

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)

Tuesday 7 November 2023

Morning (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 used to withdraw cash from an ATM?

Select **one** answer.

(1)

- ☐ A Foreign currency
- ☐ B Debit card
- ☐ C Cheque book
- ☐ D Postal order

- (b) Which **one** of the following is a short-term source of finance?

Select **one** answer.

(1)

- ☐ A Mortgage
- ☐ B Debenture
- ☐ C Leasing
- ☐ D Government grant

- (c) Define the term **bank draft**.

(1)

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(d) Define the term **oral communication**.

(1)

(e) *Bradburys* is a business supplying over four hundred different cheeses to major wholesalers and retailers in the UK. It buys the cheeses from around the world and packs and stores them in its UK warehouse. It then delivers them to wholesalers and retailers using its own fleet of trucks. Demand for different cheeses can change as the seasons change.

(i) State **one** benefit to *Bradburys* of using its own vehicles for delivering its products.

(1)

(ii) State **one** way *Bradburys* might use its warehouse to meet seasonal demand for its products.

(1)



Figure 1 shows some financial information for *Bradburys* for the year ending April 2022.

	£
Revenue	68 000 000
Gross profit	5 000 000
Profit for the year	503 466

Figure 1

- (iii) Calculate, to two decimal places, *Bradburys* profit margin for the year ending April 2022. You are advised to show your working.

(2)

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- (f) Explain **one** advantage to a national business of using posters and billboards as a method of promotion.

(3)



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(g) Explain **one** reason why a business might use containers to transport its goods. (3)

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Bradburys began exporting its cheeses in 2015. It now successfully exports to the US, Australia, Hong Kong and most recently, Japan. Before beginning to export, *Bradburys* was helped by the UK government's Department of Trade and Industry (DTI). The DTI provided free market research and offered guidance on potential customers for exports. *Bradburys* has attended trade fairs worldwide to market its cheeses.

- (h) Analyse how the UK's Department of Trade and Industry (DTI) could have helped *Bradburys* when planning which trade fairs to attend.

(6)

(Total for Question 1 = 20 marks)



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- 2 (a) Which **one** of the following is the correct formula to calculate the mark-up of a product?

Select **one** answer.

(1)

- ☐ **A** $\frac{\text{profit per item}}{\text{cost per item}} \times 100$
- ☐ **B** $\frac{\text{cost per item}}{\text{total revenue}} \times 100$
- ☐ **C** $\frac{\text{cost per item}}{\text{profit per item}} \times 100$
- ☐ **D** $\frac{\text{total revenue}}{\text{cost per item}} \times 100$

- (b) Which **one** of the following bank services helps a small retailer store cash securely when the bank is closed?

Select **one** answer.

(1)

- ☐ **A** An overdraft
- ☐ **B** An ATM
- ☐ **C** A credit card
- ☐ **D** A night safe



- (c) **Figure 2** identifies the projected value of payments made using selected US credit cards in 2021 and 2026 in \$bn.

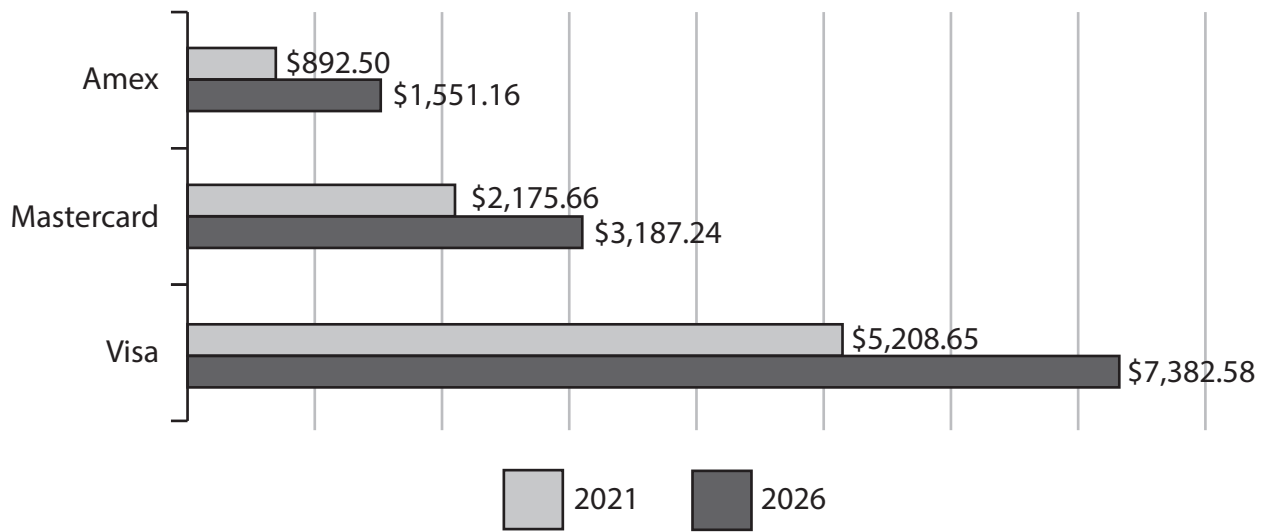


Figure 2

- (i) Identify the credit card with the lowest projected value of payments in 2026.

