

Write your name here

Surname

Other names

**Pearson Edexcel  
International GCSE**

Centre Number

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Candidate Number

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# Commerce

Wednesday 11 May 2016 – Afternoon  
**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.*
- A calculator 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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P 4 6 0 8 1 A 0 1 1 6  
4CM0 | 2016 | May/June | Paper 1 | GradeMax

**PEARSON**

**Answer ALL questions.**

**Some questions must be answered with a cross ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.**

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

(a) A commodity market is where ..... materials are sold. (1)

(b) A large range of shops are found in a shopping ..... (1)

(c) Ships that are specially designed to carry oil are called ..... (1)

(d) A ..... of advertising practice helps prevent misleading advertisements. (1)

**(Total for Question 1 = 4 marks)**

**2** Using an example in each case, define:

(a) Indemnity (2)

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(b) Subrogation. (2)

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**(Total for Question 2 = 4 marks)**



3 The dividend paid on each issued £1 ordinary share is 25p. The shares may be bought on the stock exchange for £5 each.

Calculate the yield on a purchase of 1,000 shares. Show your working.

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**(Total for Question 3 = 2 marks)**

4 State **two** disadvantages of using email for communication.

1 .....

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2 .....

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**(Total for Question 4 = 2 marks)**

5 Give **two** reasons why retailers use barcodes.

1 .....

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2 .....

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**(Total for Question 5 = 2 marks)**

6 State **two** features of a private limited company that does not apply to a public limited company.

1 .....

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2 .....

.....

**(Total for Question 6 = 2 marks)**



7 Insurance risks can be divided into business risks and personal risks.

For each insurance risk, identify whether it is either business or personal by putting a cross ☒ in the correct box below.

Risk	Business	Personal
(i) Consequential loss	☒	☒
(ii) Life assurance	☒	☒
(iii) Mortgage protection	☒	☒
(iv) Plate glass	☒	☒

(Total for Question 7 = 4 marks)

8 What is the name for a loan made to a company that is long-term, has a fixed interest rate and is repayable by a set date?

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(Total for Question 8 = 1 mark)

9 Suggest **two** suitable ways in which a department store might promote fashion jewellery.

1 .....

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2 .....

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(Total for Question 9 = 2 marks)



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

1 .....  
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2 .....

(Total for Question 10 = 2 marks)

11 Give **three** benefits to a business of using its own fleet of vans for deliveries.

1 .....  
.....  
2 .....

3 .....

(Total for Question 11 = 3 marks)

12 Give **two** reasons why a trader may not take a cash discount offered to them when purchasing stock.

1 .....  
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2 .....

(Total for Question 12 = 2 marks)



**13** Explain why exchange rates might change.

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**(Total for Question 13 = 4 marks)**

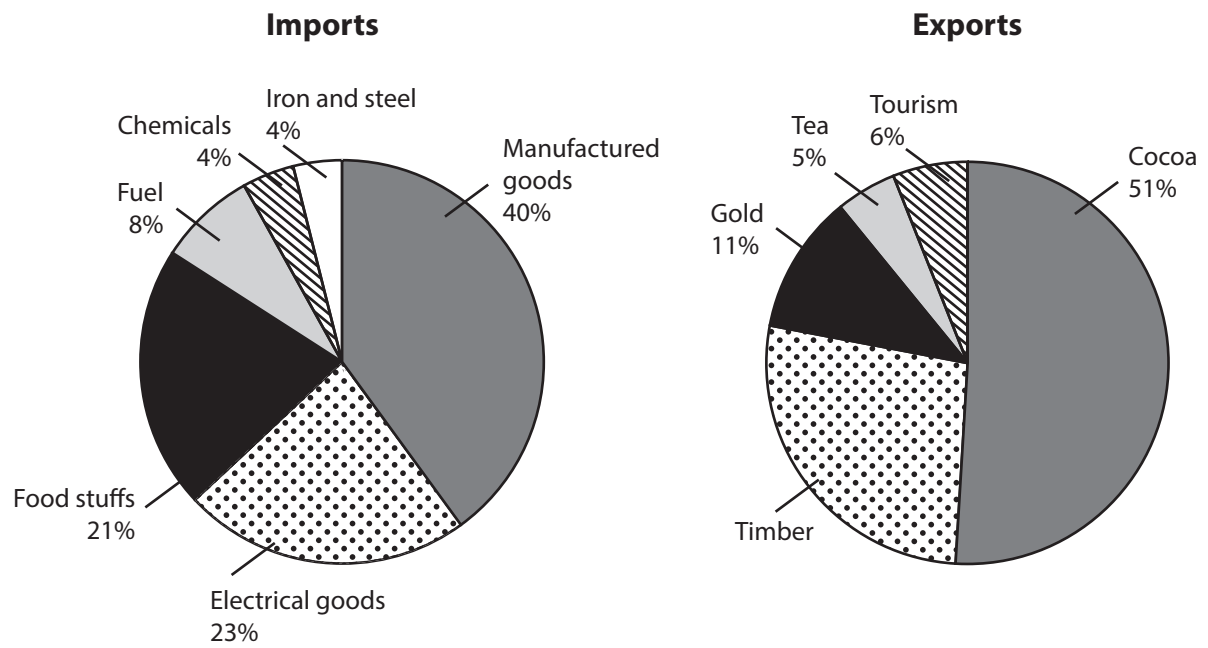
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14 The following two charts show the pattern of a country's imports and exports.



