

Write your name here

Surname

Other names

**Pearson Edexcel
International GCSE**

Centre Number

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Candidate Number

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Commerce

Wednesday 6 May 2015 – Afternoon
Time: 2 hours

Paper Reference

4CM0/01

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.*

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.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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Answer ALL questions.

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

(a) A double has to occur for barter to take place. (1)

(b) The document informs the seller of what the buyer wants to purchase. (1)

(c) One function of money is to act as a standard for payments. (1)

(d) A trading is a group of countries that have made a free trade agreement. (1)

(Total for Question 1 = 4 marks)

2 Using an example in each case, define:

(a) informative advertising (2)

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(b) persuasive advertising (2)

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(Total for Question 2 = 4 marks)



3 What is meant by 'Terms 5%, 7 days' when shown on an invoice?

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(Total for Question 3 = 2 marks)

4 State **two** advantages to a bank offering internet banking to its customers.

1

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2

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(Total for Question 4 = 2 marks)

5 Describe what is meant by legal tender.

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(Total for Question 5 = 2 marks)

6 Give **two** reasons why retailers offer after-sales service to their customers.

1

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2

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(Total for Question 6 = 2 marks)



7 Methods of communications can be divided into spoken and written.

For each method of communication, identify whether it is either spoken or written by putting a cross ☒ in the correct box below.

Method	Spoken	Written
(i) Fax	☒	☒
(ii) Radio	☒	☒
(iii) Teletext	☒	☒
(iv) Videoconferencing	☒	☒

(Total for Question 7 = 4 marks)

8 Name the bank service you would use to withdraw money when the bank is closed.

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(Total for Question 8 = 1 mark)

9 Give **two** reasons why businesses use trade fairs and exhibitions.

1

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2

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(Total for Question 9 = 2 marks)



10 Describe **one** law that protects consumers from misleading advertising.

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(Total for Question 10 = 2 marks)

11 Identify **three** ways a government can reduce the amount of imported goods entering its country.

1

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2

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3

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(Total for Question 11 = 3 marks)

12 Suggest **two** ways a hotel could increase the number of guests booking rooms.

1

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2

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(Total for Question 12 = 2 marks)



13 Outline the stages involved when purchasing goods using a credit card.

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(Total for Question 13 = 4 marks)



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14 The table below shows the share prices of some food retailers on the Stock Exchange on 31 December, 2014.

Highest Price	Lowest Price	Food Retailers	Present Price	Dividend Yield
700	490	Domino's	600	5.0
520	400	Greggs	440	1.4
300	250	Morrisons	290	1.9
400	320	Sainsbury's	400	2.2
390	310	Tesco	380	1.8

Using the information above, answer the questions below.

(a) (i) What type of business organisation has its share price quoted on the stock exchange?

(1)

(ii) Name the company with the largest difference in share price during 2014.

(1)

(iii) Which company's share price had reached its highest point on 31 December, 2014?

(1)

The dividend yield on Dominos shares was 5.0%.

