

Please check the examination details below before entering your candidate information	
Candidate surname	Other names
Pearson Edexcel International GCSE (9–1)	Centre Number Candidate Number
Tuesday 7 May 2019	
Afternoon (Time: 1 hour 30 minutes)	Paper Reference 4CM1/01R
Commerce Paper 1: Commercial operations and associated risks	
Calculators 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.*
- You must **show all your working out** with **your answer clearly identified** at the **end of your solution**.

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets
– *use this as a guide as to how much time to spend on each question.*

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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SECTION A

Answer ALL questions. Write your answers in the spaces provided.

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 (a) Which principle of insurance requires information to be truthful?

Select **one** answer.

- ☐ **A** Subrogation
☐ **B** Utmost good faith
☐ **C** Indemnity
☐ **D** Insurable interest

(1)

- (b) Which **one** of the following is a service a wholesaler gives to a retailer?

Select **one** answer.

- ☐ **A** Produces goods the retailer needs
☐ **B** Retailer sells to manufacturers
☐ **C** Sells in convenient quantities to the retailer
☐ **D** Buys from the retailer

(1)

- (c) Define the ecommerce characteristic **bricks and clicks**.

(1)

.....

.....

- (d) Define the term **trading bloc**.

(1)

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(e) In 2017 one Malaysian Ringgit (MYR) was equal to 1.84 Hong Kong Dollars (HKD).

A businessman makes regular flights between Hong Kong and Malaysia.
In 2017 he spent 12 500 MYR on his flights.

- (i) Calculate the cost of the businessman's flights in 2017 in Hong Kong Dollars (HKD). You are advised to show your workings.

(2)

..... (HKD)

- (ii) State **one** disadvantage, other than changes in the exchange rate, for a business in Malaysia trading with a business in Hong Kong.

(1)

In 2018 one MYR was equal to 2.60 HKD.

- (iii) State **one** benefit of this change in the exchange rate to Malaysian businesses that export to Hong Kong.

(1)



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(f) Explain **one** action a customer could take if they bought faulty goods.

(3)

(g) Explain **one** benefit of international trade to a business.

(3)



A fire in the *Tazreen Fashion* factory in Dhaka killed 117 people with 200 injured.

(h) Analyse the benefit to *Tazreen Fashion* of having employer's liability insurance.

(6)

(Total for Question 1 = 20 marks)



- 2 A man insured his shop for 60 000 Singapore Dollars (SGD). A flood caused 80 000 SGD worth of damage.

(a) Which amount will the insurance company pay out for the damage to the shop?

Select **one** answer.

- ☐ **A** 20 000
- ☐ **B** 60 000
- ☐ **C** 80 000
- ☐ **D** 140 000

(1)

(b) Which **one** of the following is found in the primary sector?

Select **one** answer.

- ☐ **A** Factory worker
- ☐ **B** Teacher
- ☐ **C** Shop assistant
- ☐ **D** Farmer

(1)

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(c) **Figure 1** shows the average weekly use of smartphones and televisions in the US.