Study the charts, and answer the questions that follow.

(a) (i) Identify the main import of this country. (1)

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(ii) Calculate the percentage of timber exported by this country. (2)

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(iii) What conclusions can be made from the two charts about the trade of this country? (3)

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(Total for Question 14 = 6 marks)



**15** Barter was an early system of trade before legal tender, such as money, was used.

(a) Define the following terms:

(i) Barter

(2)

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(ii) Legal tender.

(2)

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(b) Why was barter not an efficient way of trading?

(3)

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(c) How do the functions of money overcome the difficulties of barter?

(4)

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(d) Banks now provide cash dispensers (ATMs) and mobile phone banking for their customers.

(i) Why do banks provide ATMs for use by customers?

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(ii) Analyse the disadvantages to customers of using mobile phone banking.

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**(Total for Question 15 = 20 marks)**



**16** During 2015, a small-scale retailer made a gross profit of 20% on sales revenue of £500 000 and had a net profit margin of 5%.

(a) Calculate for 2015:

(i) the gross profit

(2)

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(ii) the cost of goods sold

(2)

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(iii) the net profit

(2)

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(iv) the expenses.

(2)

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(b) Explain why it is important for a retailer to know the rate of stock turnover.

(4)

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Handwriting practice area consisting of ten horizontal dotted lines.



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In order to increase profits, the retailer has decided to also sell goods online.

(c) Analyse the likely effects on the retailer of starting to sell goods online.

(8)

Area with horizontal dotted lines for writing the answer.

**(Total for Question 16 = 20 marks)**



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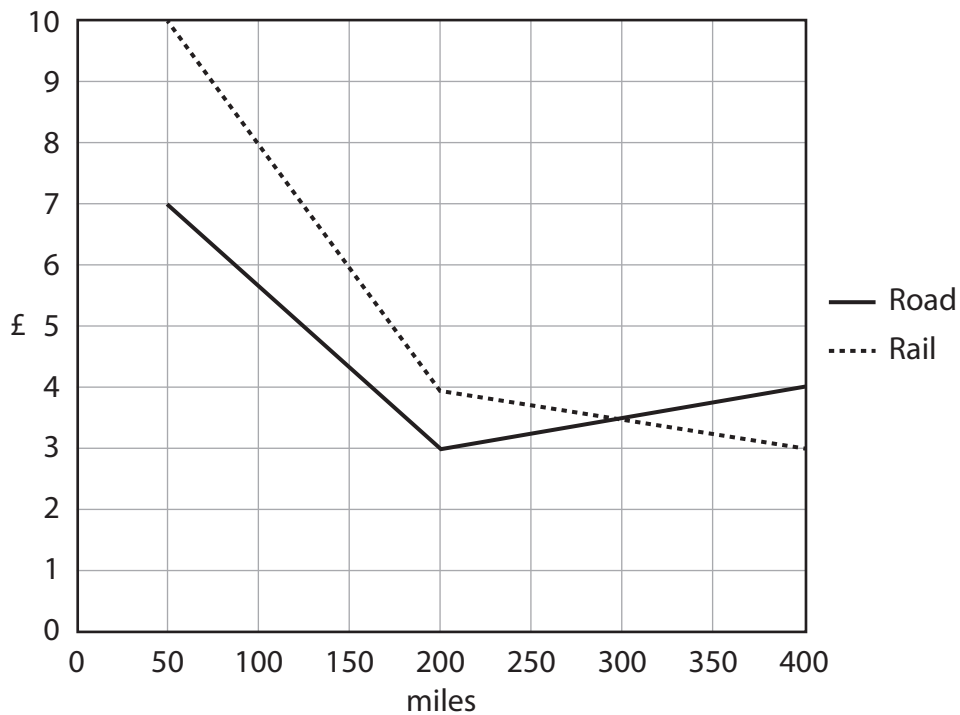
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17 The graph below shows the cost per mile of transporting goods by road and rail.



Study the graph and then answer the following questions.

(a) (i) Which is the cheapest method of transport for a journey of 100 miles? (1)

(ii) Which is the cheapest method for journeys exceeding 350 miles? (1)

(iii) Which distance has the same cost per mile to transport goods by road and rail? (1)



Containerisation assists both road and rail transport.

(b) Explain why there has been an increase in the use of containers with these methods of transport.

(5)

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The governments of some countries are thinking of making their railway systems public sector enterprises, as demand from passengers and freight is falling.

(c) (i) Explain why, in some countries, railways are becoming less important for the transport of passengers and freight.

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