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)

Wednesday 15 May 2024

Morning (Time: 1 hour 30 minutes) | **Paper reference** **4CM1/01R**

Commerce

PAPER 1: Commercial operations and associated risks

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 in the primary sector?

Select **one** answer.

(1)

☒ **A** Engineering

☒ **B** Farming

☒ **C** Construction

☒ **D** Retailing

(b) Which **one** of the following is an example of invisible trade?

Select **one** answer.

(1)

☒ **A** Export of goods

☒ **B** Subsidies

☒ **C** Importing cars from overseas countries

☒ **D** Providing insurance to overseas countries

(c) Define the term **proposal form**.

(1)

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(d) Define the term **fidelity guarantee**.

(1)

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DO NOT WRITE IN THIS AREA

(e) *Dadu's* is a sweet shop in India, that makes a variety of different Indian cookies, biscuits and savouries. A kilo of Ajwain Cookies costs 590 Indian rupees (INR). *Dadu* products are sold to many countries in Europe.

The exchange rate is €1.00 (euro) = 90.07 INR

(i) Calculate the price, in euros, of 1 kilo of Ajwain Cookies. You are advised to show your working.

(2)

€..

The next month the exchange rate was €1.00 = 105.00 INR

(ii) State **one** effect this change in the exchange rate could have on *Dadu's* foreign sales to Europe.

(1)

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(iii) State **one** reason for *Dadu's* having seasonal sales.

(1)

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(f) Explain **one** benefit for insurance companies of the pooling of risks.

(3)

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(g) Explain **one** benefit to a business of buying from a wholesaler.

(3)

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DO NOT WRITE IN THIS AREA

Cake2Thailand is a bakery that makes and delivers cakes to Bangkok and other areas in Thailand. All cakes are made and decorated by hand to the customers individual designs. *Cake2Thailand* makes a wide variety of celebration cakes including for weddings, birthdays and the New Year.

Cakes can either be collected from the bakery or delivered to an address of the customer's choice.

(h) Analyse how *Cake2Thailand* could reduce the risk of bad debts.

(6)

(Total for Question 1 = 20 marks)

2 A newsagent insured its shop for $50 000. The true value of the shop was $90 000.

A fire caused $80 000 of damage.

(a) Which **one** of the following would the insurance company pay out?

Select **one** answer.

(1)

- ☒ **A** $90 000
- ☒ **B** $80 000
- ☒ **C** $50 000
- ☒ **D** $40 000

(b) Which **one** of the following is the name for an owner of a public limited company?

Select **one** answer.

(1)

- ☒ **A** Employee
- ☒ **B** Government
- ☒ **C** Local government
- ☒ **D** Shareholder

(c) **Figure 1** shows a number of credit cards listing their points from spending and interest rates.

Credit Card	Points From Spending	Interest Rate
American Express	1 point for £1	35.00%
John Lewis	5 points for £4	27.90%
Marks and Spencer	2 points for £5	25.90%
Sainsbury's	1 point for £5	22.90%
Tesco	1 point for £4	22.80%

Figure 1

(i) Identify the credit card with the highest interest rate.

(1)

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(ii) Identify the credit card that offers the most points from spending.

(1)

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

(1)

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(e) Explain **one** way actuaries are important to insurance businesses.

(3)

(f) Explain **one** disadvantage of damaged inventory for a business.

(3)

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Lakritsroten is a sweet shop in Sweden. It sells a variety of sweets, chocolates and candy to customers of all ages. It now wants more people to buy its products and is considering the following options:

Option 1: click and collect

Option 2: mobile retailing.

(g) Justify which **one** of these two options *Lakritsroten* 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 In 1946 *Moreschi*, an Italian business, began to manufacture shoes and accessories. It has grown over the years and now sells worldwide a range of shoes for men and women and many accessories such as handbags and scarves. It aims to introduce new products to its range each year.

Moreschi prides itself on the manufacture of its shoes so that they are totally waterproof and made to the highest standard possible. Some shoes are made by hand to customers' orders.

(a) Which **one** of the following is the principle of insurance that requires all information given to be true?

Select **one** answer.

(1)

- ☒ **A** Utmost good faith
- ☒ **B** Indemnity
- ☒ **C** Subrogation
- ☒ **D** Insurable interest

Moreschi is having a sale where it is offering shoes at a 12% discount.

(b) Which **one** of the following would a customer pay on a pair of shoes originally priced at €475.00?

Select **one** answer.

(1)

- ☒ **A** €418.00
- ☒ **B** €463.00
- ☒ **C** €487.00
- ☒ **D** €532.00

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(c) State **one** advantage for *Moreschi* of having its logo on all its products.

(1)

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(d) Outline **one** reason why *Moreschi* uses insurance brokers and not insurance agents.

(2)

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(e) Analyse why insurance cover for product liability is important to *Moreschi*.

(6)

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Moreschi wants to increase the sales of its shoes and accessories throughout Italy. It is considering the following two options:

Option 1: increase the number of speciality shops selling its products

Option 2: start selling its products in department stores.

(f) Justify which **one** of these two options *Moreschi* should choose.

(9)

(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 *LOKL Coffee Co*, is a coffee shop near the city centre of Kuala Lumpur, Malaysia. It is a small shop that sells different types of coffee. There is also a limited meal choice, for breakfast, lunch and different types of cakes and desserts. It prides itself on catering for customers who have certain food allergies.

It is run by a small team of four people, who work from 08:00 until 17:00. Its main trade is from people on their way to work and tourists. Its menu shows prices in Malaysian ringgits (MYR) and euros (€).

The price of a coffee is €8.00.

The exchange rate is €1.00 = 4.93 MYR.

(a) Calculate the price of the coffee in Malaysian ringgits. You are advised to show your workings.

(2)

MYR ....

(b) Analyse why *LOKL Coffee Co* has to comply with consumer protection legislation.

(6)

LOKL Coffee Co has become very successful over the last few years and is considering opening more coffee shops in Malaysia.

(c) Evaluate why labour and customers could be important factors for *LOKL Coffee Co* when deciding on locations for its new shops. You should use the information provided and your own knowledge of commerce in your answer.

(12)

(Total for Question 4 = 20 marks)

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

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Source information:

Question 1

https://www.dadus.co.in/sweets.html

https://www.cake2thailand.com/

Question 2

https://www.moneysavingexpert.com/credit-cards/best-credit-card-rewards/#cash

https://lakritsroten.se/

Question 3

https://www.moreschi.it/pages/experience-moreschi-about-us

Question 4

https://loklcoffee.com/about-us/