

Write your name here	
Surname	Other names
Centre Number	Candidate Number
Edexcel IGCSE Commerce	
Tuesday 10 May 2011 – Morning Time: 2 hours	Paper Reference 4CM0/01
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.*

Information

- The total mark for this paper is 100.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*

Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

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Turn over ►

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Answer ALL questions

1 Complete the following sentences by inserting only **one** word in each space.

(a) Farming is an example of an occupation in the activity. (1)

(b) Road transport is one of the main types of inland transport.
is another main type of inland transport. (1)

(c) Dutiable goods are kept in warehouses. (1)

(d) Mark-up is the margin on a product offered for sale. (1)

(Total for Question 1 = 4 marks)

2 Using an example, define:

(a) informative advertising (2)

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(b) persuasive advertising. (2)

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(Total for Question 2 = 4 marks)

3 A business has opening stock of £20 000, closing stock of £14 000 and cost of goods sold of £85 000.

Calculate the rate of turnover. Show your working.

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(Total for Question 3 = 2 marks)



4 State **two** advantages, to the consumer, of buying branded goods.

1

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2

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(Total for Question 4 = 2 marks)

5 State **two** types of support provided by a franchisor to a franchisee.

1

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2

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(Total for Question 5 = 2 marks)

6 Governments pass laws to protect consumers when making purchases.

State **two** ways consumers are protected when buying packaged food.

1

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2

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(Total for Question 6 = 2 marks)



7 Communication is grouped into either written or oral.

For each method of communication below, identify whether it is written or oral by putting a cross (X) in the correct box. If you change your mind about an answer, put a line through the box (X) and then mark your new answer with a cross (X).

Method	A Written	B Oral
(i) Fax	☐	☐
(ii) Video Conferencing	☐	☐
(iii) Radio	☐	☐
(iv) Email	☐	☐

(Total for Question 7 = 4 marks)

8 What is **one** function of a forwarding agent?

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(Total for Question 8 = 1 mark)

9 State **two** benefits to a country of being in a trading bloc.

1

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2

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(Total for Question 9 = 2 marks)

10 Define the following insurance terms.

(a) Indemnity:

(1)

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(b) Utmost good faith:

(1)

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(Total for Question 10 = 2 marks)



11 Give **three** disadvantages of state-owned industries.

1

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2

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3

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(Total for Question 11 = 3 marks)

12 State **two** reasons why containers are used in transport.

1

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2

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(Total for Question 12 = 2 marks)

13 Retailers offer a range of methods of paying on credit to consumers who purchase goods in their shops.

Examine **two** differences between hire purchase and credit sale as methods of credit.

1

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2

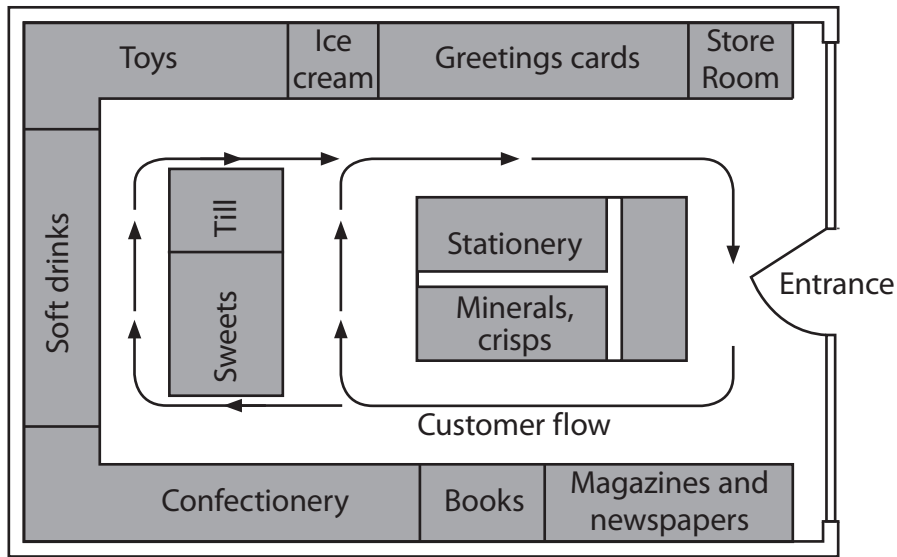
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(Total for Question 13 = 4 marks)



- 14** A small independent store has the following self-service layout. Study it and then answer the questions that follow.



