

Write your name here	
Surname	Other names
Pearson Edexcel	Centre Number
International GCSE	Candidate Number
Commerce	
Monday 23 January 2017 – 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.

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Answer ALL questions.

Some questions must be answered with a cross in a box ☒. 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) Land, labour and capital are of production. (1)

(b) Bar allows the scanner at the checkout to recognise a product. (1)

(c) A public is a state-owned industry. (1)

(d) Dutiable goods are stored in warehouses. (1)

(Total for Question 1 = 4 marks)

2 Giving an example of what could be sent, define:

(a) recorded delivery (2)

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(b) special delivery. (2)

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(Total for Question 2 = 4 marks)

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- 3** A trader buys flour at £10.80 per sack and sells it at a 50% mark-up.

Calculate the trader's selling price.

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(Total for Question 3 = 2 marks)

- 4** Outline **two** disadvantages to retailers of accepting credit cards in payment for goods.

1

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2

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(Total for Question 4 = 2 marks)

- 5** Give **two** reasons why consumers need consumer protection.

1

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2

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(Total for Question 5 = 2 marks)

- 6** Identify the **two** parties to a franchise agreement.

1

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2

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(Total for Question 6 = 2 marks)

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7 Different methods of payment are used in home and international trade.

For each method of payment, identify whether it is used in home trade or international trade by putting a cross ☒ in the correct box below. If you change your mind, put a line through the box ☒ and then indicate your new answer with a cross ☒.

Method	Home	International
(i) Bank draft	☒	☒
(ii) Direct debit	☒	☒
(iii) Documentary credit	☒	☒
(iv) Mail transfer	☒	☒

(Total for Question 7 = 4 marks)

8 What is the type of advertising when businesses in the same industry join together to advertise a product?

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(Total for Question 8 = 1 mark)

9 State **two** reasons why metal is suitable to be used as money.

1

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2

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(Total for Question 9 = 2 marks)

10 Describe **two** benefits to customers of using loyalty cards.

1

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2

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(Total for Question 10 = 2 marks)



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11 Name **three** types of shares sold on the stock exchange.

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 a delivery note is used in trade.

1

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2

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(Total for Question 12 = 2 marks)

13 Describe how a bank uses a letter of credit when an importer buys goods.

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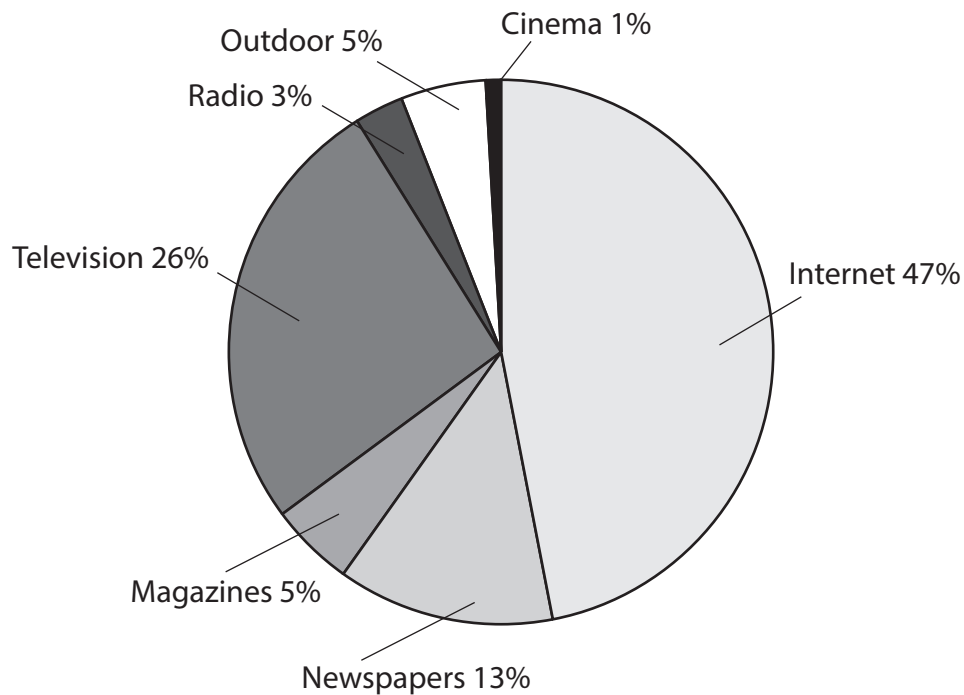
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(Total for Question 13 = 4 marks)

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- 14** The following chart shows the percentage of expenditure on different methods of advertising in one country.



Total Expenditure = £14 700 million

Study the chart, and answer the questions that follow.

- (a) (i) What is the most popular method of advertising?

(1)

- (ii) Give an example of a method of advertising used outdoors.

(1)

- (iii) Calculate the total amount of money spent on radio and newspaper advertising.

(2)

- (b) Why is the cinema not a popular method of advertising?

