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

**Friday 19 May 2023**

Afternoon (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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## 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) In which **one** of the following sectors would fishing be found?

Select **one** answer.

(1)

- A Direct services
- B Primary
- C Secondary
- D Tertiary

- (b) Which **one** of the following risks is uninsurable?

Select **one** answer.

(1)

- A Damage to stock caused by flooding
- B Injury to an employee at work
- C Injury to a customer visiting a shop
- D Failure of a business

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

(1)

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

(1)

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(e) *Samsung* manufactures televisions, phones, computers and many other electrical products. It began trading in South Korea in 1969 but now operates and sells around the world.

A smart television with speakers and a remote control costs 858 329.00 South Korean won (KRW).

The exchange rate in 2020 was 1 619.00 KRW = £1.00 British pound (GBP)

(i) Calculate, to two decimal places, the price of the television in Great Britain. You are advised to show your working.

(2)

£.....

In 2021 the exchange rate was 1 500.00 KRW = £1.00

(ii) State **one** possible effect on *Samsung* from the appreciation of the KRW against the GBP in 2021.

(1)

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(iii) State **one** disadvantage for *Samsung* of exporting its products to many countries.

(1)

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(f) Explain **one** reason why a business buys directly from suppliers in its own country.

(3)

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(g) Explain **one** advantage to a business of being a multinational.

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2 A shoe shop in Sri Lanka needs to reduce its stock of sandals. The price of the sandals was 7 500 Sri Lankan rupee (LKR) and they were sold with a 20% price reduction.

(a) Which **one** of the following would the sandals be sold for?

Select **one** answer.

(1)

- A** 1 500
- B** 6 000
- C** 7 300
- D** 9 000

(b) Which **one** of the following best describes a quota?

Select **one** answer.

(1)

- A** A ban on importing goods
- B** A licence to import goods
- C** A limit on the number of goods imported
- D** A tax on imports

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(c) **Figure 1** shows the price of branded and similar own label items.

Item	Branded Price	Own Label Price
Breakfast cereal	£2.50	£1.30
Chocolate spread	£2.50	£1.09
Detergent	£8.00	£2.99
Orange juice	£2.48	£2.00
Soup	£2.00	£1.80
Washing up liquid	£1.50	£0.49

**Figure 1**

(i) Identify the product with the largest price difference between branded and own label items. (1)

(ii) Identify the product with the smallest price difference between branded and own label items. (1)

(d) Define the term **cash-and-carry**. (1)

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(e) Explain **one** reason why a business may take out insurance for consequential loss.

(3)

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(f) Explain **one** role of an actuary in insurance.

(3)

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*Tony Leather* started a repair shop in Bangkok, which was open for five days a week. He specialises in making and repairing leather shoes. Over recent years the shop has become very popular and people are willing to travel long distances to visit it. It became so popular that Tony employed additional staff in the business. *Tony Leather* is considering the following two options to improve his sales.

**Option 1:** open seven days a week

**Option 2:** offer additional services such as making/repairing leather handbags.

(g) Justify which **one** of these two options *Tony Leather* should choose.

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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 *Happy Fresh* is an online supermarket in Malaysia. It prides itself on being able to deliver handpicked fruit, vegetables and groceries, by van or bike, to a customer's door within two hours of the order being placed. Payment is made electronically.

(a) Which **one** of the following describes branding?

Select **one** answer.

(1)

- A The process of pricing a product
- B The process of selling a product
- C The process of making a new product
- D The process of products being different

**Figure 2** shows the total exports and imports for a country in 2020.

	(\$) millions
Exports	95 632
Imports	-164 813

**Figure 2**

(b) Which **one** of the following is the balance of trade?

Select **one** answer.

(1)

- A -\$260 445 million
- B -\$69 181 million
- C \$69 181 million
- D \$260 445 million

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(c) State **one** reason why *Happy Fresh* considers the principle of utmost good faith to be important when completing its insurance forms.

(1)

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(d) Outline **one** reason why *Happy Fresh* would make a claim if goods were lost or damaged while being delivered.

(2)

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(e) Analyse how *Happy Fresh* could reduce the risk of bad debts from its clients.

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*Happy Fresh* wants to increase its revenue and the number of people using its online services. *Happy Fresh* is considering the following two options:

**Option 1:** an offer of 15% off their first shopping bill for new customers

**Option 2:** a loyalty card offering lower prices to existing customers.

(f) Justify which **one** of these two options *Happy Fresh* 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 *Wilmar International* is a large supplier of sugar and flour. Its headquarters are in Singapore, which is a leading member of the Association of South East Asian Nations (ASEAN). The sugar is used in the making of sweets, cakes and other products. It is one of the largest businesses in South Asia. Products are distributed to over 50 countries.

*Wilmar International* has been working on reducing its environmental costs by reducing the amount of energy used in its factories.

**Figure 3** shows the energy consumption for 2019 and 2020.

	2019 000s	2020 000s
Total energy consumption (watts per hour)	50,281	48,978

**Figure 3**

- (a) Calculate, to two decimal places, the percentage decrease in energy consumption from 2019 to 2020. You are advised to show your working.

(2)

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(b) Analyse the advantages to *Wilmar International* of being based in a country that is a member of the ASEAN trading bloc.

(6)

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(c) Evaluate why *Wilmar International* wants to maintain its reputation by obeying 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**

<https://www.thesun.co.uk/money/8189683/supermarket-own-brand-copycat-products-savings/>  
<https://www.happyfresh.my/>  
<https://www.wilmar-international.com/about-us>

