of the following is the number of customers using a mobile phone to buy products online from *Takealot*?

Select **one** answer.

(1)

- A** 171,569
- B** 2,576,000
- C** 11,424,000
- D** 13,999,982



- (c) **Figure 1** shows examples of online currency exchange businesses that will deliver currency that has been ordered by customers.

Name of business	Standard delivery charge	Euro rate	US dollar rate
COG	£10.00	1.109	1.250
Fourex	£10.00	1.108	1.250
Sterling	£ 6.00	1.104	1.253
The Currency Club	£ 2.99	1.104	1.238
TFX Travel	£ 5.00	1.110	1.253
Covent Garden FX	£ 6.00	1.099	1.241
ICE plc Travel Money	£ 4.75	1.094	1.237

Figure 1

- (i) Identify the business with the lowest euro exchange rate.

(1)

- (ii) Identify the business that has the lowest cost for standard delivery.

(1)

- (d) Define the term **voluntary chain**.

(1)



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(e) Explain **one** reason why businesses sell own label products.

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(f) Explain **one** benefit for insurance companies from the pooling of risks.

(3)

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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 *Sugarfina* makes sweets and has many shops around the world. It offers a wide variety of exclusive sweets for all occasions, for example birthdays, graduations and weddings. The sweets are wrapped in individual bags or boxes. *Sugarfina* has become popular with many people, including celebrities.

- (a) Which **one** of the following describes a department store?

Select **one** answer.

(1)

- A** Each department sells different goods in separate areas of the store
- B** Each department offers a limited range of goods at low prices
- C** Each department may sell food or household goods
- D** Each department within the store is the same size

- (b) Which **one** of the following is the main reason why *Sugarfina* might buy some ingredients from a wholesaler?

Select **one** answer.

(1)

- A** Ingredients are obtained at cheaper prices than from manufacturers
- B** Wholesalers only sell to *Sugarfina*
- C** Ingredients cannot be returned if faulty
- D** Wholesalers sell ingredients in large quantities

- (c) State **one** advantage for *Sugarfina* of using window displays in its shops.

(1)

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(d) Outline **one** possible reason why having a logo is important to *Sugarfina*.

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(e) Analyse the impact on *Sugarfina* if customers receive damaged or faulty products.

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Over recent months sales of sweets have increased and *Sugarfina* wants to improve the shopping experience for its customers. It is considering introducing one of the following two methods to help increase sales.

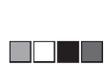
Option 1: introduce self-scan checkouts

Option 2: introduce click and collect.

(f) Justify which **one** of these two options *Sugarfina* 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.**

- 4 *Tryaksh* is an online retailer of electronic goods in Wattala, Sri Lanka. It sells a wide variety of quality branded products including computer games, televisions and sound bars. Many of the products it sells are expensive, so *Tryaksh* takes out insurance on the products to protect both itself and its customers.

To encourage customers to purchase products, *Tryaksh* allows them to pay monthly. One offer is for a *Samsung* television costing 148 500 Sri Lankan Rupee (LKR), which customers can pay for over 24 months.

- (a) Calculate to two decimal places the monthly payments on the television.

You are advised to show your working.

(2)

.....LKR

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(c) Evaluate why it is important for *Tryaksh* to follow consumer protection legislation. 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

Source information

<http://www.vietnam-guide.com/10-fashion-boutiques.htm>

<http://pomeloformyanmar.org/>

<https://www.takealot.com/>

<https://www.money.co.uk/travel-money.htm>

<http://www.salonduchocolat.com.my/>

<https://www.sugarfina.com/>

<https://tryaksh.lk/index.php/shop>

