

Write your name here	
Surname	Other names
Edexcel	Centre Number
International GCSE	Candidate Number
Commerce	
Tuesday 8 May 2012 – Morning Time: 2 hours	Paper Reference 4CM0/01
A calculator may be used.	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.*
- A calculator may be used.

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.

Turn over ►

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PEARSON

Answer ALL questions.

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

(a) A system where goods are exchanged for other goods instead of using money
is known as (1)

(b) Mail shopping uses the postal service to deliver goods. (1)

(c) Goods which are sold below the cost price to attract customers to buy other
goods are called loss (1)

(d) A type of communication that allows people in different countries to meet
is known as conferencing. (1)

(Total for Question 1 = 4 marks)

2 Using an example in each case, define:

(a) visible trade (2)

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(b) invisible trade. (2)

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(Total for Question 2 = 4 marks)



- 3** A manufacturer is allowing 25% trade discount to a retailer on invoiced goods with a total value of £2 240.

Calculate the price the retailer will pay. Show your working.

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(Total for Question 3 = 2 marks)

- 4** State **two** disadvantages to consumers of buying goods from vending machines.

1

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2

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(Total for Question 4 = 2 marks)

- 5** Identify **two** features of containers.

1

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2

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(Total for Question 5 = 2 marks)

- 6** State **two** advantages to a partnership of having a 'sleeping partner'.

1

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2

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(Total for Question 6 = 2 marks)



- 7** There are various methods of payment provided by banks which are used in either home or international trade.

For each of the following methods of payment, identify whether it is used in home or international trade by putting a cross ☒ in the correct box below.

Indicate your answer by marking a cross in the box ☒. If you change your mind, put a line through the box ☒ and then indicate your new answer with a cross ☒.

Method of payment	A Home trade	B International trade
(i) Debit card	☐	☐
(ii) Letters of credit	☐	☐
(iii) Electronic transfer	☐	☐
(iv) Bank draft	☐	☐

(Total for Question 7 = 4 marks)

- 8** Name the type of warehouse used by large-scale retailers, such as hypermarkets, which have outlets in several parts of the country.

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(Total for Question 8 = 1 mark)

- 9** XYZ Limited are to launch a new soft drink.

Suggest **one** way in which a television advertisement for this drink could be made to appeal to customers.

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(Total for Question 9 = 2 marks)



10 What is the difference between tariffs and quotas?

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(Total for Question 10 = 2 marks)

11 Give **three** functions of money.

1

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2

.....

3

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(Total for Question 11 = 3 marks)

12 Governments pass laws to stop businesses exploiting their customers.

State **two** ways in which a business could exploit its customers.

1

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2

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(Total for Question 12 = 2 marks)

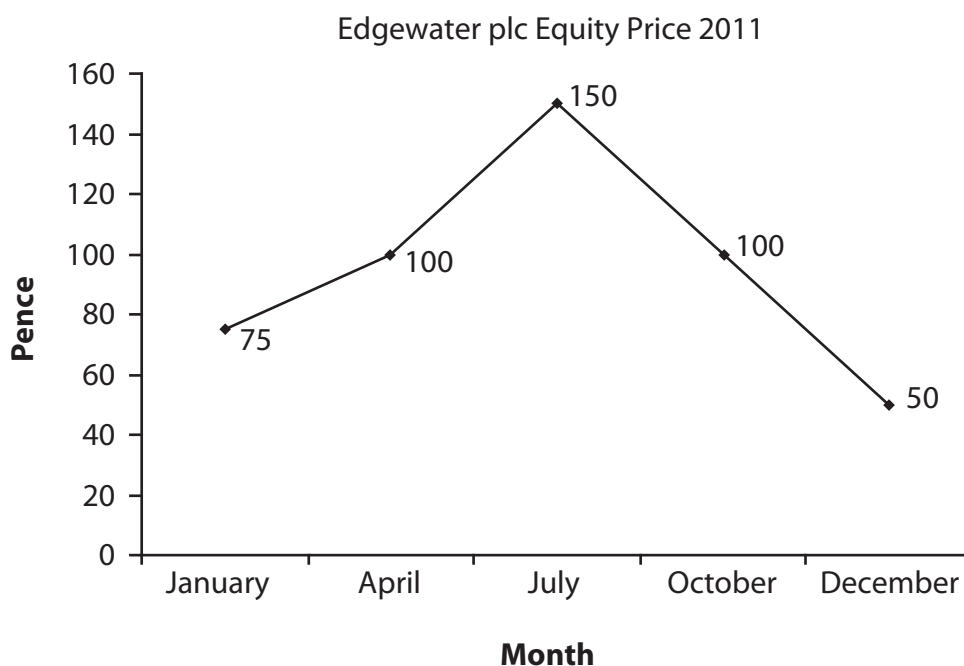


13 Why do many countries want to join trading blocs?

(Total for Question 13 = 4 marks)



