Write your name here

Surname	Other names

Pearson Edexcel International GCSE

Centre Number	Candidate Number

Commerce

Thursday 16th January 2014 – 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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P 4 3 1 9 3 A 0 1 2 0

PEARSON

Answer ALL questions.

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

(a) Excise .... is charged on specific home produced goods.
(1)

(b) State-owned organisations are in the .... sector.
(1)

(c) A .... is a loan to buy a house.
(1)

(d) A .... name is one way a business can make its products easily recognised.
(1)

(Total for Question 1 = 4 marks)

2 Using an example in each case, define:

(a) Collective advertising
(2)

....

....

....

....

(b) Competitive advertising
(2)

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....

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....

(Total for Question 2 = 4 marks)

3 The net profit of a business was £36 000. The capital invested was £240 000.

Calculate the net profit as a % of capital. Show your working.

....

....

....

....

(Total for Question 3 = 2 marks)

4 Karina has received a faulty product from an online retailer. Karina emails the retailer to complain.

Suggest **two** actions Karina would like the retailer to take.

1 ....

....

2 ....

....

(Total for Question 4 = 2 marks)

5 List **two** government services that help exporters.

1 ....

....

2 ....

....

(Total for Question 5 = 2 marks)

6 Identify **two** reasons why a business might choose to send its goods by inland waterways.

1 ....

....

2 ....

....

(Total for Question 6 = 2 marks)

7 Workers can be classified as being employed in the primary or secondary sector.

For each occupation listed below, classify whether it is a primary sector occupation or a secondary sector occupation by putting a cross ☒ in the correct box below.

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

Occupation	A Primary	B Secondary
(i) Foundry worker	☒	☒
(ii) Boat builder	☒	☒
(iii) Quarry worker	☒	☒
(iv) Fisherman	☒	☒

(Total for Question 7 = 4 marks)

8 Name **one** commercial document sent to a buyer before the goods are delivered.

....

....

(Total for Question 8 = 1 mark)

9 Identify **two** reasons why a franchise is less risky than other ways of starting your own business.

1 ....

....

2 ....

....

(Total for Question 9 = 2 marks)

10 Outline **two** features of a cold storage warehouse.

1 ....

....

2 ....

....

(Total for Question 10 = 2 marks)

11 Give **three** reasons for the increased use of credit by consumers.

1 ....

....

2 ....

....

3 ....

....

(Total for Question 11 = 3 marks)

12 State **two** situations when a bank giro (credit transfer) might be used.

1 ....

....

2 ....

....

(Total for Question 12 = 2 marks)

13 How are cheques and bills of exchange different?

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(Total for Question 13 = 4 marks)

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TURN OVER FOR QUESTION 14.

14 The picture below shows a supermarket that has introduced self-service checkouts for customers to use when paying for their shopping.

A self-service checkout is where a customer scans and pays for their goods without the assistance of a checkout operator.

(a) Name the sector of production under which retailing is classified.

(1)

....

....

(b) State **two** advantages to the **customer** of using self-service checkouts.

(2)

1 ....

....

2 ....

....

