

Please check the examination details below before entering your candidate information

Candidate surname					Other names				
Centre Number					Candidate Number				
Pearson Edexcel International GCSE (9–1)									
Time 1 hour 30 minutes					Paper reference 4CM1/01				
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.
- Good luck with your examination.

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 **one** of the following is a characteristic of a limited company?

Select **one** answer.

(1)

- ☐ **A** The business owners have unlimited liability
- ☐ **B** Personal assets of the owners are protected
- ☐ **C** Shareholders are liable for all business debts
- ☐ **D** Can keep financial records confidential

- (b) Which **one** of the following best describes a business in one country buying raw material from another country?

Select **one** answer.

(1)

- ☐ **A** Inventing
- ☐ **B** Exporting
- ☐ **C** Storing
- ☐ **D** Importing

- (c) Define the term **actuaries**.

(1)

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- (d) Define the term **capital**.

(1)

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(e) **Figure 1** shows the balance of trade for goods for South Africa for 2018 and 2019.

2018	2019
Million Rand	Million Rand
24 281	39 321

Figure 1

- (i) Calculate the difference in the balance of trade from 2018 to 2019. You are advised to show your workings.

(2)

..... Million Rand

- (ii) State **one** possible disadvantage for South African businesses of importing goods.

(1)

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- (iii) State **one** advantage for South Africa of trading internationally.

(1)

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(f) Explain **one** disadvantage for a customer using mail order.

(3)

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(g) Explain **one** advantage for a customer of consumer protection legislation.

(3)



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Pick n Pay is a supermarket chain in Cape Town, South Africa. It sells many different goods and allows customers to use a variety of payment methods including cash, credit cards and mobile phone apps. Some of these methods mean that *Pick n Pay* will have to pay a fee for each transaction.

(h) Analyse why *Pick n Pay* offers a variety of payment methods.

(6)

(Total for Question 1 = 20 marks)



- 2 (a) In which **one** of the following sectors would a business selling food and drink be placed?

Select **one** answer.

(1)

- ☐ **A** Primary sector
- ☐ **B** Secondary sector
- ☐ **C** Tertiary sector
- ☐ **D** Financial sector

- (b) Which **one** of the following means that when two businesses issue policies covering the same risk any claim will be shared between them?

Select **one** answer.

(1)

- ☐ **A** Premiums paid
- ☐ **B** Pooling of risk
- ☐ **C** Insurable interest
- ☐ **D** Contribution principle

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- (c) **Figure 2** shows details of the percentage of adults who used American loyalty programmes in 2019.