- 14** The following graph shows the monthly price of the equities (shares) in Edgewater plc for 2011. Mabel George purchased 2 000 of these equities on 1 January 2012.



- (a) Describe the process of buying shares.

(3)

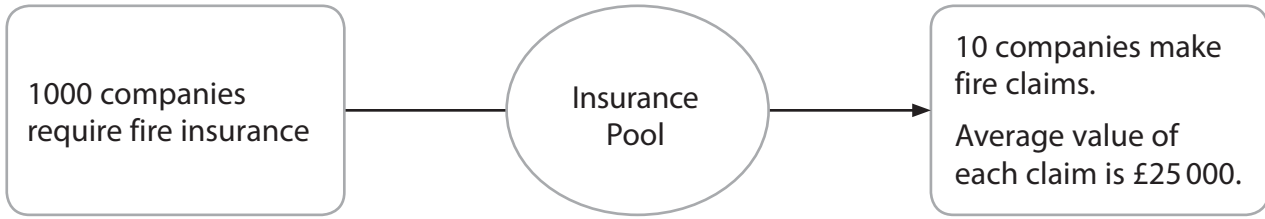
- (b) Analyse **one** factor that could have caused the equity (share) price of Edgewater plc to change during the year.

(3)

(Total for Question 14 = 6 marks)



15 The diagram below shows the pooling of risks in insurance.



- (a) (i) How does the pooling of risks help companies who pay insurance premiums? (2)

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- (ii) Calculate the premium the insurance company should charge each company for fire insurance to cover any losses made. Show your working. (2)

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- (iii) Apart from fire insurance, name **two** other risks that companies could insure against. (2)

1

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2

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(b) How is the principle of insurable interest important to the 1 000 companies when making a contract of insurance?

(4)

(c) Analyse the implications of the following principles when companies make insurance claims:

(i) indemnity

(5)



(ii) utmost good faith.

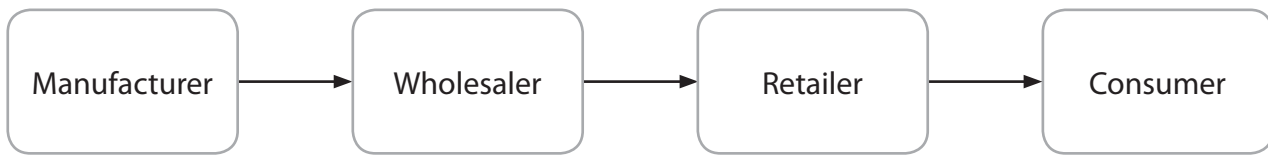
(5)

(Total for Question 15 = 20 marks)

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16 A typical channel of distribution used in home trade is as follows:



(a) Describe the role of the wholesaler in this channel of distribution.

(4)

A delivery note is included when goods are delivered to a wholesaler.

(b) Explain the purpose of **one** trade document which would be used **after** the goods have been delivered.

(3)

(c) Discuss why wholesalers are not needed in some other channels of distribution.

(7)

Two intermediaries who act on behalf of other people in international trade are brokers and factors.

(d) Compare the work of brokers and factors as intermediaries.

(6)

(Total for Question 16 = 20 marks)



17 Street stalls in open-air markets continue to survive in many countries. However, shopping centres (malls) are becoming more popular.

(a) Why are customers still likely to buy goods from street stalls in open-air markets?

(5)

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(b) Why do street stall owners usually require customers to pay in cash?

(3)

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(c) Identify **four** features of a shopping centre (mall).

(4)

1

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2

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3

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4

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(8)

(Total for Question 17 = 20 marks)

TOTAL FOR PAPER = 100 MARKS

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