Candidate surname | Other names

Centre Number | Candidate Number

Pearson Edexcel International GCSE (9–1)

Time 1 hour 30 minutes

Paper reference **4CM1/01R**

Commerce
PAPER 1: Commercial operations and associated risks

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*.
- You must **show all your working out** with **your answer clearly identified** at the **end of your solution**.

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets
  – *use this as a guide as to how much time to spend on each question*.
- Calculators 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 ▶

Pearson

SECTION A

Answer ALL questions. Write your answers in the spaces provided.

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 (a) Which **one** of the following would be classified as being in the secondary sector?

Select **one** answer.

(1)

☒ **A** Drilling for oil

☒ **B** Baking the cakes

☒ **C** Farming the land

☒ **D** Insuring the risk

(b) Which **one** of the following defines the chain of distribution?

Select **one** answer.

(1)

☒ **A** The manufacture of goods for sale

☒ **B** The method of transport used to move goods to retailers

☒ **C** The preparation of goods for sale in a warehouse

☒ **D** The transfer of goods from the manufacturer to the consumer

(c) Define the term **cash-and-carry**.

(1)

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P 7 1 3 4 5 A 0 2 2 0

(d) Define the term **compensation**.

(1)

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(e) *Magonn* is a clothes shop in Ho Chi Minh City, Vietnam, selling fashionable clothes to young women. When fashions change it often sells its old stock of clothes at a much lower price. This is called discounting.

(i) Calculate the price of a dress after a 27% discount given by *Magonn* on the original price of 730 000 Vietnamese Dong (VND). You are advised to show your workings.

(2)

....VND

(ii) State **one** possible disadvantage for *Magonn* of discounting the price of its dresses.

(1)

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(iii) State **one** advantage for *Magonn's* customers of buying clothes that have been discounted.

(1)

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(f) Explain **one** reason why a country might place quotas on the products it imports.

(3)

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P 7 1 3 4 5 A 0 4 2 0

(g) Explain **one** reason why a business might outsource its production.

(3)

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Pomelo is a Fair Trade market place in Myanmar that charges rent from businesses hiring stalls. Every purchase made at the market place helps to contribute to social and economic change in Myanmar's local communities. *Pomelo* encourages and supports the unique craft skills of former street children and refugee women, who have been trained in various skills, such as traditional carpentry or making handmade soap.

(h) Analyse why *Pomelo* should insure against any fire occurring at the market place.

(6)

(Total for Question 1 = 20 marks)

P 7 1 3 4 5 A 0 6 2 0

2 (a) Which **one** of the following would a sole trader have?

Select **one** answer.

(1)

☒ **A** Shares to sell

☒ **B** Total control

☒ **C** One partner

☒ **D** Limited liability

Takealot is an online business in South Africa selling a wide variety of products. It has introduced a new website to allow customers to buy its products more quickly.

Takealot has 14 million customers and 81.6% use their mobile phones to order products.

(b) Which **one** of the following is the number of customers using a mobile phone to buy products online from *Takealot*?

Select **one** answer.

(1)

☒ **A** 171,569

☒ **B** 2,576,000

☒ **C** 11,424,000

☒ **D** 13,999,982

P 7 1 3 4 5 A 0 7 2 0

(c) **Figure 1** shows examples of online currency exchange businesses that will deliver currency that has been ordered by customers.

Name of business	Standard delivery charge	Euro rate	US dollar rate
COG	£10.00	1.109	1.250
Fourex	£10.00	1.108	1.250
Sterling	£ 6.00	1.104	1.253
The Currency Club	£ 2.99	1.104	1.238
TFX Travel	£ 5.00	1.110	1.253
Covent Garden FX	£ 6.00	1.099	1.241
ICE plc Travel Money	£ 4.75	1.094	1.237

Figure 1

(i) Identify the business with the lowest euro exchange rate.

(1)

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(ii) Identify the business that has the lowest cost for standard delivery.

(1)

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(d) Define the term **voluntary chain**.

(1)

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(e) Explain **one** reason why businesses sell own label products.

(3)

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(f) Explain **one** benefit for insurance companies from the pooling of risks.

(3)

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Salon du Chocolat is a cafe that serves products made out of chocolate. It is owned by a father and son operating as a partnership. They both enjoy making chocolate desserts and drinks for customers. They have opened several cafes in and around Kuala Lumpur. Some of these are franchises. Business has been growing steadily and they wish to expand further in other areas and possibly even into other countries by opening more cafes. To carry out this expansion, *Salon du Chocolat* is considering the following two options.