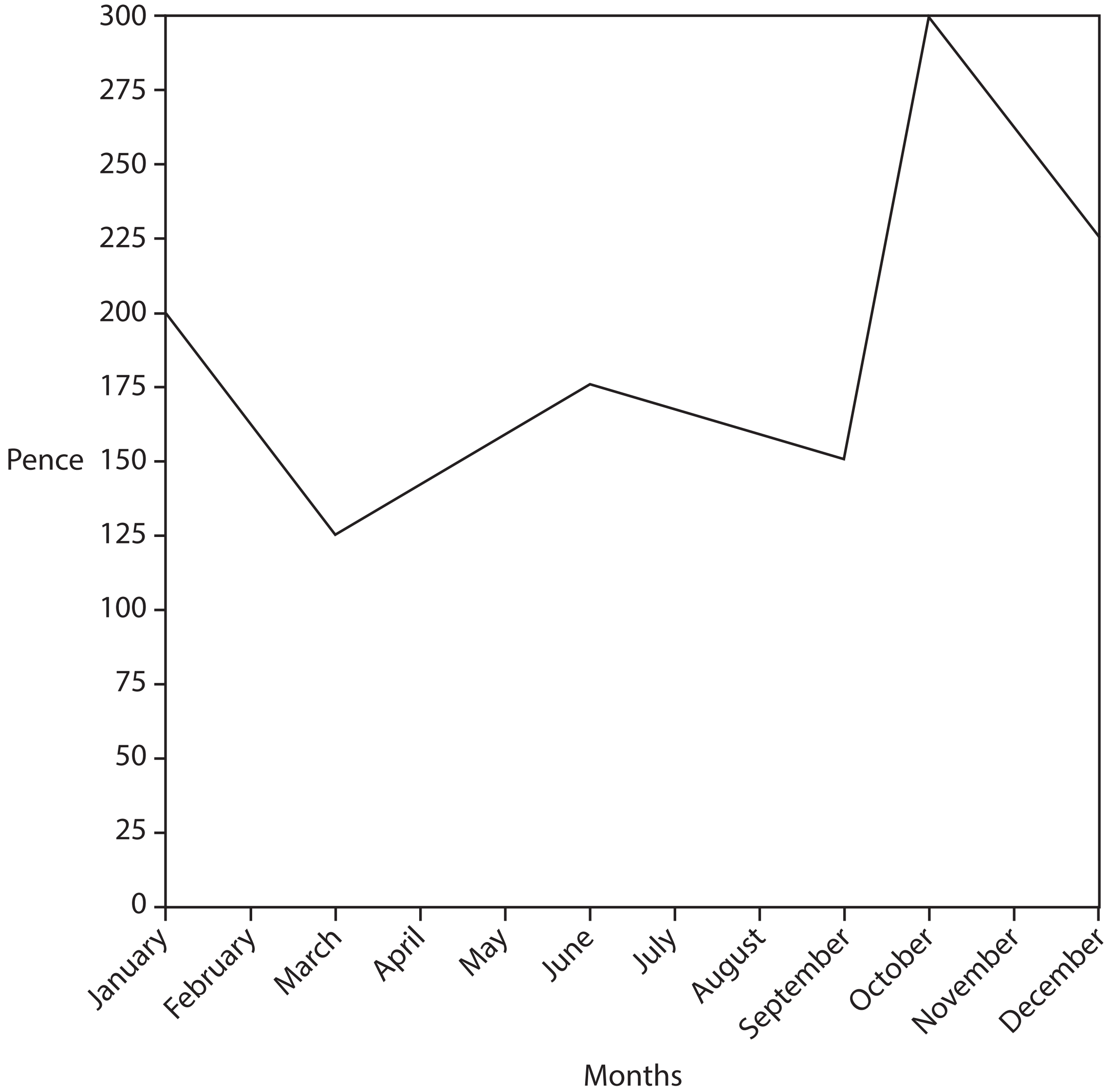
(c) Why have some supermarkets introduced self-service checkouts?

(3)

(Total for Question 14 = 6 marks)

15 The following graph shows the monthly prices of the shares (equities) in IceChill plc for 2013. Eva Kent has owned IceChill plc shares for a few years. In May 2012 she received a good dividend on her investment. In fact, she was so pleased with the company results she purchased 3,000 more shares on 1 January 2013 at a price of £2 each through the stock exchange.

IceChill plc Equity Share Price 2013



Study the graph, and answer the questions that follow.

(a) (i) Examine **one** way Eva could have purchased the shares which she bought in January 2013.

(2)

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(ii) Calculate Eva's profit or loss if she sold the 3,000 shares, bought in January 2013, when they were at the highest price in 2013.

(3)

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(iii) Suggest why March 2013 would have been the worst time to sell the 3,000 shares.

(3)

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(b) Analyse **two** factors that could cause the share price of a company to change during the year.

(6)

1 ....

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2 ....

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(c) Explain why stock exchanges are important to companies such as IceChill plc.

(6)

(Total for Question 15 = 20 marks)

16 Mr Khan is an importer of gold jewellery from South Africa. Mrs Patel, who runs a jewellery shop in Sri Lanka, buys the gold jewellery she sells from import agents like Mr Khan. The distribution channel is shown below.

South African gold jewellery manufacturers
↓
Forwarding agent
↓
Import agent
↓
Sri Lankan retailers
↓
Consumers

(a) List **three** services a forwarding agent might offer the manufacturers.

(3)

1 ....

....

2 ....

....

3 ....

....

(b) Discuss **two** advantages to Mrs Patel of using an import agent rather than importing the goods herself.

(6)

1 ....

2 ....

(c) When importing goods import agents may have difficulties with methods of payment and documentation.

Explain why each of these may cause difficulties.

(6)

Methods of payment

....

....

....

....

....

....

Documentation

....

....

....

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....

....

(d) Analyse why consumers buy some goods manufactured in other countries even though the same goods are also manufactured in their own country.

(5)

....

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....

(Total for Question 16 = 20 marks)

17 Gary Sparks, who is 19 years of age, requires motor insurance cover after buying a second-hand sports car. He is going to use an insurance broker.

(a) Outline **two** reasons why Gary should insure his new car.

(4)

1 ....

....

....

....

2 ....

....

....

....

(b) Why will the insurance company require a proposal form to be completed before providing insurance cover?

(5)

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(c) Explain **two** reasons why Gary might be refused insurance for his new car.
(6)

1 ....

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2 ....

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(d) Discuss the role of the insurance broker in arranging insurance for Gary.

(5)

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(Total for Question 17 = 20 marks)

TOTAL FOR PAPER = 100 MARKS