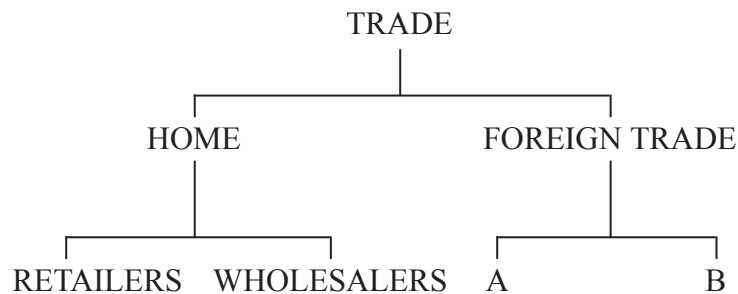




**Answer ALL questions**

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)

Apart from commercial occupations, there are many workers employed in primary, secondary and direct services.

- (iii) Give **two** examples of occupations in primary services.

.....  
 ..... (2)

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

.....  
 ..... (2)



(v) How are persons engaged in direct services just as important as those employed in the primary and secondary sectors?

.....  
.....  
.....  
(2)

(b) (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.

.....  
.....  
.....  
(2)

(iv) Explain why some customers prefer to shop at large retailers rather than use small shops.

.....  
.....  
.....  
.....  
(3)



(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?

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.....  
.....  
.....  
.....  
.....  
.....

(4)

(Total 30 marks)

Q1

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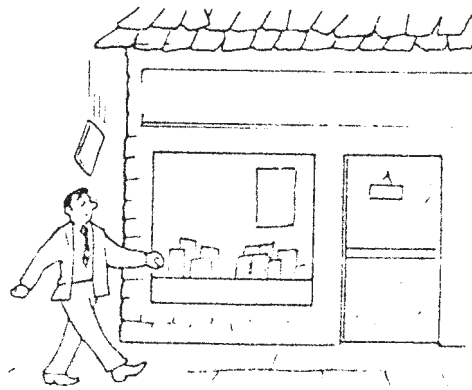
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2. The following diagram shows some risks that can be insured against. Study it and then answer the questions which follow.



A



B



C



(a) (i) Name the type of insurance that would cover each of the risks shown in A, B and C.

A .....

B .....

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) Discuss the importance of **two** documents when arranging insurance.

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

(6)

(c) (i) What is meant by the term pooling of risks?

.....  
.....  
.....

(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)





(d) What would be the result for the insured when each of the following claims are made?

(i) Where an item is insured for £10 000 when it is only worth £5 000.

.....  
.....

(1)

(ii) Where an item is insured for £8 000 with two insurance companies.

.....  
.....

(1)

Q2

(Total 25 marks)

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3. Betty has moved into a new apartment and wants to buy a suite of leather furniture for £1 120. She has decided to buy the furniture on hire purchase. A deposit of 25% is paid and interest at 10% per annum is charged on the outstanding balance. The balance is paid in 24 monthly 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?

.....  
.....  
.....

(2)

After one month's use, the leather started to split.

(iii) Explain the consumer rights that Betty has in this situation.

.....  
.....  
.....  
.....  
.....  
.....

(4)



(b) How does a credit sale agreement differ from hire purchase?

.....  
.....  
.....  
.....

**(3)**

(c) Explain a suitable method of borrowing in the following situations:

(i) a motor car costing £15 000

.....  
.....  
.....  
.....

**(3)**

(ii) a house costing £180 000.

.....  
.....  
.....  
.....

**(3)**

**QUESTION 3 CONTINUES ON THE NEXT PAGE**



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(d) How would Betty benefit from using a credit card to buy other goods for her apartment?

.....

.....

.....

.....

.....

.....

(4)

Q3

(Total 25 marks)

**TOTAL FOR PAPER: 80 MARKS**

**END**

