

Write your name here

Surname

Other names

**Pearson Edexcel  
International GCSE**

Centre Number

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Candidate Number

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# Commerce

Thursday 16th January 2014 – Morning  
**Time: 2 hours**

Paper Reference

**4CM0/01**

**A calculator may be used.**

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.*

## Information

- The total mark for this paper is 100.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*
- A calculator may be used.

## Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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**PEARSON**

**Answer ALL questions.**

**1** Complete the following sentences by inserting only **one** word in each space.

(a) Excise ..... is charged on specific home produced goods. (1)

(b) State-owned organisations are in the ..... sector. (1)

(c) A ..... is a loan to buy a house. (1)

(d) A ..... name is one way a business can make its products easily recognised. (1)

**(Total for Question 1 = 4 marks)**

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**2** Using an example in each case, define:

(a) Collective advertising (2)

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(b) Competitive advertising (2)

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**(Total for Question 2 = 4 marks)**

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**3** The net profit of a business was £36 000. The capital invested was £240 000.

Calculate the net profit as a % of capital. Show your working.

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**(Total for Question 3 = 2 marks)**

**4** Karina has received a faulty product from an online retailer. Karina emails the retailer to complain.

Suggest **two** actions Karina would like the retailer to take.

1 .....

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2 .....

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**(Total for Question 4 = 2 marks)**

**5** List **two** government services that help exporters.

1 .....

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2 .....

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**(Total for Question 5 = 2 marks)**



6 Identify **two** reasons why a business might choose to send its goods by inland waterways.

1 .....

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2 .....

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**(Total for Question 6 = 2 marks)**

7 Workers can be classified as being employed in the primary or secondary sector.

For each occupation listed below, classify whether it is a primary sector occupation or a secondary sector occupation by putting a cross ☒ in the correct box below.

**Indicate your answer by marking a cross in the box (X). If you change your mind, put a line through the box ☒ and then indicate your new answer with a cross ☒.**

Occupation	A Primary	B Secondary
(i) Foundry worker	☒	☒
(ii) Boat builder	☒	☒
(iii) Quarry worker	☒	☒
(iv) Fisherman	☒	☒

**(Total for Question 7 = 4 marks)**

8 Name **one** commercial document sent to a buyer before the goods are delivered.

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**(Total for Question 8 = 1 mark)**



**9** Identify **two** reasons why a franchise is less risky than other ways of starting your own business.

1 .....

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2 .....

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**(Total for Question 9 = 2 marks)**

**10** Outline **two** features of a cold storage warehouse.

1 .....

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2 .....

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**(Total for Question 10 = 2 marks)**

**11** Give **three** reasons for the increased use of credit by consumers.

1 .....

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2 .....

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3 .....

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**(Total for Question 11 = 3 marks)**



**12** State **two** situations when a bank giro (credit transfer) might be used.

1 .....

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2 .....

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**(Total for Question 12 = 2 marks)**

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**13** How are cheques and bills of exchange different?

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**(Total for Question 13 = 4 marks)**

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**TURN OVER FOR QUESTION 14.**



14 The picture below shows a supermarket that has introduced self-service checkouts for customers to use when paying for their shopping.

A self-service checkout is where a customer scans and pays for their goods without the assistance of a checkout operator.



(a) Name the sector of production under which retailing is classified.

(1)

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.....

(b) State **two** advantages to the **customer** of using self-service checkouts.

(2)

1 .....

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2 .....

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(c) Why have some supermarkets introduced self-service checkouts?

(3)