(1)

- (ii) Identify the credit card with the largest projected growth between 2021 and 2026.

(1)

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(d) Define the term **trade credit**.

(1)

(e) Explain **one** benefit to a business of using inland waterways to transport goods.

(3)

(f) Explain **one** reason why a business may choose to use a telephone to contact a customer having problems with a purchase.

(3)



The costs of making chocolates are rising.

Cadbury makes chocolate products. It is a very popular brand with UK customers. Its competitors include *Mars* and *Nestle*. All offer a similar range of products.

"There's a lot of energy consumption so we are seeing the manufacturing costs going up," says a representative of the chocolate industry. It is not clear how much these energy costs will rise in the near future.

However, customers are also facing rising energy costs. Some customers need to save money. Others earn more money and enjoy buying lots of chocolates for their families.

Cadbury is reviewing its Dairy Milk Chocolate Bar. *Cadbury* aims to maintain the profit margin of this chocolate bar as its costs of production rise.

It is considering the following two options:

Option 1: decrease the size of the bars by 5%

Option 2: increase the price by 10%.

(g) Justify which **one** of these two options *Cadbury* 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.**

Nykaa started as an Indian ecommerce beauty company in 2012. It has expanded and now has retail outlets in most of the major cities in India. It sells 1.8 million beauty and fashion products.

It is planning to expand its operations internationally. In July 2021, *Nykaa* became a public limited company. Its shares are sold on the Indian Stock Exchange.

Nykaa advertises all its products across major social media platforms and promotes its beauty products by offering make-up tutorials online.

- 3 (a) Which **one** of the following would a supplier send to a business that had made an enquiry?

Select **one** answer.

(1)

- ☐ **A** A quotation
- ☐ **B** An order
- ☐ **C** A delivery note
- ☐ **D** An invoice

- (b) Which **one** of the following is a benefit to *Nykaa* of operating a Regional Distribution Centre (RDC)?

Select **one** answer.

(1)

- ☐ **A** Ecommerce orders can be delivered quickly to suppliers
- ☐ **B** Ecommerce orders can be delivered quickly to customers
- ☐ **C** Products can be displayed for sale to the customers
- ☐ **D** Retailers can click and collect products at the RDC

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(c) State **one** benefit to *Nykaa* of being listed on the Indian Stock Exchange.

(1)

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

SHIP TO: Shinde Beauty & Fashion Bhwandi Maharashtra, India		CUSTOMER NO: 45 TERMS: FOB Destination SALES PERSON: M Advani SHIP WEEK OF: 19 September 2023 ORDER NUMBER: 150		
ITEM No Unit	Units Ordered	Description	Cost ₹	Total Cost ₹
2429a	250	Foundation	419.95	104 987.50
2566b	(i)	Beret Hat	480.65	72 097.50
			Subtotal	177 085.00
			Tax Rate	12%
			Tax	(ii)
			Total	198 335.20

(2)

Figure 3



(e) Analyse why *Nykaa* uses social media platforms to advertise its products.

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(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.

Apple is a global business operating in the telecommunication and technology industry. In September 2022, *Apple* launched its iPhone 14. The selling price was £150 more than the previous model, the iPhone 13. There were only a few differences between the two models.

Firstly, *Apple* has removed the physical SIM card slot and replaced it with an electronic SIM, or eSIM. This makes switching networks very easy. Secondly, *Apple* has introduced satellite reception for the iPhone. This means that owners in the USA can use an emergency SOS service where no mobile network can reach them.

Apple iPhones are used around the world.

- 4 (a) Outline **one** reason why *Apple* may choose to use email to communicate with its suppliers.

(2)

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(b) Analyse why *Apple* may have chosen to use an informative approach when advertising the iPhone 14.

(6)

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(c) Evaluate *Apple's* choice of retained profit as its long term source of finance. You should use the information provided and your own knowledge of commerce 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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Source information

https://uk.globaldatabase.com/company/bradbury-son-buxton-limited#div_financials

https://nilsonreport.com/publication_chart_and_graphs_archive.php

<https://www.statista.com/statistics/273006/apple-expenses-for-research-and-development/>

<https://www.statista.com/statistics/216459/global-market-share-of-apple-iphone/>

