Centre No.					Pape	r Refer	ence			Surname	Initial(s)
Candidate No.			4	3	4	0	/	1	F	Signature	

Paper Reference(s)

4340/1F

London Examinations IGCSE

Commerce

Paper 1F

Foundation Tier

Monday 5 May 2008 – Morning

Time: 1 hour 30 minutes

Materials required for examination	Items included with question papers
Nil	Nil

Instructions to Candidates

In the boxes above, write your centre number, candidate number, your surname, initials and signature. Check that you have the correct question paper.

Answer ALL the questions. Write your answers in the spaces provided in this question paper.

Information for Candidates

The marks for individual questions and the parts of questions are shown in round brackets: e.g. (2). There are 3 questions in this question paper. The total mark for this paper is 80. There are 12 pages in this question paper. Any blank pages are indicated. You may use a calculator.

Advice to Candidates

You will be assessed on your ability to organise and present information, ideas, descriptions and arguments clearly and logically, including your use of grammar, punctuation and spelling. You are advised to spend an equal amount of time, about 30 minutes on each question.

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Turn over



Examiner's use only

Team Leader's use only

Question Number

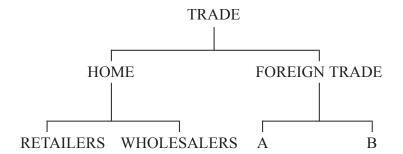
1 2 3

Total

(2)

Answer ALL questions

1. The following diagram shows the divisions of trade and the occupations of wholesalers and retailers.



Using the diagram, answer the following questions.

(a)	(i)	Define the term 'trade'.
		(2)
	(ii)	Identify the two occupations that should appear where the letters A to B are shown on the diagram.
		A
		B(2
-		rom commercial occupations, there are many workers employed in primary ry and direct services.
	(iii)	Give two examples of occupations in primary services.
		(2)

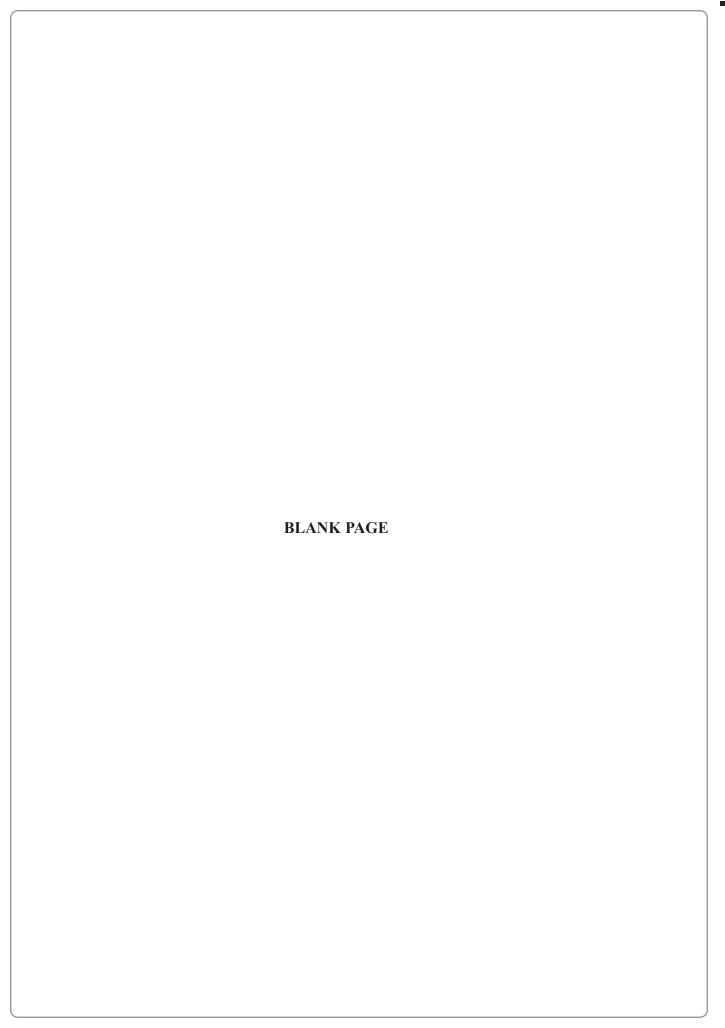


(iv) Give two examples of occupations in direct services.

Leave blank

(v)	How are persons engaged in direct services just as important as those employed in the primary and secondary sectors?
	(2)
(i)	State three services provided by retailers for the consumer.
	(3)
(ii)	State two features that distinguish a department store from other types of retail unit.
	(2)
(iii)	List two methods of retailing other than visiting a shop.
<i>(</i> :)	(2)
(1V)	Explain why some customers prefer to shop at large retailers rather than use small shops.
	(3)
	(ii)

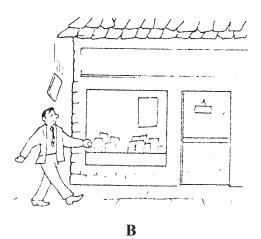
(c) (i)	Describe three functions provided by a wholesaler to a manufacturer.
	(3)
(ii)	Analyse why wholesalers are important to small retailers.
	(3)
(iii) Why are wholesalers becoming less important in the distribution of goods?
	(4) (Total 30 marks)

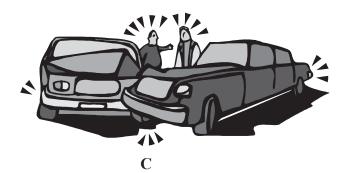




2. The following diagram shows some risks that can be insured against. Study it and then answer the questions which follow.







Leave blank

(a) (i) Name the type of insurance that would cover each of the risks shown in A, and C.	В
A	
В	
C	
	(3)
(ii) Describe two other risks that the owner of a business should insure against.	
	•••
	••••
	•••
	•••
	 (4)
(iii) State two business risks that are uninsurable.	
	(2)
(iv) Explain why some business risks are uninsurable.	
	•••
	(3)

(b) Dis	scuss the importance of two documents when arranging insurance.	
	(6)	
(c) (i)	What is meant by the term pooling of risks?	
(0) (1)	what is meant by the term pooring of rishs.	
	(2)	
(ii)	Why do insurance companies normally charge higher premiums for motor insurance to 18-year-old drivers than to 40-year-old drivers?	
	(3)	
	(3)	

7.	nad	
(1	1)	Where an item is insured for £10 000 when it is only worth £5 000.
		(1)
(i	ii)	Where an item is insured for £8 000 with two insurance companies.
		(1)
		(Total 25 marks)

8	and	20. inte	is moved into a new apartment and wants to buy a suite of leather furniture for She has decided to buy the furniture on hire purchase. A deposit of 25% is paid rest at 10% per annum is charged on the outstanding balance. The balance is paid onthly instalments.
((a)	(i)	Calculate how much each instalment will be. (Show your working)
			(6)
		(ii)	What would be the advantage to Betty of paying cash rather than buying on hire purchase?
i	Afte	er on	(2)
		JI 011	
			(2)
			e month's use, the leather started to split.
			e month's use, the leather started to split.
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		(4	
		(Total 25 marks	
	TOTAL FOR	PAPER: 80 MARK	S
END			