

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 4CM1/02				
Commerce PAPER 2: Facilitating commercial operations									
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 source of long-term finance?

Select **one** answer.

(1)

- ☐ **A** Factoring
- ☐ **B** Trade credit
- ☐ **C** Mortgage
- ☐ **D** Overdraft

- (b) Which **one** of the following is the most suitable way to transport a large quantity of oil over a long distance?

Select **one** answer.

(1)

- ☐ **A** A cargo plane
- ☐ **B** A pipeline
- ☐ **C** A ferry
- ☐ **D** A car

- (c) Define the term **advice note**.

(1)

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

(1)

(e) *H&M*, a fashion retailer, has almost 5,000 stores in different countries around the world.

- (i) State **one** benefit to *H&M* area managers of having the minutes from a meeting between store managers.

(1)

- (ii) State **one** way the *H&M* website could help promote its products in countries where it does not have stores.

(1)

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Figure 1 shows financial information for *H&M* stores in Sweden.

	Year ending Nov 2018
Sales	210 400
Profit for the year	15 493

Figure 1

- (iii) Calculate, to two decimal places, the profit for the year margin for 2018.
You are advised to show your workings.

(2)

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- (f) Explain **one** advantage for a customer of using a credit card to pay for products.

(3)

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(g) Explain **one** reason why a business might use informative advertising to increase sales.

(3)

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WeChat is a free mobile messaging app with over one billion users in China. Users can chat to friends and play games. It has a *WeChat Pay* facility so that users can buy fashion items from retailers such as *H&M*.

- (h) Analyse why being able to pay for purchases using *WeChat Pay* on mobile phones could help fashion retailer *H&M* increase sales in China.

(6)

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(Total for Question 1 = 20 marks)



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- 2 (a) Which **one** of the following has the role of managing the money supply of a country?

Select **one** answer.

(1)

- ☐ **A** Commercial Bank
- ☐ **B** Central Bank
- ☐ **C** Chamber of Commerce
- ☐ **D** Post Office

- (b) Which **one** of the following is the most suitable type of warehouse for a business making ice-cream?

Select **one** answer.

(1)

- ☐ **A** A cold storage warehouse
- ☐ **B** A bonded warehouse
- ☐ **C** A regional warehouse
- ☐ **D** A cash and carry warehouse



- (c) **Figure 2** identifies the different forms of transport used for freight in the European Union.

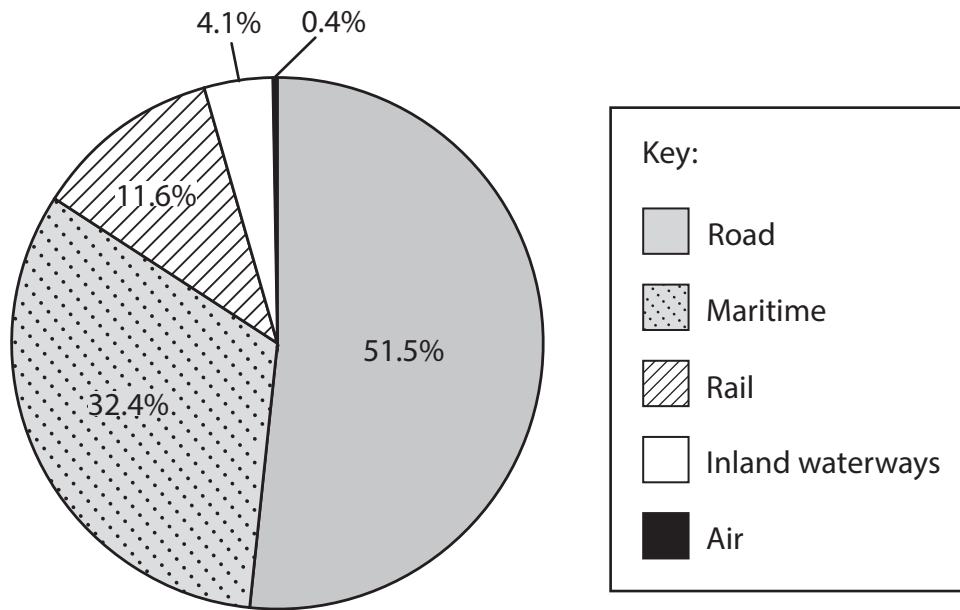


Figure 2

- (i) Identify which form of transport is used the most.

