

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 5 November 2024

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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V:1/1/17



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 benefit of the cashless society?

Select **one** answer.

(1)

- ☐ **A** Businesses could still suffer from bad debts
- ☐ **B** Banks will still need to offer overdraft facilities
- ☐ **C** Shoppers will find paying for purchases more convenient
- ☐ **D** Retailers will still need to offer credit to customers

- (b) Which **one** of the following documents will be sent by a supplier before an order is placed?

Select **one** answer.

(1)

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

- (c) Define the term **average inventory**.

(1)

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

(1)

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- (e) *Vinasamex* is a major Vietnamese exporter of organic cinnamon and spices. It exports to 20 countries around the world. It aims to continue to expand and export to more countries. It has a plan to become the first organic spices brand in Vietnam to be listed on the Vietnam Stock Exchange by 2026.

In 2023, *Vinasamex* began to sell its spices using *Miss Linh*. *Miss Linh* is a website that promotes and sells food to European businesses.

- (i) State **one** reason why *Vinasamex* uses this website to sell its products in Europe.

(1)

- (ii) State **one** advantage for *Vinasamex* of a listing on the Vietnam Stock Exchange.

(1)



Figure 1 shows some financial information for *Vinasamex*.

2021	Vietnamese Dong (VND) millions
Sales Revenue	275 000
Profit for the year (net profit)	20 800

Figure 1

- (iii) Calculate, to two decimal places, the Profit for the year (net profit) margin for *Vinasamex* in 2021. You are advised to show your working. (2)

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- (f) Explain **one** reason why a business would want to pay high dividends to its shareholders. (3)

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(g) Explain **one** benefit to a customer of having an overdraft.

(3)

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In 2023 *Vinasamex* began production of a new range of organic essential oils used in beauty products. It aims to export these to manufacturers of luxury cosmetics worldwide.

(h) Analyse why *Vinasamex* may choose to use documentary credits when accepting payments for its new products.

(6)

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(Total for Question 1 = 20 marks)



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- 2 (a) Which **one** of the following is used to calculate the Return on Capital Employed (ROCE)?

Select **one** answer.

(1)

- ☐ **A** $\frac{\text{Gross profit}}{\text{Revenue}} \times 100$
- ☐ **B** $\frac{\text{Revenue}}{\text{Gross profit}} \times 100$
- ☐ **C** $\frac{\text{Capital Employed}}{\text{Profit for the year (net profit)}} \times 100$
- ☐ **D** $\frac{\text{Profit for the year (net profit)}}{\text{Capital Employed}} \times 100$

- (b) Which **one** of the following ways could a fast food delivery service use as a point of sale promotion?

Select **one** answer.

(1)

- ☐ **A** Print its logo on its carrier bags
- ☐ **B** Produce an online catalogue
- ☐ **C** Advertise on television
- ☐ **D** Give an interview to the local newspaper



(c) **Figure 2** shows the Central Banks’ interest rates in January 2022 and August 2023 by country.

Country	January 2022 interest rate	August 2023 interest rate
Japan	–0.1%	–0.1%
Sweden	0%	3.75%
United States	0.08%	5.38%
UK	0.25%	5.25%
Russia	8.5%	12%

Figure 2

(i) Identify which country has the same interest rate in January 2022 and August 2023.

(1)

(ii) Identify which country had the biggest change in interest rates between January 2022 and August 2023.

(1)

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

(1)



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(e) Explain **one** benefit for a business of selling an expensive product on hire purchase.

(3)

(f) Explain **one** benefit to a business of sponsoring a famous person.

(3)

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Unilever produces *Ben & Jerry's* ice cream. It is the most popular ice cream worldwide. In 2022, the price of a tub of *Ben & Jerry's* ice cream was £3.00 in the UK. In 2023, the price was £4.50. This 50% increase was due to the rising costs of the ingredients and energy.

Some small retailers saved energy by switching off their ice cream freezers earlier than usual for the winter. Sales fell.

Ice cream is usually stored in freezers at -18°C . *Unilever* is considering developing a new ice cream that can be stored more cheaply at -12°C . This means small retailers will make savings in their annual energy costs. *Unilever* will provide these retailers with freezers that can store the ice cream at -12°C . *Unilever's* competitors will still need their ice cream to be stored at -18°C .

Unilever aims to increase sales of its ice creams.

It is considering the following two options:

Option 1: Reduce the price of the *Ben & Jerry's* ice cream to £4.00

Option 2: Develop the new ice cream to store at -12°C .

(g) Justify which **one** of these two options *Unilever* 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** *Dronamics* is the world's first cargo drone* business. It is now planning to deliver packages to the small airports on Greek islands. It can do this up to 50% cheaper and quicker than other forms of transport such as ferries and vans.

The final stage of delivering packages from these airports to customers will be made using motorcycles because of the narrow roads.

*drone – an unpiloted plane

- (a) Which **one** of the following is a place to store goods before customs and excise duties are paid?

Select **one** answer.

(1)

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

- (b) Which **one** of the following is a reason why *Dronamics* likes to receive payment for deliveries by electronic transfer?

Select **one** answer.

(1)

- ☐ **A** *Dronamics* can be sure the transfer will be free from fraud
- ☐ **B** *Dronamics* quickly receives payment into its bank account
- ☐ **C** Payment for the ecommerce packages will be sent by post
- ☐ **D** Ecommerce packages are always cheap

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(c) State **one** reason why the final part of the delivery from the airport to customers on the Greek islands is made by road. (1)

(d) Complete the credit note below to show the missing amounts.

CREDIT NOTE			No 33652	
Dronamics Global Ltd Founders Factory Northcliffe Ho Young Street London UK			Registered No 11673152	
Aster.com c/o PO Box 321 Santorini Greece			Invoice No 2323 Invoice Date 26/07/2024 Credit Note Date 30/08/2024	
Qty	Ref	Description	Unit Price €	Amount €
(i)	12/1a	Package Delivery London to Santorini, Greece	75.00	150.00
1	265/2a	Package Delivery Frankfurt to Crete, Greece	65.00	65.00
			TOTAL	(ii)

Figure 3 (2)



(e) Analyse the benefits for a business of using *Dronamics* to deliver its packages to the Greek islands.

(6)

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Dronamics has plans to expand into North Africa before 2025. It will need to buy more drones that cost \$100 000 each.

Dronamics will need to raise \$40 million.

It is considering the following two options to raise the \$40 million capital required:

Option 1: bank loan

Option 2: venture capitalists.

(f) Justify which **one** of these two options *Dronamics* 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 *Dauphinette* was founded in 2018 by Olivia Cheng. She designs and produces unique hand painted clothing made in New York from previously used materials. The range also includes distinctive handbags and jewellery using preserved flowers and fruits. She uses recycled materials to pack all orders.

- (a) Outline **one** way *Dauphinette* could advertise the environmentally friendly features of its products on the packaging.

(2)

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(b) Analyse why Olivia Cheng prefers to meet her suppliers face to face.

(6)

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Olivia Cheng considers major fashion events to be very important for her brand. She takes part in major trade fairs such as the New York fashion show. This is held every year during New York Fashion Week which is attended by buyers and media. She displays her clothing at exhibitions including the New York Metropolitan Museum Art Gala.

- (c) Evaluate how taking part in trade fairs and exhibitions helps *Dauphinette* to promote its brand. 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

Source information

<https://vinasamex.com/en/>
<https://www.statista.com/statistics/1317878/inflation-rate-interest-rate-by-country/>

