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Pearson Edexcel
International GCSE

Centre Number

Candidate Number

Commerce

Tuesday 12 January 2016 – Afternoon Time: 2 hours	Paper Reference 4CM0/01
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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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PEARSON

Answer ALL questions

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

- (a) A tractor would be used in the sector of production. (1)
- (b) Local can give advice to consumer problems. (1)
- (c) A agent arranges the movement of cargo to overseas destinations. (1)
- (d) Equities or shares represent ownership of a limited company. (1)

(Total for Question 1 = 4 marks)

2 Using an example in each case, define the following terms:

- (a) Human wants (2)

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- (b) Construction industry. (2)

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(Total for Question 2 = 4 marks)

3 The turnover of a business in 2015 was £900 000 with a gross profit of £315 000.

Calculate the gross profit margin. Show your working.

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(Total for Question 3 = 2 marks)

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4 Give **two** advantages to retailers of accepting debit cards in payment for goods.

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2

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(Total for Question 4 = 2 marks)

5 State **two** features of a business partnership.

1

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2

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(Total for Question 5 = 2 marks)

6 Identify **two** reasons why more and more consumers are using credit cards.

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(Total for Question 6 = 2 marks)

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7 Banking payment methods are used in home trade and international trade.

For each banking payment method, identify whether it is used in home trade or international trade by putting a cross ☒ in the correct box below.

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

Method	Home trade	International trade
(i) Bank draft	<input type="checkbox"/>	<input type="checkbox"/>
(ii) Credit transfer	<input type="checkbox"/>	<input type="checkbox"/>
(iii) Documentary credit	<input type="checkbox"/>	<input type="checkbox"/>
(iv) Travellers cheque	<input type="checkbox"/>	<input type="checkbox"/>

(Total for Question 7 = 4 marks)

8 Identify the method of communication that allows people in different countries to have a meeting using sound and vision.

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(Total for Question 8 = 1 mark)

9 Suggest **two** methods of appeal that might be used in a television advertisement to attract customers to use a new brand of perfume.

1

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2

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(Total for Question 9 = 2 marks)

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10 State **two** features of a regional distribution warehouse.

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(Total for Question 10 = 2 marks)

11 Identify **three** services that the wholesaler provides for the manufacturer.

1
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(Total for Question 11 = 3 marks)

12 Suggest **two** reasons why a UK exporter would use the telephone rather than email to contact an agent in China.

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(Total for Question 12 = 2 marks)

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13 Explain **two** differences between cash discount and trade discount.

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(Total for Question 13 = 4 marks)

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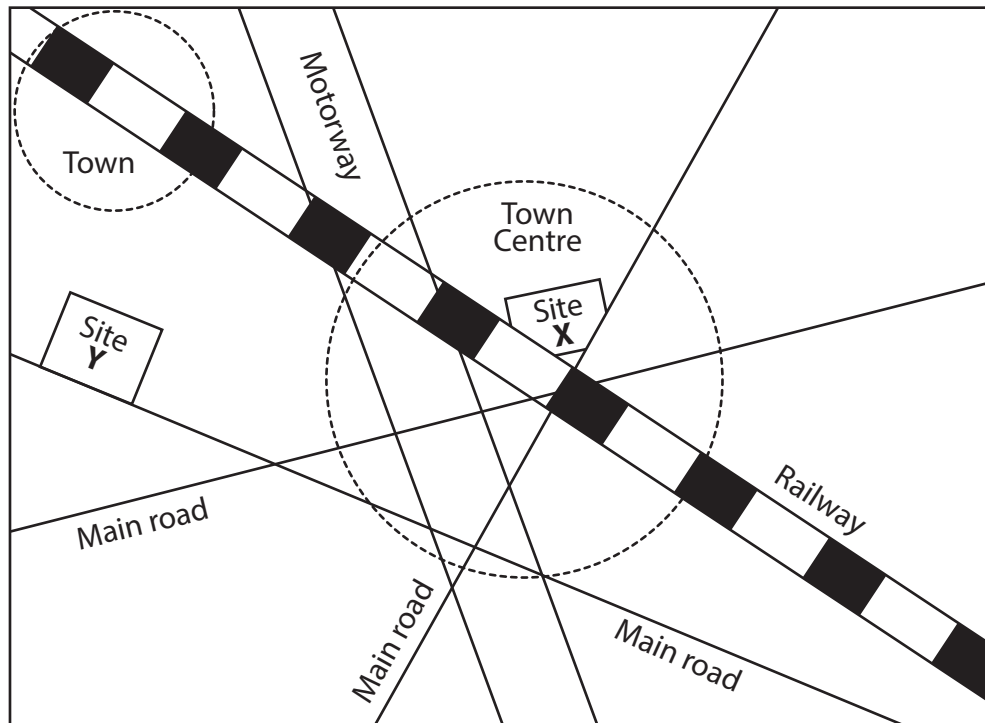
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14 A large-scale retailer plans to build a new supermarket. It has been given permission to build on either site X or site Y as shown on the map below.