(2)

(Total for Question 14 = 6 marks)



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15 Until 2015, Country A has imported the iron it needed. In 2016, iron ore was discovered in Country A. The discovery is expected to affect the country's balance of trade and balance of payments.

(a) Explain what is meant by each of the following:

(i) balance of trade

(2)

(ii) balance of payments.

(2)

(b) How is the trade of Country A likely to be affected by the discovery and mining of iron ore?

(2)

(c) Outline **two** ways the government can restrict the amount of imports.

(4)

1

2



Many of Country A's goods are imported through brokers and factors using air transport.

(d) Compare **two** differences between brokers and factors.

(4)

1

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(e) Discuss **two** reasons why an increasing amount of goods are being transported by air.

(6)

1

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(Total for Question 15 = 20 marks)



- 16** A small store and warehouse, selling food and general household items, has the trading figures shown below for 2016. The store has increasing competition.

Capital employed £	Turnover £	Gross profit £	Net profit £
10 000	8 000	3 600	1 800

- (a) Calculate for 2016:

- (i) the percentage of gross profit to turnover

(2)

- (ii) the percentage of net profit to turnover

(2)

- (iii) the percentage of net profit to capital employed.

(2)

- (b) Suggest why this store would have a warehouse as part of its premises.

(2)



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The owner of the store wants his business to survive and make a profit. He is going to join a voluntary chain and change the shop to a self-service layout.

(c) Discuss how joining a voluntary chain would help the store to compete.

(6)



(d) Analyse how a change to a self-service layout might improve the store’s profits. (6)

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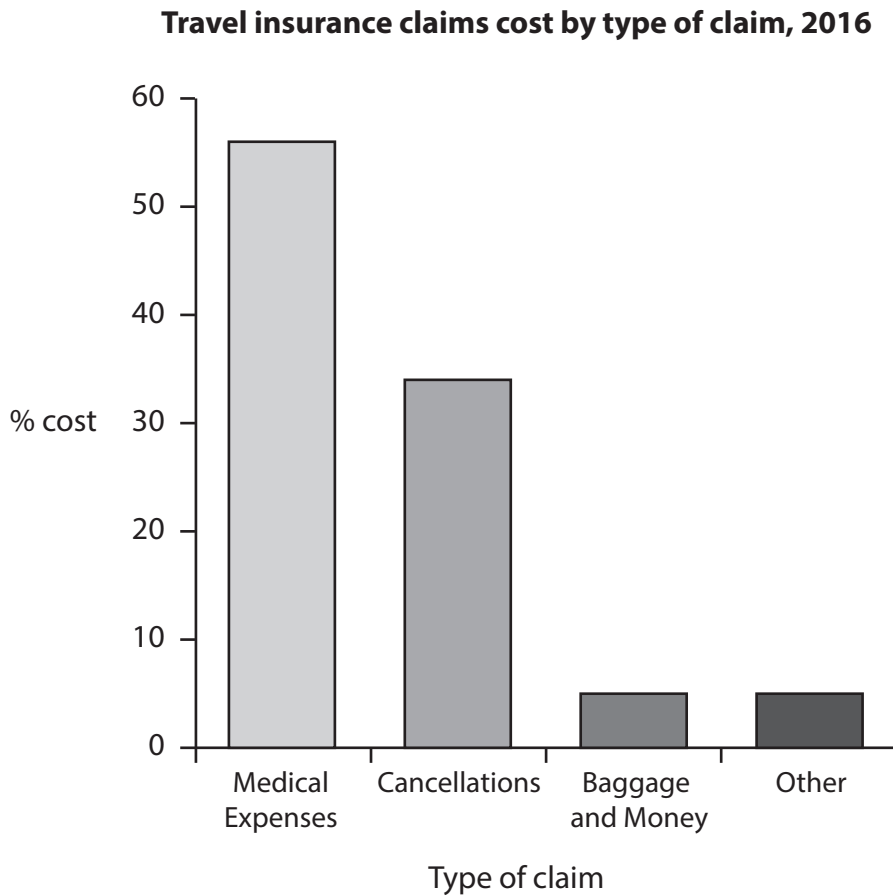
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(Total for Question 16 = 20 marks)



- 17 The following chart shows the percentage cost of types of claims made by customers of Tripcover Direct, an online travel insurance company.



Study the chart and then answer the following questions.

- (a) (i) Suggest **one** example of an 'other' travel insurance risk.

(1)

- (ii) Outline **one** possible reason why the cost of claims for medical expenses is greater than the cost for cancellations.

(3)

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(b) Analyse how the following insurance principles will apply when making a travel insurance claim for baggage and money:

(i) insurable interest

(4)

(ii) utmost good faith.

(4)



(c) Assess the benefits and drawbacks of buying insurance from an online insurance company.

(8)

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(Total for Question 17 = 20 marks)

TOTAL FOR PAPER = 100 MARKS



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