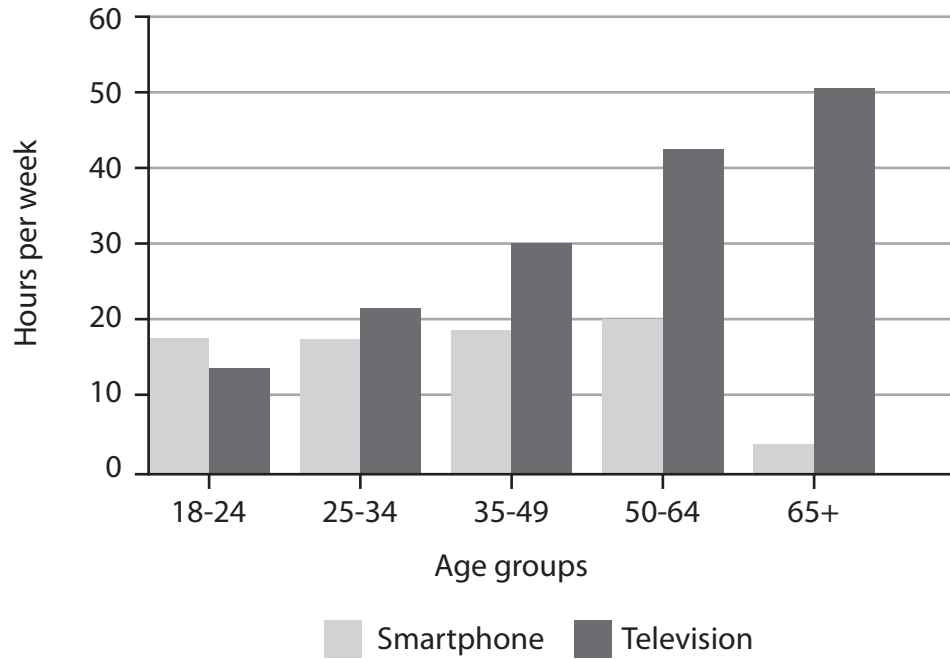


Figure 1

- (i) Identify the age group which has the greatest difference between the use of smartphones and television.

(1)

- (ii) Identify the age group that uses a smartphone the most.

(1)

- (d) Define the term **business partnership**.

(1)



(e) Explain **one** disadvantage of a business partnership.

(3)

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(f) Explain **one** advantage of buying a franchise.

(3)

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Buffalo Tours is a business selling holidays to people who wish to visit Thailand. It wants to increase sales and is considering the following **two** options:

Option 1: a special offer of 10% discount on holidays

Option 2: a loyalty programme.

(g) Justify which **one** of these two options *Buffalo Tours* should choose.

(9)

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(Total for Question 2 = 20 marks)

TOTAL FOR SECTION A = 40 MARKS



SECTION B**Answer ALL questions.****Read the following extract before answering the questions.****Write your answers in the spaces provided.**

- 3** The *Coca-Cola Company* is the world's largest beverage company. It has over 500 brands with more than 3,800 different drinks. 2.6 million retail outlets stock Coca-Cola drinks throughout India. Until 2020, the Indian *Coca-Cola Company* will be investing \$5 billion a year to ensure that its products are environmentally safe and sustainable. It indirectly employs more than one million people in related industries.

- (a) Which **one** of the following describes branding?

Select **one** answer.

- ☐ **A** The process of pricing a product
- ☐ **B** The process of selling a product
- ☐ **C** The process of making a new product
- ☐ **D** The process of making a product appear different

(1)

- (b) Which **one** of the following can the *Coca-Cola Company* not insure against?

Select **one** answer.

- ☐ **A** Damage to stock caused by fire
- ☐ **B** The failure of the business
- ☐ **C** Injury to a customer visiting a shop
- ☐ **D** Theft by employees at work

(1)

- (c) State **one** administration expense that the *Coca-Cola Company* would have to pay.

(1)

.....

.....



- (d) Outline **one** reason why the *Coca-Cola Company* prefers to produce its drinks in the country they are sold in.

(2)

The *Coca-Cola Company* was sued for 'false and misleading marketing' of its drinks in 2017.

- (e) Analyse how legislation protects consumers of *Coca-Cola* drinks.

(6)



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As the *Coca-Cola Company* is expanding in India, it has to decide which chain of distribution it will use for small supermarkets.

It is considering the following **two** options:

Option 1: supplying to small supermarkets directly

Option 2: supplying through a wholesaler.

(f) Justify which **one** of these two options a small supermarket is likely to prefer.