US Adults' Loyalty Programme Membership, by Age Group

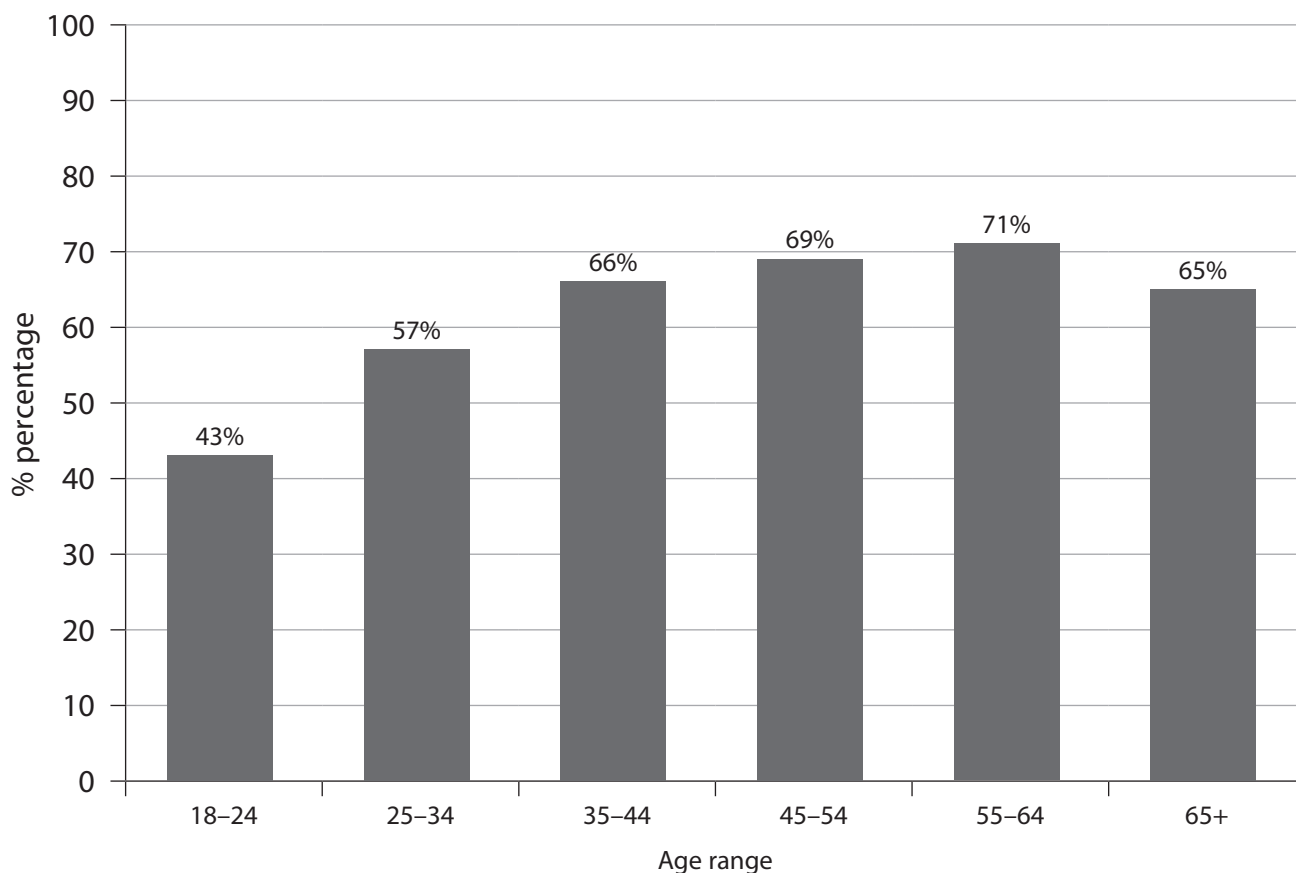


Figure 2

- (i) Identify the age group that uses loyalty programmes the least.

(1)

- (ii) Identify the age group with a 69% use of loyalty programmes.

(1)



(d) Define the term **Electronic Point of Sale** (EPOS).

(1)

(e) Explain **one** reason why some retailers offer self-service in their stores.

(3)

(f) Explain **one** benefit to an insurance company of the principle of indemnity.

(3)



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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** *Ajkerdeal* is an online shoe shop for men's shoes. It sells a range of shoes, boots, trainers and accessories to its customers in Bangladesh. Besides selling its own shoes, it also sells other branded shoes. To help customers choose the correct shoe size they can download a shoe size guide. An after sales service is offered to all *Ajkerdeal*'s customers.

(a) Which **one** of the following is a characteristic of a franchise?

Select **one** answer.

(1)

- ☐ **A** The franchisor provides all supplies used in the business
- ☐ **B** A franchisee makes all their own decisions
- ☐ **C** The franchisor pays the franchisee to set up in business
- ☐ **D** A franchisee pays a lower rate of tax

(b) Which **one** of the following would provide a product with a visual identity?

Select **one** answer.

(1)

- ☐ **A** Mail order
- ☐ **B** Large inventory
- ☐ **C** Product branding
- ☐ **D** Radio advertising



(c) State **one** advantage of ecommerce to *Ajkerdeal* customers.

(1)

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(d) Outline **one** reason why *Ajkerdeal* offers its customers an after sales service.

(2)

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(e) Analyse why *Ajkerdeal* holds seasonal sales at certain times of the year.

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Ajkerdeal is considering offering a wider range of shoes. Most of its shoes are supplied from factories in Bangladesh. It has to decide where to buy the wider range of shoes from.

It is considering the following options.

Option 1: buy from new suppliers in Bangladesh

Option 2: buy from suppliers in different countries.

(f) Justify which **one** of these two options *Ajkerdeal* 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** *The Diskery* is the oldest record shop in Birmingham, England. It sells and buys vinyl records for a wide range of music to suit all tastes, from pop to classical. It buys its records from around the world. Customers often stay a long time in the shop discussing records with staff before making a decision on what to buy. *The Diskery* will also find any record that a customer wants from around the world.

- (a) Calculate the cost in UK (pounds) if *The Diskery* bought records from Japan costing 74 547.20 Japanese (YEN)

The rate of exchange was £1 = 133.12 YEN

You are advised to show your working.

(2)

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(b) Analyse why *The Diskery* takes out insurance for its premises.

(6)

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- (c) Evaluate the importance for *The Diskery* of maintaining a personal service for customers. 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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