

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)

Thursday 31 October 2024

Morning (Time: 1 hour 30 minutes) **Paper reference** **4CM1/01**

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) Which **one** of the following best describes branding?

Select **one** answer.

(1)

- A Allows self-service
- B Name of a product
- C Method of packaging
- D Guarantee for goods

(b) Which **one** of the following defines a multinational?

Select **one** answer.

(1)

- A A business that only has foreign shareholders
- B A business that provides different services for customers
- C A business that has operations in at least two countries
- D A business that only operates in its own country

(c) Define the term **primary sector**.

(1)

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(d) Define the role of the **wholesaler** in the chain of distribution.

(1)

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(e) *Priceless* sells clothes, shoes, handbags and other accessories at reduced prices in the Dubai Outlet Mall. It sells mainly to European tourists. A pair of its shoes are priced at 370.00 United Arab Emirates Dirham (AED).

The exchange rate is 1.00 AED = 0.24 euros (€).

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

(2)

€

In 2022 the exchange rate for the euro was 1.00 AED = €0.24. In 2023 the rate was 1.00 AED = €0.34.

(ii) State **one** possible effect on *Priceless* sales to European tourists after the change in the exchange rate.

(1)

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(iii) State **one** disadvantage to *Priceless* of accepting foreign currency for payment of goods bought.

(1)

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(f) Explain **one** disadvantage to a business of using road transport to deliver its goods.

(3)

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(g) Explain why department stores are a popular type of retailer.

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2 (a) Which **one** of the following risks is uninsurable?

Select **one** answer.

(1)

- A** Injury to an employee at work
- B** Injury to a customer visiting a shop
- C** The loss made by a business
- D** Damage to stock caused by flooding

Makro sells televisions. It buys them for 6 500 South African Rand (ZAR) and sells them for 8 750 ZAR. One was damaged on delivery and cost 2 750 ZAR to repair. *Makro* makes a claim against its insurance policy.

(b) Which **one** of the following is the amount of compensation that the insurance company would pay *Makro*?

Select **one** answer.

(1)

- A** 2 250
- B** 2 750
- C** 3 750
- D** 6 500

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- (c) **Figure 1** shows insurance premiums for one week's holiday for an individual and a family.

Insurer	1 week for an individual	1 week for a family
Coverwise	£6.09	£11.62
Avanti	£7.07	£12.20
Staysure	£7.42	£11.52
Insurefor.com	£7.70	£20.20
LV	£7.80	£13.70

Figure 1

- (i) Identify the insurer with the highest premium for an individual for a week. (1)

- (ii) Identify the lowest premium paid to insure a family for a week. (1)

- (d) Define the term **bad debts**. (1)

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(e) Explain **one** role of an insurance assessor.

(3)

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(f) Explain **one** reason that would make an area of land suitable for building a shopping centre on it.

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Cicli Corsa is a bicycle shop in Italy. It was set up by a group of people who enjoyed riding their bikes. The shop sells a range of bicycles and bicycle spares. The business has grown since it opened. *Cicli Corsa* is considering two options for its further expansion:

Option 1: opening another shop

Option 2: using ecommerce.

(g) Justify which **one** of these two options *Cicli Corsa* should choose.

(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.

- 3 *Shoprite* is a supermarket in South Africa that has been trading for over 40 years. It promises to offer the lowest prices for quality food, toasters, kettles, refrigerators and ovens. It has over 500 supermarkets throughout South Africa.

Its main objective is to make shopping a convenient and enjoyable experience. It means that customers can see the goods and special offers available on its website.

Shoprite was paid 68 000 South African Rand (ZAR) by its insurance company for fire damage in one of its supermarkets.

- (a) Which **one** of the following is the insurance principle on which this payment was made?

Select **one** answer.

(1)

- A Indemnity
- B Utmost good faith
- C Pooling of risks
- D Subrogation

Shoprite often has special offers on certain products in its stores. A packet of spaghetti costs 14.99 ZAR. If a customer buys two packets they receive a 12.5% reduction in the price.

- (b) Which **one** of the following would be the price for two packets of spaghetti with the reduction applied?

Select **one** answer.

(1)

- A 11.24
- B 33.73
- C 26.23
- D 29.98

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(c) State **one** reason why *Shoprite* might take out credit insurance.

(1)

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(d) Outline **one** advantage for *Shoprite* of providing credit facilities to its customers.

(2)

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(e) Analyse the importance to *Shoprite* of having good after sales service.

(6)

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Shoprite has over 500 supermarkets in South Africa.

These supermarkets sell a wide variety of goods to customers, so that it can maintain its popularity. It has to be supplied with many different products and is now considering two options:

Option 1: buy from suppliers in South Africa

Option 2: buy from suppliers in other countries.

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

(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.**

- 4 *Microsoft* began trading in 1975 and since then has introduced many new and different types of technology from the computer to laptops and the Xbox.

There are now additional accessories that can be bought to enhance the playing of the many games it offers its customers.

To encourage more people to get a Microsoft Xbox, a leading supermarket is offering them as a loss leader for sale with a 7.5% reduction on the purchase price of £249.99 (GBP).

- (a) Calculate, to two decimal places, the price of the loss leader Xbox after a reduction of 7.5%. You are advised to show your working.

(2)

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(b) Analyse why *Microsoft* would want a cover note when taking out insurance on its products.

(6)

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(c) Evaluate why it is important for *Microsoft* to ensure that the goods it sells are not faulty. 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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