

Write your name here	
Surname	Other names
Edexcel	Centre Number
International GCSE	Candidate Number
Commerce	
Monday 14 January 2013 – Afternoon 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) Changing raw materials into finished goods is called
production. (1)
- (b) The document that shows a payment has been made is a (1)
- (c) A house offers hire purchase agreements and collects
monthly payments. (1)
- (d) Sole traders have liability for the debts of the business. (1)

(Total for Question 1 = 4 marks)

2 Using an example in each case, define:

- (a) direct debit (2)

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- (b) standing order. (2)

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(Total for Question 2 = 4 marks)



- 3** An insurance company quoted a rate of 50 pence per £100 for householders to take out fire insurance.

Calculate the premium to be paid if the house value was £100 000. Show your working.

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(Total for Question 3 = 2 marks)

- 4** State **one** advantage and **one** disadvantage to a company of receiving a government grant as a source of finance.

Advantage

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Disadvantage

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(Total for Question 4 = 2 marks)

- 5** Describe **two** features of bonded warehouses.

1

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2

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(Total for Question 5 = 2 marks)

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- 6** Identify **two** reasons why the use of loyalty cards might **not** be suitable for a small retailer.

1

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2

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(Total for Question 6 = 2 marks)

- 7** Businesses can be in the private or public sector of the economy.

For each of the following types of business or organisation, identify if it is either in the private or public sector by putting a cross ☒ in the correct box.

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 ☒.

Business	Private	Public
(i) Franchise	☐	☐
(ii) Government department	☐	☐
(iii) Public corporation	☐	☐
(iv) Public limited company	☐	☐

(Total for Question 7 = 4 marks)

- 8** Name the insurance cover which protects a business from dishonest employees.

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(Total for Question 8 = 1 mark)

- 9** State **two** factors to consider when deciding on the location of a new hypermarket.

1

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2

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(Total for Question 9 = 2 marks)



10 Describe **one** difference between ordinary shares and preference shares.

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(Total for Question 10 = 2 marks)

11 List **three** functions carried out by advertising agencies.

1

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2

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3

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(Total for Question 11 = 3 marks)

12 A parent wants to check the price and availability of a toy they are going to buy for their child.

State **two** reasons why they might telephone the toy shop rather than send an email.

1

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2

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(Total for Question 12 = 2 marks)



13 Companies have a number of difficulties when exporting to other countries.

Explain why distance is a difficulty for exporters.

(Total for Question 13 = 4 marks)



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Turn over for Question 14



14 Below is a credit card statement.

RTH BANK

Your credit card transactions

Account number 3486524396712250

Date: 1 December 2012

Credit limit: £1000

Payment to be credited by 15 December 2012

Interest rate per month: 25%

Date	Details	£
1 November	Balance from previous statement	175.00
1 November	Payment received – Thank you	175.00
8 November	Eastern train ticket	55.00
11 November	Upmarket supermarkets	28.00
14 November	Auto Garages	467.00
30 November	Star jewellers	270.00

(a) (i) What is meant by the term 'credit limit'?

(1)

(ii) Calculate the closing balance of the account on 1 December 2012.

(1)

(iii) Using your answer from (ii), calculate the monthly interest due if the balance was not paid. Show your working.

(2)



(b) Give **two** reasons why credit card statements are sent to customers.

(2)

1

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2

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(Total for Question 14 = 6 marks)



15 A small company has the following financial information at 31 December 2012.

Turnover	£200 000
Cost price of goods sold	£120 000
Average stock valued at cost price	£20 000
Operating expenses	£40 000

(a) Calculate the following (showing your working):

(i) gross profit

(2)

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(ii) mark-up on cost price

(2)

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(iii) net profit

(2)

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(iv) rate of turnover.

(2)

(b) State what is meant by the term 'turnover'.

(2)

(c) Explain why the net profit should be compared with the value of capital invested in the business.

(4)



(d) Explain **two** ways a business might improve its net profit.

(6)

1

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(Total for Question 15 = 20 marks)

