

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 **4CM1/02R**

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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Q:1/1/1/1




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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 trading documents asks to purchase a product?

Select **one** answer.

(1)

- A** An invoice
- B** A quotation
- C** An advice note
- D** An order

- (b) Which **one** of the following is the quickest way to transport tourists from Canada to China?

Select **one** answer.

(1)

- A** A passenger aircraft
- B** A goods train
- C** An oil tanker
- D** A taxi

- (c) Define the term **dividend**.

(1)

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- (d) Define the term **credit guarantee**.

(1)

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(e) In 2019, Anna started selling bananas from a stall on a road near her farm in Brazil. She only accepted cash payments. In 2020, Anna began selling packed lunches to passing truck drivers. She allowed them to pay once a week but charged them 2% interest.

(i) State **one** benefit to Anna of opening a current account at her bank.

(1)

(ii) State **one** way an overdraft may have helped Anna meet her extra costs when she started selling packed lunches.

(1)

Figure 1 shows the amount owed by a truck driver for the packed lunches bought that week.

Week ending 6 February 2021	Amount due in Brazilian Reals (R\$)
Packed lunches	52.50

Figure 1

(iii) Calculate, to two decimal places, the interest the truck driver will have to pay at a rate of 2%. You are advised to show your working.

(2)

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(f) Explain **one** benefit to a business of offering credit sales to its customers.

(3)

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(g) Explain **one** way a business might use a warehouse to achieve price stability for its goods.

(3)

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In 2021, Anna joined a fruit farmers' cooperative. The cooperative exports bananas from Brazil to Europe where customers pay high prices for good quality bananas. Anna must deliver only unripe bananas to the cooperative's warehouse. From here, the unripe bananas are carefully loaded onto refrigerated container ships. They travel by sea for 6–12 days at a temperature of 13°C before being ripened when unloaded at their final destination.

(h) Analyse how refrigerated container ships may help the cooperative achieve the best profit from its European sales.

(6)

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

(Total for Question 1 = 20 marks)



- 2 (a) Which **one** of the following is a method of payment that provides security for importers and exporters that payment will be made?

Select **one** answer.

(1)

- A** Standing order
- B** A cheque
- C** Documentary credit
- D** A postal order

- (b) Which **one** of the following is a competitive approach to advertising?

Select **one** answer.

(1)

- A** *Samsung* launches a new television using advertisements that show its features
- B** *Apple* compares its Macbook with *Microsoft's* Surface Laptop 2
- C** *Unilever* advertises a shampoo that shows a woman looking happy with her beautiful hair
- D** A group of French cheese producers advertise together

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- (c) **Figure 2** shows the percentage of businesses advertising on these sites in March 2019.

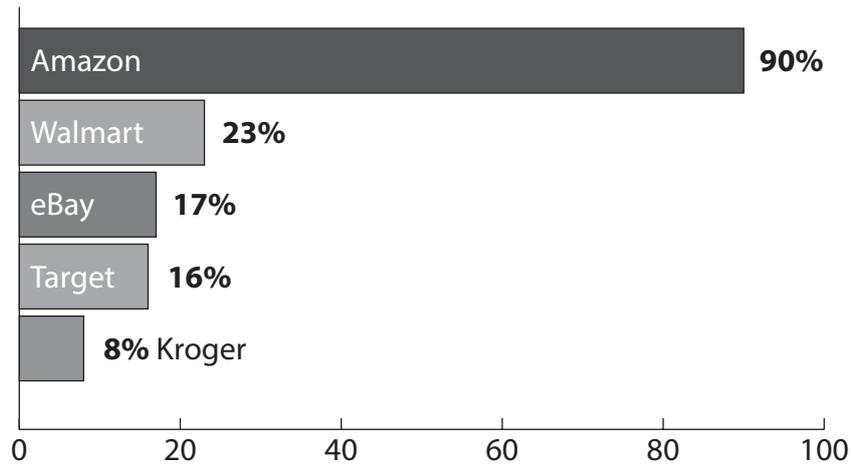


Figure 2

- (i) Identify the site on which 17% of businesses advertised.

(1)

- (ii) Identify the site that attracted the highest percentage of business advertisers.

(1)

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

(1)



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Hipgnosis Songs owns over 13,000 songs recorded by famous singers such as Justin Bieber and Sir Paul McCartney. It sometimes buys the most recent songs from famous singers. However, it specialises in the most popular hits of past years.