Option 1: taking on additional partners

Option 2: expanding by opening more franchises.

(g) Justify which **one** of these two options *Salon du Chocolat* should choose.

(9)

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(Total for Question 2 = 20 marks)

TOTAL FOR SECTION A = 40 MARKS

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SECTION B

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

3 *Sugarfina* makes sweets and has many shops around the world. It offers a wide variety of exclusive sweets for all occasions, for example birthdays, graduations and weddings. The sweets are wrapped in individual bags or boxes. *Sugarfina* has become popular with many people, including celebrities.

(a) Which **one** of the following describes a department store?

Select **one** answer.

(1)

⊠ **A** Each department sells different goods in separate areas of the store

⊠ **B** Each department offers a limited range of goods at low prices

⊠ **C** Each department may sell food or household goods

⊠ **D** Each department within the store is the same size

(b) Which **one** of the following is the main reason why *Sugarfina* might buy some ingredients from a wholesaler?

Select **one** answer.

(1)

⊠ **A** Ingredients are obtained at cheaper prices than from manufacturers

⊠ **B** Wholesalers only sell to *Sugarfina*

⊠ **C** Ingredients cannot be returned if faulty

⊠ **D** Wholesalers sell ingredients in large quantities

(c) State **one** advantage for *Sugarfina* of using window displays in its shops.

(1)

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(d) Outline **one** possible reason why having a logo is important to *Sugarfina*.

(2)

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P 7 1 3 4 5 A 0 1 3 2 0

(e) Analyse the impact on *Sugarfina* if customers receive damaged or faulty products.

(6)

P 7 1 3 4 5 A 0 1 4 2 0

Over recent months sales of sweets have increased and *Sugarfina* wants to improve the shopping experience for its customers. It is considering introducing one of the following two methods to help increase sales.

Option 1: introduce self-scan checkouts

Option 2: introduce click and collect.

(f) Justify which **one** of these two options *Sugarfina* should choose.

(9)

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(Total for Question 3 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS

SECTION C

Answer ALL questions.

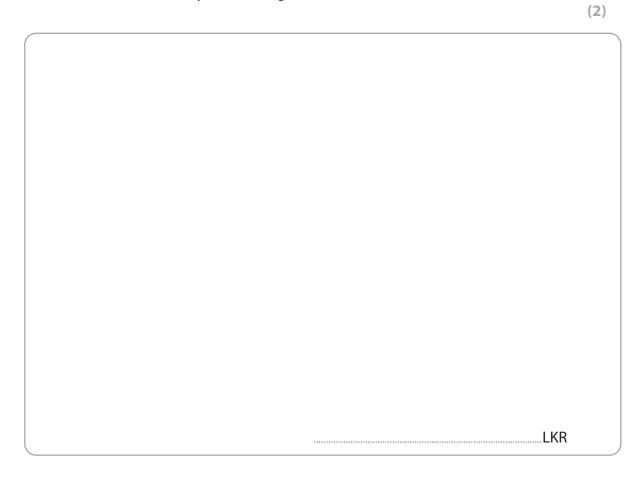**Read the following extract before answering the questions.**

Write your answers in the spaces provided.

4 *Tryaksh* is an online retailer of electronic goods in Wattala, Sri Lanka. It sells a wide variety of quality branded products including computer games, televisions and sound bars. Many of the products it sells are expensive, so *Tryaksh* takes out insurance on the products to protect both itself and its customers.

To encourage customers to purchase products, *Tryaksh* allows them to pay monthly. One offer is for a *Samsung* television costing 148 500 Sri Lankan Rupee (LKR), which customers can pay for over 24 months.

(a) Calculate to two decimal places the monthly payments on the television.

You are advised to show your working.

(2)

....LKR

(b) Analyse why *Tryaksh* has to complete a claim form when a product has been stolen from its warehouse.

(6)

P7 1 3 4 5 A 0 1 8 2 0

(c) Evaluate why it is important for *Tryaksh* to follow consumer protection legislation. You should use the information provided and your own knowledge of commerce in your answer.

(12)

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(Total for Question 4 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS
TOTAL FOR PAPER = 80 MARKS

Source information

http://www.vietnam-guide.com/10-fashion-boutiques.htm

http://pomeloformyanmar.org/

https://www.takealot.com/

https://www.money.co.uk/travel-money.htm

http://www.salonduchocolat.com.my/

https://www.sugarfina.com/

https://tryaksh.lk/index.php/shop

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