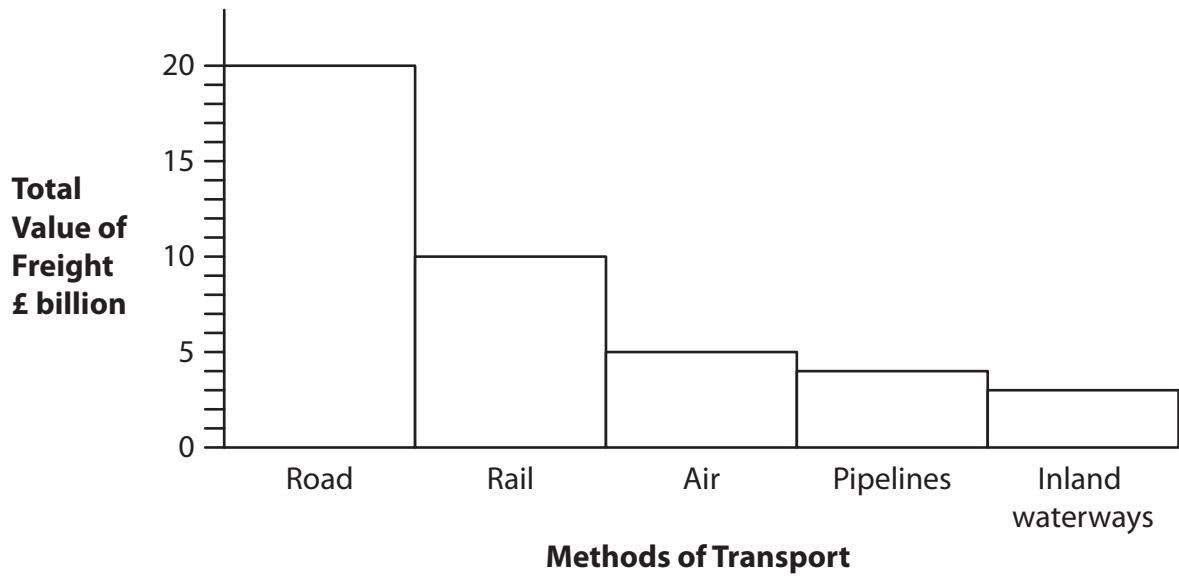


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Turn over for Question 16



- 16** The bar chart below shows the value of freight moved by different methods of transport in a country.



- (a) What is the total value of freight carried by rail and inland waterways?

(2)

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- (b) State **two** disadvantages of moving goods by pipeline.

(2)

1

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2

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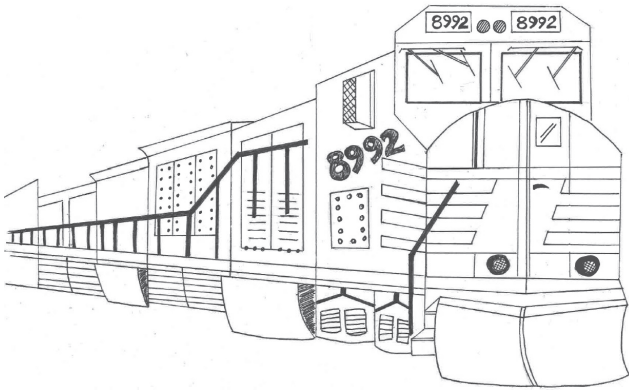
(c) Why do the insurance costs for shipping freight fall when containers are used?

(4)

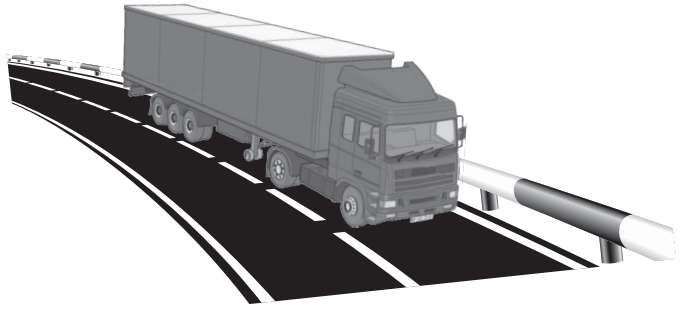
(d) Analyse why valuable goods are carried by air transport.

(6)





Modern freight train



Motorway

The above pictures show recent developments in the transport of freight.

- (e) Assess how these **two** developments have helped improve the movement of freight.

(6)

Modern freight train

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Motorway

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(Total for Question 16 = 20 marks)

17 Andrew, Carol and Leanne are architects. They are in partnership and have signed a deed of partnership. The capital that each brought to the partnership is in the following proportions: Andrew 50%, Carol 30% and Leanne 20%. The profits for 2012 are £360 000.

- (a) (i) State **two** details, apart from the sharing of profits, that are usually found in a deed of partnership.

(2)

1

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2

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The profit of the partners is calculated in the same proportion as the capital they invested.

- (ii) Calculate how much profit each partner received in 2012. Show your working.

(3)

Andrew

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.....

Carol

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.....

Leanne

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(2)

(5)

- (c) The partners are considering expanding their business by buying new offices.
There are two options available to finance this expansion:

OPTION 1 To apply to the bank for a loan

OPTION 2 To use retained profits

Consider the advantages and disadvantages of each option.

(8)

(Total for Question 17 = 20 marks)

TOTAL FOR PAPER = 100 MARKS



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