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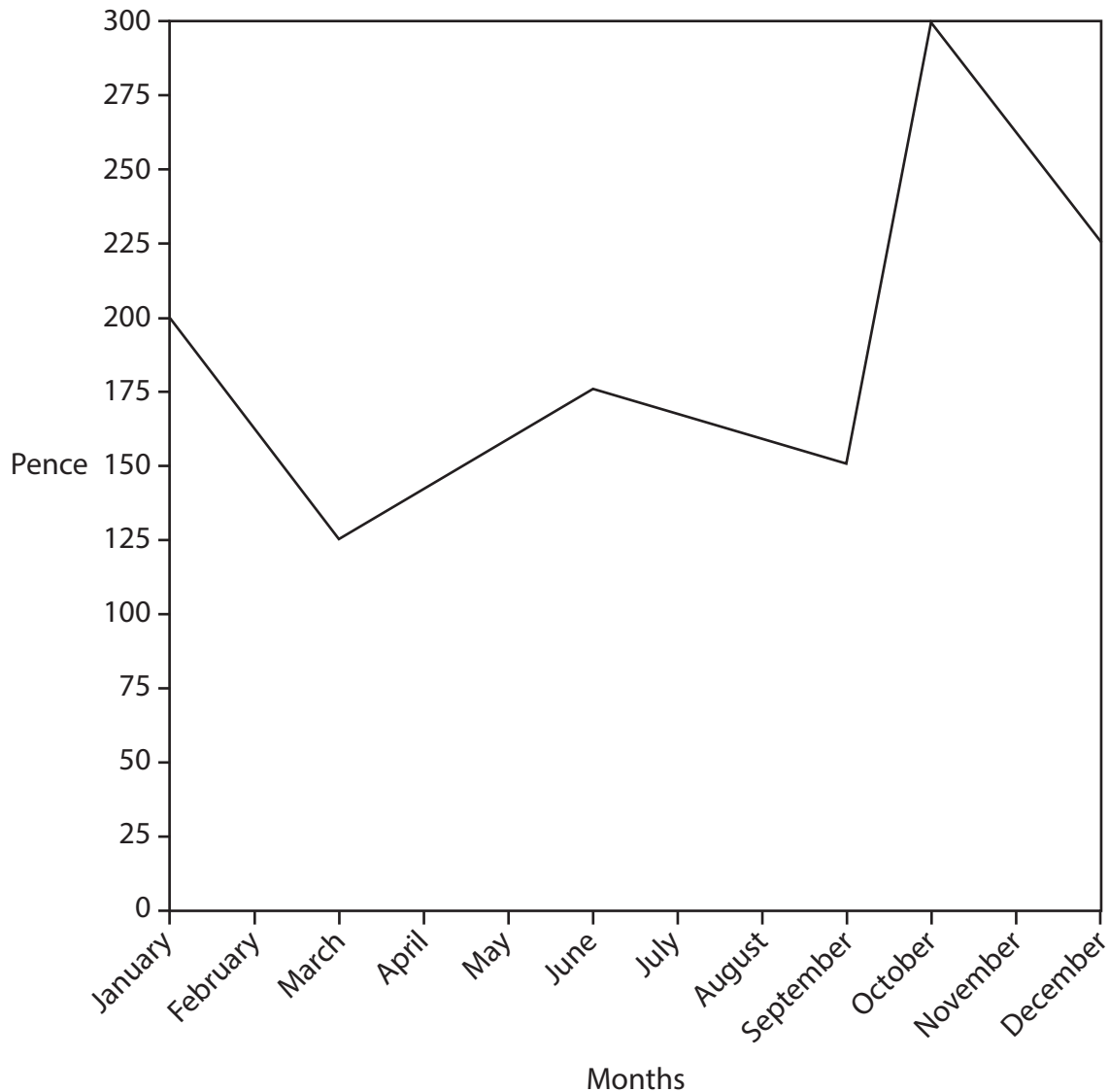
**(Total for Question 14 = 6 marks)**

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15 The following graph shows the monthly prices of the shares (equities) in IceChill plc for 2013. Eva Kent has owned IceChill plc shares for a few years. In May 2012 she received a good dividend on her investment. In fact, she was so pleased with the company results she purchased 3,000 more shares on 1 January 2013 at a price of £2 each through the stock exchange.

**IceChill plc Equity Share Price 2013**



Study the graph, and answer the questions that follow.

(a) (i) Examine **one** way Eva could have purchased the shares which she bought in January 2013.

(2)

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(ii) Calculate Eva's profit or loss if she sold the 3,000 shares, bought in January 2013, when they were at the highest price in 2013.

(3)

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(iii) Suggest why March 2013 would have been the worst time to sell the 3,000 shares.

(3)

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(b) Analyse **two** factors that could cause the share price of a company to change during the year.

(6)

1 .....

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2 .....

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(c) Explain why stock exchanges are important to companies such as IceChill plc.

(6)

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**(Total for Question 15 = 20 marks)**



16 Mr Khan is an importer of gold jewellery from South Africa. Mrs Patel, who runs a jewellery shop in Sri Lanka, buys the gold jewellery she sells from import agents like Mr Khan. The distribution channel is shown below.



(a) List **three** services a forwarding agent might offer the manufacturers.

(3)

- 1 .....
- 2 .....
- 3 .....



(b) Discuss **two** advantages to Mrs Patel of using an import agent rather than importing the goods herself.

(6)

1 .....

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2 .....

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(c) When importing goods import agents may have difficulties with methods of payment and documentation.

Explain why each of these may cause difficulties.

(6)

Methods of payment

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Documentation

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(d) Analyse why consumers buy some goods manufactured in other countries even though the same goods are also manufactured in their own country.

(5)

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**(Total for Question 16 = 20 marks)**



**17** Gary Sparks, who is 19 years of age, requires motor insurance cover after buying a second-hand sports car. He is going to use an insurance broker.

(a) Outline **two** reasons why Gary should insure his new car.

(4)

1 .....

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2 .....

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(b) Why will the insurance company require a proposal form to be completed before providing insurance cover?

(5)

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(c) Explain **two** reasons why Gary might be refused insurance for his new car.

(6)

1 .....

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2 .....

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(d) Discuss the role of the insurance broker in arranging insurance for Gary.

(5)

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**(Total for Question 17 = 20 marks)**

**TOTAL FOR PAPER = 100 MARKS**