(9)



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(Total for Question 3 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS



SECTION C

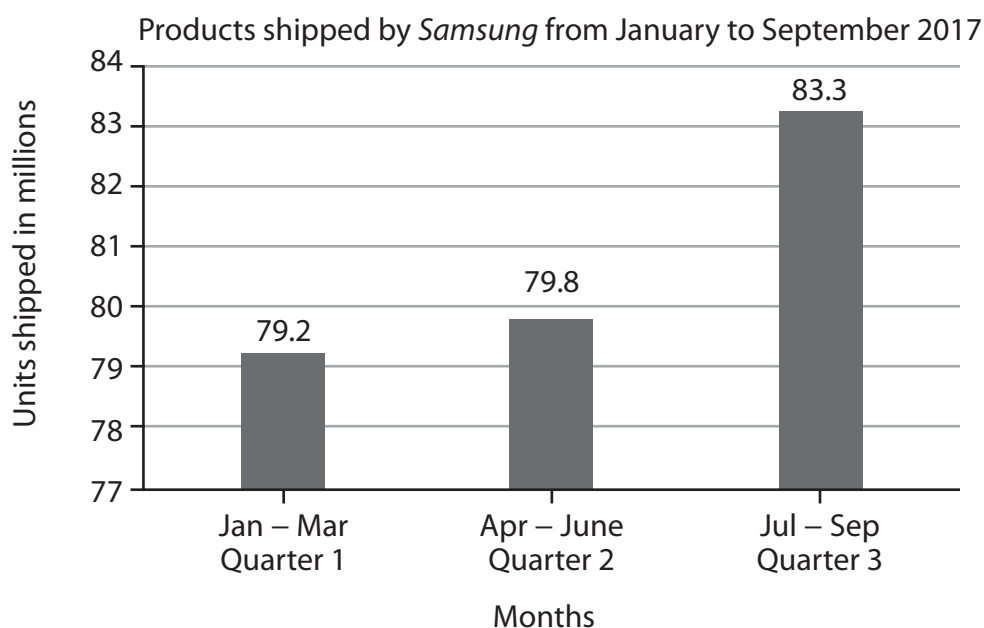
Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

- 4 *Samsung* is a world leader in the manufacture of mobile phones and tablets. The company was started in Korea in 1938. In the first three months of 2010 *Samsung* shipped over 2.4 million products. Over the past few years, sales of its expensive products have steadily increased. **Figure 2** shows the growth of shipments from January to September 2017.

Sales of its products are through various retail outlets or purchased directly through the website. To increase sales on the website, *Samsung* offers its customers credit facilities.

**Figure 2**

- (a) Calculate the percentage increase in shipments of products from Quarter 1 to Quarter 3. Give your answer to two decimal places. You are advised to show your workings.

(2)

..... %

(b) Analyse reasons why *Samsung* prefers to use its own website to sell smartphones and tablets.

(6)

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- (c) Evaluate the benefits to *Samsung* of allowing credit facilities for customers to use when buying products from its website. You should use the information provided and your own knowledge in your answer.

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(Total for Question 4 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS
TOTAL FOR PAPER = 80 MARKS



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BLANK PAGE**Source information****Question 1 (h)**

Source adapted from: Creative Commons Attribution-ShareAlike License

Question 2

(c) https://infographic.statista.com/normal/chartoftheday_8660_smartphone_vs_tv_usage_n.jpg
(accessed on 12/11/2017)

(g) Source adapted from: https://www.buffalotours.com/Thailand-tours.html?gclid=EAlalQobChMI2pTozN2x1wIVaijTCh2PSQj0EAAAYAAEgld3_D_BwE (accessed on 9/11/2017)

Question 3

Source adapted from: <https://www.coca-colaindia.com/brands/know-coca-cola> (accessed on 1/1/2018)

(e) Source adapted from: <http://www.foxnews.com/food-drink/2017/01/09/coca-cola-sued-forfalse-and-misleading-marketing-sugary-sodas.html> (accessed on 1/1/018)

Question 4

Source adapted from: <http://www.samsung.com>

© <https://www.statista.com/statistics/299144/samsung-smartphone-shipments-worldwide/> (accessed on 13/11/2017)