- (a) Outline **three** reasons why customers still use small independent stores.

(3)

1

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2

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3

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- (b) Identify **three** ways in which the self-service layout of the store is helpful to staff.

(3)

1

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2

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3

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(Total for Question 14 = 6 marks)



- 15** Below is a newspaper extract relating to Country X's trade. Study it and then answer the questions that follow.

INTERNATIONAL TRADE NEEDS TO BE IMPROVED

The value of Country X's international trade is as follows:

	£m
Visible exports	565 000
Invisible exports	278 000
Visible imports	580 000
Invisible imports	294 000

- (a) (i) Calculate the balance of trade.

(2)

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- (ii) Calculate the balance of payments.

(3)

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(b) Explain why international trade is important to a country.

(5)

Customs authorities impose tariffs and quotas.

(c) Analyse why tariffs or quotas are imposed on imported goods.

(4)



A number of multi-national companies operate in Country X.

(d) Explain **two** ways in which the activities of multi-national companies might not benefit Country X.

(6)

1

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2

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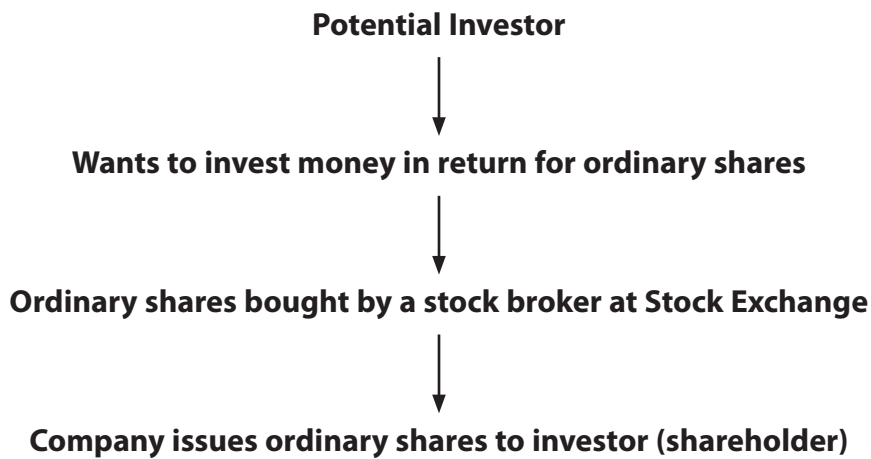
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(Total for Question 15 = 20 marks)



- 16** Jackie Burrows has £20 000 in a bank deposit account but is considering buying ordinary shares or debentures in a company. She looked on the internet for further information about the Stock Exchange, buying shares and debentures and found the following diagram.



- (a) (i) What is a bank deposit account?

(2)

- (ii) What are ordinary shares?

(2)

- (b) Examine the importance of a stock exchange to an investor such as Jackie.

(4)

(c) Analyse the differences between ordinary shares and debentures as forms of investment.

(6)

(d) Advise Jackie on whether she should use the £20 000 to buy ordinary shares in a company or keep her money in her bank deposit account.

(6)

(Total for Question 16 = 20 marks)

17 Sunrise Wholesalers is an independent wholesaler. It owns a cold storage warehouse where fruits and vegetables are stored.

(a) Discuss why Sunrise Wholesalers needs a cold storage warehouse.

(5)

(b) Explain how a wholesaler reduces the risks of trading for small retailers.

(3)

(c) Explain why the number of wholesalers has declined in recent years.

(6)

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(d) Why has the growth of cash-and-carry in recent years helped some independent wholesalers to continue trading?

(6)

(Total for Question 17 = 20 marks)

TOTAL FOR PAPER = 100 MARKS

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