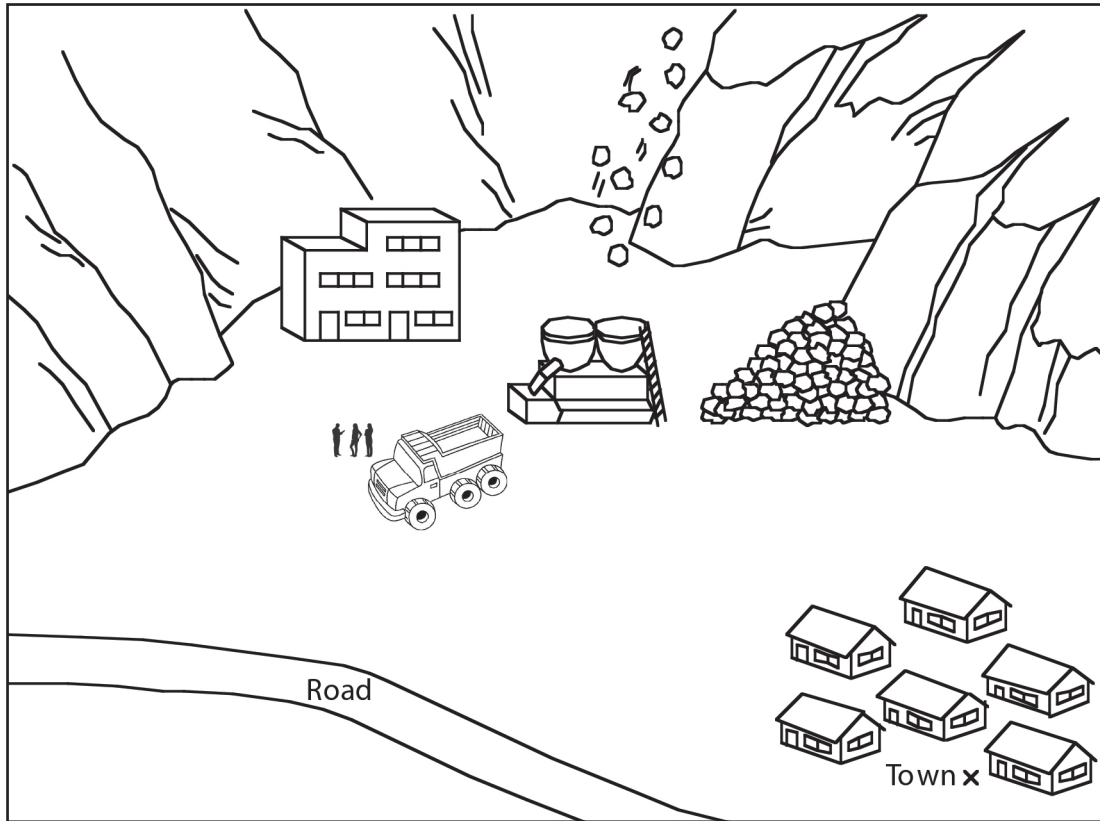
(b) Explain to an investor what is meant by this dividend yield.

(3)

(Total for Question 14 = 6 marks)



15 Gerry is the owner of the quarry shown in the picture. He employs 20 workers. The quarry uses machinery, transport and explosives in its work. Town X is about 1 kilometre from the quarry. Study the picture and answer the questions that follow.



(a) (i) Name **two** factors of production shown in the picture above.

(2)

1

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2

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(ii) Why is quarrying a primary industry?

(2)

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(b) (i) Give **two** examples of insurance policies that Gerry should take out for the quarry.

(2)

1

2

(ii) Give **two** examples of personal insurance that residents of Town X might insure against.

(2)

1

2

(c) Explain why an insurance company might include clauses in an insurance policy.

(4)

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(d) Analyse the implications of the following principles when making an insurance claim:

(i) Contribution

(4)

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(ii) Utmost good faith

(4)

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(Total for Question 15 = 20 marks)



16 John Tang is a wholesaler supplying many town centre small retailers within 250km of his warehouse. He uses road transport and a haulage company to deliver bulky consignments and has a leasing contract for two vans for smaller sized loads.

(a) (i) State **three** reasons why John uses road transport.

(3)

1

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2

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3

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(ii) What is meant by the term 'leasing'?

(2)

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(b) Explain **two** reasons why small retailers find it better to trade with a wholesaler rather than directly with a manufacturer.

(6)

1

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(c) Analyse **one** reason why many small retailers are located in town centres.

(3)

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John is facing increasing competition and is considering making some changes to the way he runs his business. He has decided to buy and run his own fleet of delivery vehicles.

(d) Evaluate this decision to buy and run his own fleet of vehicles.

(6)

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(Total for Question 16 = 20 marks)



17 Hazel's Handbags makes handbags and exports 60% of them abroad. Some of the raw materials are imported. The exchange rate for the pound (£) influences the costs of production and the price at which the handbags are sold.

(a) Calculate how much a £20 handbag will sell for in India if £1 = 80 rupees (India). Show your working.

(2)

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(b) How would a depreciation in the exchange rate

(i) influence Hazel's Handbags' import costs

(2)

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(ii) affect the selling price to customers abroad?

(2)

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(c) When Hazel's Handbags imports raw materials from a supplier the payment is made using a letter of credit.

(i) Explain what is meant by a 'letter of credit'.

(2)

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(ii) Explain why letters of credit are used by the supplier.

(4)

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