(a) (i) Give **one** reason why site X is a suitable site for this new supermarket. (1)

(ii) Why might site Y be a more suitable location than site X for this new supermarket? (2)

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(b) Explain why site X might be more suitable for a multiple chain shoe retailer rather than a new supermarket.

(3)

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(Total for Question 14 = 6 marks)

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15 The following table shows the balance of payments for three countries. All three countries specialise in the production of specific products.

Balance of payments figures (£ million)			
	Country 1	Country 2	Country 3
Visible Trade: Exports	6 388	7 276	3 795
Imports	5 394	6 847	4 359
Visible Trade Balance			
Invisible Balance	425	329	1 817
Current Balance			

Study the table, and answer the questions that follow.

(a) (i) Which country sells the most goods abroad? (1)

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(ii) Which country has the best invisible balance? (1)

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(iii) Which country has the best trade balance? (1)

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(iv) Which country has the most favourable balance of payments? (1)

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(b) Using examples, explain the difference between visible trade and invisible trade. (4)

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(c) What effects will the imposition of a tariff on food have on:

(i) the import of food into a country

(3)

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(ii) domestic food industries within a country?

(3)

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(d) Why do countries specialise in specific products?

(6)

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16 A small number of multi-national companies produce most of the cars sold in the world.

(a) (i) Define a multi-national company.

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(ii) Name **one** example of a multi-national motor car company.

(1)

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(b) Analyse why multi-national companies produce most of the cars in the world.

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Cars are advertised using many different types of media.

(c) Explain why cars are often advertised in magazines.

(6)

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(d) Describe how the law protects consumers against misleading advertising.

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(Total for Question 16 = 20 marks)

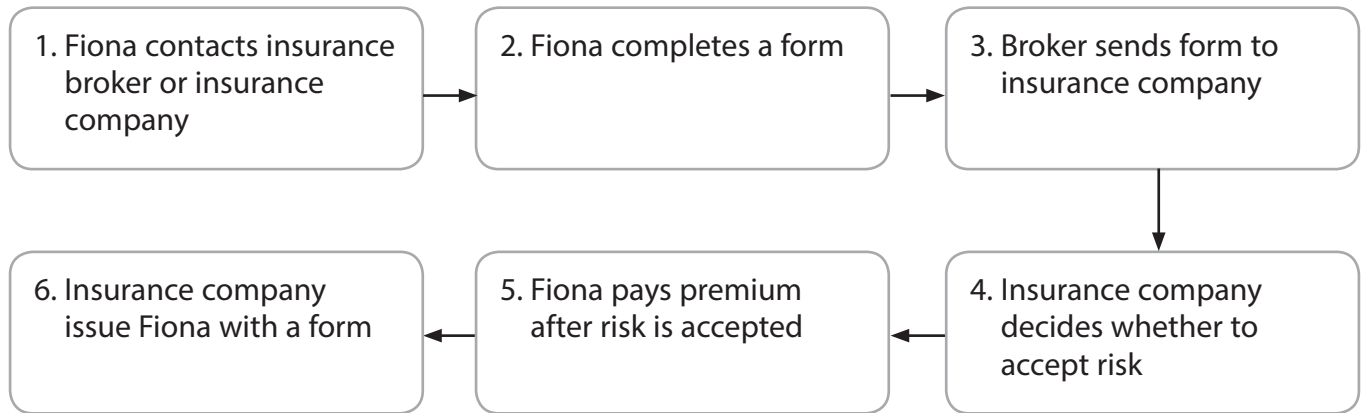
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17 The diagram below shows the various stages followed by Fiona when taking out an insurance policy for house contents insurance.



Study the diagram, and answer the questions that follow.

(a) (i) What is the name of the form Fiona completes in Stage 2? (1)

(ii) What is the name of the form the insurance company issues in Stage 6? (1)

(b) Discuss whether it is better for Fiona to use an insurance broker or contact an insurance company directly. (6)

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(c) Analyse the implications of the following insurance principles for Fiona when taking out insurance:

(i) Utmost good faith

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(ii) Contribution.

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The house contents had been insured for £7 000. Unfortunately, six months later, electrical goods costing £8 000 and her friend's jewellery valued at £5 500 were stolen from the house.

(d) Explain how much Fiona would be entitled to receive in compensation.

(4)

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(Total for Question 17 = 20 marks)

TOTAL FOR PAPER = 100 MARKS

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