

Please check the examination details below before entering your candidate information

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

**Time** 1 hour 30 minutes

**Paper reference** **4CM1/02**

**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 ☒.

- 1 (a) Which **one** of the following is a trading document used by wholesalers?

Select **one** answer.

(1)

- A Store card
- B Advice note
- C Catalogue
- D Free gift

- (b) Which **one** of the following is an example of a banking service?

Select **one** answer.

(1)

- A Trade credit
- B Postal order
- C Overdraft facility
- D Retained profit

- (c) Define the term **mark-up**.

(1)

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(d) Define the term **hire purchase**.

(1)

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(e) In America, *Nestlé* uses 2,000 trucks to deliver ice-cream and pizza products from regional cold storage warehouses.

(i) State **one** benefit to *Nestlé* of having its own fleet of trucks.

(1)

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(ii) State **one** reason why *Nestlé* uses cold storage warehouses.

(1)

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Figure 1 shows some financial information for Nestlé.

	\$m
Revenue	46 168
Cost of sales	23 045
Gross Profit	23 123

Figure 1

(iii) Calculate, to two decimal places, the gross profit margin. You are advised to show your working.

(2)

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(f) Explain **one** advantage to a business of customers using its store card.

(3)

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(g) Explain **one** way a business might increase its inventory turnover.

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**Figure 2** shows details of *Nestlé's* shares and dividends in Swiss Francs (CHF).

<b><i>Nestlé</i> Investors information</b>	<b>SHARE PRICE</b>	<b>DIVIDEND PAID per share</b>
<b>Year 2016</b>	73.05	2.30
<b>Year 2017</b>	83.80	2.35
<b>Year 2018</b>	79.80	2.45

**Figure 2**

(h) Using Figure 2, analyse how this information might be useful to *Nestlé's* shareholders.

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**(Total for Question 1 = 20 marks)**



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2 (a) Which **one** of the following institutions is responsible for controlling inflation?

Select **one** answer.

(1)

- A** Commercial Banks
- B** Post Offices
- C** Central Banks
- D** Chambers of Commerce

(b) Which **one** of the following is a long-term source of finance for a large manufacturing company?

Select **one** answer.

(1)

- A** Debenture
- B** Overdraft
- C** Trade Credit
- D** Leasing



- (c) **Figure 3** shows projections for types of ecommerce payments being used in the Philippines.

Year	PAYMENT TYPE				
	Bank Transfer	Cards	Cash on Delivery	E-Wallet	Other
2020	20%	31%	18%	26%	5%
2021	25%	29%	9%	32%	5%
2022	29%	27%	2%	37%	5%
2023	30%	26%	0%	38%	6%

**Figure 3**

- (i) Identify which type of payment is projected to be used the most in 2023. (1)

- (ii) Identify which payment type is projected **not** to be used by 2023. (1)

- (d) Define the term **factoring**. (1)

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(e) Explain **one** way a government grant can help a new business starting up.

(3)

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(f) Explain **one** reason why a business with offices in different countries might use videoconferencing for meetings.

(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 *Fairafric*, a new business founded in 2017, started producing organic chocolates. It is supplied with cocoa beans from Ghana. One of its main objectives is to increase the employment opportunities and earning power of its farmers in Ghana. *Fairafric* targets ethical consumers in Europe, selling to European customers online.

- (a) Which **one** of the following is an aid to exporters?

Select **one** answer.

(1)

- A ATM services
- B Government credit guarantees
- C Store cards
- D Cash and carry warehouses

- (b) Which **one** of the following can be used by a business to store goods on which duty has yet to be paid?

Select **one** answer.

(1)

- A Passenger ferry
- B Cash and carry warehouse
- C Bonded warehouse
- D Distribution centre

- (c) State **one** reason why *fairafric* keeps minutes of its meetings with suppliers.

(1)

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(d) Complete the order to show the missing amounts.

(2)

<b>SHIP TO:</b> Chocolate Store Dresden Germany		<b>CUSTOMER NO: 10</b>		
		<b>TERMS:</b> FOB Destination		
		<b>SALES PERSON:</b> M Material		
		<b>SHIP WEEK OF:</b> 9 September 2019		
		<b>ORDER NUMBER: 150</b>		
ITEM No	Units Ordered	Description	Unit Cost \$	Total Cost \$
2270a	200	Dark Chocolate bars	\$9.80	(i) \$.....
2270b	300	Milk Chocolate bars	\$9.80	\$2 940
			<b>Subtotal</b>	\$4 900
			<b>Tax Rate</b>	15%
			<b>Tax</b>	\$ 735
			<b>Total</b>	(ii) \$.....

Figure 4

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(e) Analyse how social media can help *fairafric* advertise its ethical objectives.

(6)

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In 2018, *fairafric* raised 50 000 euros from the crowdfunding website Kickstarter. Now, to meet the rising demand for its products in Europe, *fairafric* needs to build a new factory costing 1.2m euros.

It is considering the following two options to raise the 1.2m euros:

**Option 1:** another crowdfunding campaign

**Option 2:** a long-term bank loan.

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

(9)

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**(Total for Question 3 = 20 marks)**

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**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** *Hyundai* is a South Korean car manufacturer making vehicles on several continents. It is a leading global brand in a very competitive market. *Hyundai* wants to retain its position in this market by using promotional campaigns.

*Hyundai* sponsors sporting activities on a regular basis.

*Hyundai* attends all the major motor shows throughout the world. In 2019, it used the motor show in Frankfurt Germany to reveal its first ever electric racing car. *Toyota* and *Volkswagen* also attended the motor show.

At the same time, *Hyundai* allocated 25% of its £30m marketing and media budget to digital communication, an increase of 10% from two years earlier. It wants to build awareness of the brand in Europe.

- (a) Outline **one** benefit of *Hyundai* using containers to receive the parts to build its cars.

(2)

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(b) Analyse how attendance at the motor shows helps *Hyundai* improve European awareness of its cars.

(6)

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**(Total for Question 4 = 20 marks)**

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