50% of its revenue comes from customers paying to download songs from the internet. However, a good internet connection is required to do this. These customers are usually young people.

Other revenue comes from television and radio shows that pay to play songs owned by *Hipgnosis Songs*.

Hipgnosis Songs wants to promote its brand and is considering the following options:

Option 1: sending playlists of its songs to radio stations

Option 2: developing an app offering free weekly downloads where the singer changes every week.

(g) Justify which **one** of these two options *Hipgnosis Songs* should choose to promote its brand.

(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.**

In 2003, Julian Dunkerton started the globally successful fashion retailer, *Superdry*, famous for good quality cotton clothing such as t-shirts, trousers and dresses. The *Superdry* logo is used on its clothing, packaging and throughout its stores and website. It is based in the UK but buys cotton from India.

- 3** (a) Which **one** of the following is a trading document that is proof that a payment has been made?

Select **one** answer.

(1)

- A** A quotation
- B** An invoice
- C** A receipt
- D** A telephone call

- (b) Which **one** of the following is a reason *Superdry* might need to buy foreign currency from a bank?

Select **one** answer.

(1)

- A** To visit its Indian cotton farmers
- B** To pay employees in its UK Head Office
- C** To cash a cheque from a shop customer
- D** To open a savings account for Julian Dunkerton

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(c) State **one** reason why *Superdry* would use a written letter as a method to communicate with its clothing manufacturers.

(1)

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

Qty		Ref	Description	Unit Price £	Amount £
..... (i)		12A/1	Cotton t-shirts (pack of 10)	30.50	61.00
1		21B/4	Cotton trousers (pack of 2)	24.90	24.90
				TOTAL	£ (ii)

(2)



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Julian became aware of a rising concern for the environment in customers buying *Superdry's* fashion clothing. In 2019, he introduced a range of organic clothing. However, there was a worldwide shortage of organic cotton. Julian decided that all *Superdry's* Indian cotton farmers must begin producing organic cotton by 2025.

(e) Analyse how increasing emphasis on environmental matters might impact on the way *Superdry* advertises its products.

(6)

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



Figure 3 shows an extract from *Superdry's* global financial information for 2018 and 2019.

	2018	2019
Revenue	£870m	£870m
Profit for the year	£97m	£38m
Profit margin	11.1%	4.4%

Figure 3

Superdry provided financial and training support from 2019 to help its 20,000 Indian cotton farmers make the change to growing organic cotton. The training includes visits to the cotton farmers from experts in the UK and online help.

A *Superdry* t-shirt made of non-organic cotton has a price of £26.99 whilst its organic cotton t-shirts are sold at the lower price of £17.99. However, organic cotton is more expensive to produce than non-organic cotton.

Superdry started to sell its organic clothes in 2019. To improve its profit margin *Superdry* has to either increase its revenue or reduce its costs and expenses.

It is considering two options:

Option 1: reduce the number of visits from UK trainers to Indian cotton farmers

Option 2: increase the selling price of its organic clothing by 50%.

(f) Justify which **one** of these two options *Superdry* should choose to increase its profit margins.

(9)

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(Total for Question 3 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS



SECTION C

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

Samsung is a major worldwide manufacturer of televisions. It developed a new ultra-high definition (UHD) television that in 2019 led to a 20% increase in sales. By the end of 2020, 53% of all televisions made by *Samsung* were UHD.

Samsung sells its televisions to large international retailers who have the televisions delivered to their own Regional Distribution Centres (RDC). *Samsung* factories are located near to the RDC for quick deliveries.

In 2019 *Samsung's* inventory turnover was 5, meaning it sold its inventory at least five times in one year.

- 4** (a) Outline **one** reason why *Samsung's* international retailers operate regional distribution centres.

(2)

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(b) Analyse how only manufacturing UHD televisions may help *Samsung* improve its inventory turnover.

(6)

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Samsung supports its retailers by offering 30 days' trade credit and up to 5% discount for early payment.

- (c) Evaluate how *Samsung's* trade credit terms help it achieve more orders from retailers. You should use the information provided and your own knowledge of commerce in your answer.

(12)

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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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Source information

<https://blogs.worldbank.org/endpovertyinsouthasia/brazil-s-small-farmers-offer-lessons-india>

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<https://www.superdry.com/mens/t-shirts/details/107419/orange-label-vintage-embroidery-t-shirt--grey>

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https://images.samsung.com/is/content/samsung/p5/global/ir/docs/2019_Business_Report.pdf

