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

Monday 20 January 2020

Afternoon (Time: 1 hour 30 minutes) | Paper Reference **4CM1/02**

Commerce

Paper 2: Facilitating commercial operations

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.*
- 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.*
- Calculators 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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Pearson

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 **one** of the following is managed by a central bank?

Select **one** answer.

(1)

☐ **A** Trade credit

☐ **B** Venture capital

☐ **C** Money supply

☐ **D** Crowdfunding

(b) Which **one** of the following is a trade document used by a wholesaler when purchasing goods?

Select **one** answer.

(1)

☐ **A** Enquiry

☐ **B** Leaflet

☐ **C** Brochure

☐ **D** Circular

(c) Define the term **postal order**.

(1)

....

....

....

(d) Define the term **debenture**.

(1)

....

....

....

(e) *Aqua Science* is one of the largest suppliers in America that delivers equipment for purifying water.

(i) State **one** suitable method of short-term finance that *Aqua Science* could use to increase its fleet of vehicles.

(1)

....

....

....

(ii) State **one** possible reason why *Aqua Science* use emails to communicate with its customers.

(1)

....

....

....

Figure 1 shows the cost of production and percentage mark-up of *Aqua Science*'s most popular equipment for 2019.

	Cost of production (including delivery)	Mark-up
Goulds Submersible Well Pump	$1 116	50%

Figure 1

(iii) Calculate *Aqua Science*'s selling price. You are advised to show your working.

(2)

$...

(f) Explain **one** advantage for a new business of using crowdfunding.

(3)

(g) Explain **one** reason why businesses use commercial banks.

(3)

Aqua Science is planning to grow its customer base in America. To do this *Aqua Science* is going to increase its promotion using radio and national newspapers.

(h) Analyse the benefit that each method could have for *Aqua Science* when promoting its products and services.

(6)

(Total for Question 1 = 20 marks)

2 (a) Which **one** of the following is a type of credit available to consumers?

Select **one** answer.

(1)

☒ **A** Debit card

☒ **B** Credit sale

☒ **C** Trade credit

☒ **D** Government grant

(b) Which **one** of the following is a method of written communication used by a bank when communicating with a customer?

Select **one** answer.

(1)

☒ **A** Letter

☒ **B** Agenda

☒ **C** Minutes

☒ **D** Face-to-face

(c) *Wilson's Juice Company* is a lemonade producer in Nigeria. It produces drinks such as; Traditional Lemonade and Pink Lemonade.

Figure 2 shows the price for a box of 12 bottles and the number of boxes sold in 2019.

	Box of 12 bottles (Price in Nigerian Naira)	Number of boxes sold in 2019
Traditional Lemonade	2 950	522 614
Pink Lemonade	2 800	586 957

Figure 2

(i) Identify which box of lemonade was the most expensive in 2019.

(1)

....

(ii) Identify which lemonade sold the most boxes in 2019.

(1)

(d) Define the term **equities**.

(1)

(e) Explain **one** reason why a business would offer store cards to its customers.

(3)

(f) Explain **one** reason why a business might use informative advertising.

(3)

Currently *Wilson's Juice Company* sells its lemonade in 150 ml bottles in the 20 shops it owns in Nigeria. It plans to double its sales revenue by 2022. *Wilson's Juice Company* is considering the following two options:

Option 1: open 10 more shops

Option 2: introduce a 300 ml bottle.

(g) Justify which **one** of these two options *Wilson's Juice Company* should choose.

(9)

(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 *Dalmia Group* is the fastest-growing sugar business in India and is currently planning for major growth. The company produces quality sugar for international buyers such as *PepsiCo*, *The Coca-Cola Company* and *Walmart*.

Dalmia has received an order from *PepsiCo* for 800,000 tons of raw cane sugar, but does not have the capacity or inventory (stock) in its warehouse to deliver within the guaranteed 15-day delivery time.

(a) Which **one** of the following is a source of support for a business when exporting?

Select **one** answer.

(1)

☒ **A** Bank

☒ **B** Central bank

☒ **C** Post office

☒ **D** Stock exchange

(b) Which **one** of the following methods of payment would *Dalmia* use when paying its supplier of raw cane sugar?

Select **one** answer.

(1)

☒ **A** Electronic transfer

☒ **B** Loan

☒ **C** Leasing

☒ **D** Hire purchase

(c) State **one** benefit to *Dalmia* of having a large company such as *PepsiCo* as a customer.

(1)

....

....

....

(d) Complete the order form below to show the missing amounts.

(2)

Dalmia Bharat Group	**Customer Information**

Date	20 January 2020
Customer Name	*PepsiCo UK*
Address	Cavendish Park, Leeds, LE6 1ET
Telephone number	(+44) 1188 628 000

Order Information

Quantity (Tons)	Description	Unit Price (Per Ton)	Total Price
800,000	Refined Sugarcane	$46	(i) $ ....
		Tax Rate	21%
		Tax	(ii) $ ....
		Total Due	$44 528 000

(e) Analyse the impact on *Dalmia* of not delivering the *PepsiCo* order within 15 days.

(6)

Dalmia have decided to make sure that if another large order is received it will have the inventory (stock) to meet the demand. It is going to spend $22 million on one of the following two options:

Option 1: build a new warehouse

Option 2: expand its present sugarcane factory.

(f) Justify which **one** of the two options *Dalmia* should choose.

(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 *Uber Technologies Inc* is a taxi company that has experienced fast global growth over the last 11 years. Taxis can only be booked through its website and mobile apps.

Customers are quoted the fare that they will pay before requesting the ride. *Uber* uses the customer's credit card details held on file or electronic mobile payment services.

(a) Outline **one** reason why *Uber* only uses its website and apps to accept taxi bookings.

(2)

(b) Analyse the impact on *Uber* of the growing trend of its customers using cashless transactions when paying for taxi services.

(6)

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Uber is developing a flagship project called 'Elevate'; this will be the first flying taxi service in the world. *Uber* aims to launch this service by the end of 2020.

Uber has been funding this development by retaining 50% of its profits since 2018, which will stop in 2021. Further funding will come from the issue of $500 million new ordinary shares.

(c) Evaluate how *Uber*'s funding of the 'Elevate' project might affect shareholder dividends. You should use the information provided as well as your knowledge of commerce.

(12)

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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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