(1)

- (ii) Identify the percentage of freight moved by inland waterways.

(1)

- (d) Define the term **inventory turnover**.

(1)

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(e) Explain **one** reason why a customer may be issued with a credit note.

(3)

(f) Explain **one** reason why businesses in different countries might use videoconferencing as a method of communication.

(3)



Center Parcs offers short-break holidays. Its holiday villages are set in various natural forest locations in the UK. Each village has heated, luxury self-catering wooden lodges. Facilities on the sites include a swimming pool, restaurants, shops and play areas for children. All are maintained to an extremely high standard.

The average price per night for each lodge is £190. The mark-up for each lodge is 25%. It is an expensive short-break holiday. However, although 97% of lodges are fully booked, 3% of lodges still remain available in some weeks.

Center Parcs wants to increase its profit and is considering two options:

Option 1: increase the price per night for each lodge

Option 2: provide additional facilities to attract more guests.

(g) Justify which **one** of the two options *Center Parcs* 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.**

IAC is a wholesaler based in Karachi selling fresh fruit and vegetables all over Pakistan. It is also a major worldwide exporter. It is planning further expansion in Europe.

It is paid in a variety of currencies such as pounds, dollars and rupees depending on where it is trading.

IAC is a member of the trade association *All Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA)*, which is supported by the government of Pakistan.

IAC had a stall at a recent trade exhibition in Berlin, Germany.

- 3 (a) Which **one** of the following is a document that lists items to be discussed during a business meeting?

Select **one** answer.

(1)

- ☐ **A** A quotation
- ☐ **B** An email
- ☐ **C** A letter
- ☐ **D** An agenda

- (b) Which **one** of the following may be a reason why IAC keeps inventory in its warehouse?

Select **one** answer.

(1)

- ☐ **A** To feed the produce to its staff
- ☐ **B** To meet seasonal demand as the growing seasons change
- ☐ **C** To display on its shelves in an attractive way
- ☐ **D** To price at the lowest possible cost

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- (c) State **one** way in which a bank could support IAC when receiving payments from the UK.

(1)

- (d) Complete the Statement of Account to show the missing amounts.

(2)

STATEMENT OF ACCOUNT			Frutti Tutti Wholesalers	
To: Mr Johnson Grocery Store New York USA		From: Frutti Tutti Wholesalers New York USA		
29 August 2020			Ref	150
Date	Ref	Amount	Credit	Amount Due
04.08.2020	S1 1002	\$250		\$250
11.08.2020	S11 10016	\$400		\$400
20.08.2020	CR 20560		\$50.00	(\$50)
Subtotal				(i)
Opening Balance				\$1 050
Total due				(ii)

Payment due by: 30 September 2020

Please make payments to Fruitti Tutti Wholesalers

Figure 3



(e) Analyse how the trade organisation of *All Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA)* can help IAC expand in Europe.

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IAC has opened its own shop, *Go4Fresh*. The shop will sell high quality fresh fruit and vegetables directly to the public. The shop will be in Karachi, Pakistan's largest city. This shop must be successful before IAC opens more shops in Pakistan. A proportion of IAC's promotional budget will be spent on the Karachi shop to raise awareness of this new development.

It is considering the following two options:

Option 1: offering free gifts and samples

Option 2: advertising in local cinemas.

(f) Justify which **one** of these two options *Go4Fresh* 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.**

Aztec Diamond Equestrian (ADE) sells high quality riding clothes including leggings and riding jacket from a UK website. *DHL* delivers the clothes to customers in the Middle East, Asia and Northern Africa.

DHL was founded in 1969 and is now an experienced international delivery service with a product reputation. *DHL* uses a combination of air, rail and mail to deliver *ADE* packages.

- 4** (a) Outline **one** reason why *ADE* may use email to communicate with its customers.

(2)

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(b) Analyse why *ADE* uses *DHL* for delivery of its clothes to customers in other countries.

(6)

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Jordan McCabe spent her childhood riding horses in competitions. She founded *ADE* after inheriting a small sum of money from her grandmother. This allowed her to use only this money to launch the horse riders fashion brand that she had dreamed about. The business now has over £1m in sales.

- (c) Evaluate how the use of her own capital to launch her business has helped Jordan McCabe to become so successful. You should use the information provided and your own 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

