

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

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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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 trading document used by wholesalers?

Select **one** answer.

(1)

- ☐ **A** Store card
- ☐ **B** Advice note
- ☐ **C** Catalogue
- ☐ **D** Free gift

- (b) Which **one** of the following is an example of a banking service?

Select **one** answer.

(1)

- ☐ **A** Trade credit
- ☐ **B** Postal order
- ☐ **C** Overdraft facility
- ☐ **D** Retained profit

- (c) Define the term **mark-up**.

(1)

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(d) Define the term **hire purchase**.

(1)

(e) In America, *Nestlé* uses 2,000 trucks to deliver ice-cream and pizza products from regional cold storage warehouses.

(i) State **one** benefit to *Nestlé* of having its own fleet of trucks.

(1)

(ii) State **one** reason why *Nestlé* uses cold storage warehouses.

(1)



Figure 1 shows some financial information for Nestlé.

	\$m
Revenue	46 168
Cost of sales	23 045
Gross Profit	23 123

Figure 1

(iii) Calculate, to two decimal places, the gross profit margin. You are advised to show your working.

(2)

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(f) Explain **one** advantage to a business of customers using its store card.

(3)

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(g) Explain **one** way a business might increase its inventory turnover.

(3)

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Figure 2 shows details of *Nestlé's* shares and dividends in Swiss Francs (CHF).

Nestlé Investors information	SHARE PRICE	DIVIDEND PAID per share
Year 2016	73.05	2.30
Year 2017	83.80	2.35
Year 2018	79.80	2.45

Figure 2

- (h) Using Figure 2, analyse how this information might be useful to *Nestlé's* shareholders.

(6)

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(Total for Question 1 = 20 marks)



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2 (a) Which **one** of the following institutions is responsible for controlling inflation?

Select **one** answer.

(1)

- ☐ **A** Commercial Banks
- ☐ **B** Post Offices
- ☐ **C** Central Banks
- ☐ **D** Chambers of Commerce

(b) Which **one** of the following is a long-term source of finance for a large manufacturing company?

Select **one** answer.

(1)

- ☐ **A** Debenture
- ☐ **B** Overdraft
- ☐ **C** Trade Credit
- ☐ **D** Leasing



(c) **Figure 3** shows projections for types of ecommerce payments being used in the Philippines.

	PAYMENT TYPE				
Year	Bank Transfer	Cards	Cash on Delivery	E-Wallet	Other
2020	20%	31%	18%	26%	5%
2021	25%	29%	9%	32%	5%
2022	29%	27%	2%	37%	5%
2023	30%	26%	0%	38%	6%

Figure 3

(i) Identify which type of payment is projected to be used the most in 2023. (1)

(ii) Identify which payment type is projected **not** to be used by 2023. (1)

(d) Define the term **factoring**. (1)

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(e) Explain **one** way a government grant can help a new business starting up.

(3)

(f) Explain **one** reason why a business with offices in different countries might use videoconferencing for meetings.

(3)



Aranáz is based in the Philippines. It sells expensive handbags to outlets such as *Harrods* of London, through its own shops and its website. The price of an *Aranáz* handbag is at least \$280.

Recently, *Aranáz* has started using its website to increase international sales. Currently it uses *Shopify* to process payments from only three credit cards (JCB, Mastercard and Visa). *Shopify* charges *Aranáz* a 2.4% fee per transaction.

Aranáz is considering the following two options to accept additional online methods of payment to attract more customers:

Option 1: expand the range of credit cards accepted

Option 2: accept electronic transfers from customers.

(g) Justify which **one** of these two options *Aranáz* 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 *Fairafric*, a new business founded in 2017, started producing organic chocolates. It is supplied with cocoa beans from Ghana. One of its main objectives is to increase the employment opportunities and earning power of its farmers in Ghana. *Fairafric* targets ethical consumers in Europe, selling to European customers online.

- (a) Which **one** of the following is an aid to exporters?

Select **one** answer.

(1)

- ☐ A ATM services
- ☐ B Government credit guarantees
- ☐ C Store cards
- ☐ D Cash and carry warehouses

- (b) Which **one** of the following can be used by a business to store goods on which duty has yet to be paid?

Select **one** answer.

(1)

- ☐ A Passenger ferry
- ☐ B Cash and carry warehouse
- ☐ C Bonded warehouse
- ☐ D Distribution centre

- (c) State **one** reason why *fairafric* keeps minutes of its meetings with suppliers.

(1)

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

(2)

SHIP TO: Chocolate Store Dresden Germany		CUSTOMER NO: 10		
		TERMS: FOB Destination		
		SALES PERSON: M Material		
		SHIP WEEK OF: 9 September 2019		
		ORDER NUMBER: 150		
ITEM No	Units Ordered	Description	Unit Cost \$	Total Cost \$
2270a	200	Dark Chocolate bars	\$9.80	(i) \$
2270b	300	Milk Chocolate bars	\$9.80	\$2 940
			Subtotal	\$4 900
			Tax Rate	15%
			Tax	\$ 735
			Total	(ii) \$

Figure 4



(e) Analyse how social media can help *fairafric* advertise its ethical objectives.

(6)

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In 2018, *fairafric* raised 50 000 euros from the crowdfunding website Kickstarter. Now, to meet the rising demand for its products in Europe, *fairafric* needs to build a new factory costing 1.2m euros.

It is considering the following two options to raise the 1.2m euros:

Option 1: another crowdfunding campaign

Option 2: a long-term bank loan.

(f) Justify which **one** of these two options *fairafric* 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 *Hyundai* is a South Korean car manufacturer making vehicles on several continents. It is a leading global brand in a very competitive market. *Hyundai* wants to retain its position in this market by using promotional campaigns.

Hyundai sponsors sporting activities on a regular basis.

Hyundai attends all the major motor shows throughout the world. In 2019, it used the motor show in Frankfurt Germany to reveal its first ever electric racing car. *Toyota* and *Volkswagen* also attended the motor show.

At the same time, *Hyundai* allocated 25% of its £30m marketing and media budget to digital communication, an increase of 10% from two years earlier. It wants to build awareness of the brand in Europe.

- (a) Outline **one** benefit of *Hyundai* using containers to receive the parts to build its cars.

(2)

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(b) Analyse how attendance at the motor shows helps *Hyundai* improve European awareness of its cars.

(6)

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Football is a main part of *Hyundai's* global sponsorship because it is watched by people all around the world.

Hyundai has extended its sponsorship agreement with FIFA to cover the 2022 FIFA World Cup in Qatar in the Arabian Gulf. *Hyundai* will provide a full range of its models for transport at the FIFA World Cup 2022 and other FIFA competitions.

- (c) Evaluate how sponsoring FIFA events may help *Hyundai* retain its strong global market share. You should use the information provided and your own knowledge of commerce in your answer.

(12)

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(Total for Question 4 = 20 marks)

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

