Please check the examination details below before entering your candidate information		
Candidate surname	Other na	
Pearson Edexcel Intern		CSE (9–1)
Friday 19 May 2023		
Afternoon (Time: 1 hour 30 minutes)	Paper reference	CM1/01
Commerce PAPER 1: Commercial ope	rations and a	associated risks
You do not need any other material	5.	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 ▶





SECTION A

		F	Answer ALL questions. Write your answers in the spaces provided.	
	Some questions must be answered with a cross in a box \boxtimes . If you change your mind about an answer, put a line through the box \boxtimes and then mark your new answer with a cross \boxtimes .			
1			e of the following is the temporary document issued while an insurance peing prepared?	ce
	Selec	t on	e answer.	(1)
	\times	A	Cover note	
	\times	В	Endorsement	
	X	C	Proposal form	
	×	D	Prospectus	
			e of the following is a customer of a cash-and-carry wholesaler? e answer.	(1)
	×		Emantana	(1)
	×	A B	Exporters Manufacturers	
	×	c	Retailers	
	\boxtimes		Voluntary chains	
	(c) Defin	e the	e term logo .	(1)



l) Define the term compensation .	(1)
e) Surfdome is a sports shop in Hong Kong selling a wide variety of branded sports equipment such as tennis rackets and other own label products. A pair of Vans Classic shoes are priced at 410.00 Hong Kong Dollars (HKD).	
 The exchange rate is 9.23 HKD = £1.00 British pound (GBP). (i) Calculate, to two decimal places, the price of the Vans Classic shoes in GBP. You are advised to show your working. 	(2)
£	
(ii) State one possible effect on <i>Surfdome</i> of having summer sales.	(1)
	(1)
(iii) State one possible effect on <i>Surfdome</i> of having summer sales. (iii) State one possible reason why <i>Surfdome</i> sells its own label products.	(1)



(f) Explain one role of an insurance assessor.	(3)
(g) Explain one way a shop might deal with a complaint made by a customer.	(3)

c m	O Superstore is a supermarket located in Kuala Lumpur, Malaysia. It offers its ustomers a variety of fresh and frozen vegetables, fruit, clothing, cleaning items and nany other products. Its main aim is to provide value-for-money. Keeping up with oday's technology it is now introducing a click and collect service for its customers.	
(†	n) Analyse the possible impact on customers of <i>UO Superstore</i> from the introduction of the new click and collect service.	(6)
	(Total for Question 1 = 20 ma	rks)



- 2 A low risk driver is asked to pay a premium of \$478 for insurance. A high risk driver will pay a premium 14.5% higher than the low risk driver.
 - (a) Which **one** of the following is the insurance premium paid by the high risk driver? Select **one** answer.

(1)

- ★ \$69.31
- **■** \$463.50
- **C** \$492.50
- **■ D** \$547.31
- (b) Which **one** of the following has manufacturing as an example? Select **one** answer.

(1)

- A Indirect services
- Primary sector
- C Secondary sector
- **D** Tertiary activities

(c) **Figure 1** shows the price of one week's travel insurance in Europe for an individual and a couple.

Insurer	Individual	Couple
ABTA	£23.00	£38.73
Avanti	£23.85	£44.18
CoverForYou	£36.00	£52.00
Coverwise	£20.80	£26.59
Leisure Standard	£20.51	£37.92
Staysure	£24.52	£46.83

Figure 1

(i) Identify the insurer with the lowest price for an individual's insurance.

(1)

(ii) Identify the highest price of insurance for a couple.

(1)

(d) Define the term **utmost good faith**.

(1)



(f) Explain one disadvantage of a business partnership.	
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(f) Explain one disadvantage of a business partnership.	
f) Explain one disadvantage of a business partnership.	
	(3)



HTI is one of the United Kingdom's largest designer and manufacturer of children's toys, including Peppa Pig and Hey Duggee. The prices of the toys it makes range from low to very expensive. It has offices and showrooms in the United Kingdom, Hong Kong, Germany and China.

The toys are designed to give children the opportunity to have fun and grow through creative and imaginative play. At present its toys are sold through specialist toy shops but it wants to expand and sell them through other retail outlets.

It is considering the following options:

Option 1: department stores

Option 2: supermarkets.

(g) Justify which one of these two options <i>HTI</i> should choose.	(9)



(Total for Overtion 2 - 20 morts)
(Total for Question 2 = 20 marks)

TOTAL FOR SECTION A = 40 MARKS

SECTION B

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

- 3 Stellenbosch Kitchen (SK) is a restaurant in Stellenbosch, South Africa. It buys most of the ingredients used in its restaurant from suppliers within 50 kilometres of Stellenbosch. It has good communication with its suppliers so that only the freshest ingredients are purchased. Over recent months customers have been requesting their meals to be delivered. SK is now offering this service for customers who live within 3 kilometres of the restaurant.
 - (a) Which **one** of the following insures against loss caused by fraud?

Select **one** answer.

(1)

- A Consequential loss
- **B** Credit insurance
- C Fidelity guarantee
- **D** Product liability

SK has introduced a special offer for new customers of 15% off the price of their first meal.

The price of a customer's first meal is 269 South African Rand (ZAR).

(b) Which **one** of the following is the price of the customer's meal after the 15% has been taken off?

Select **one** answer.

(1)

- **A** 40.35
- B 228.65
- **■ D** 309.35



(c) State one way public liability insurance would protect <i>SK</i> .	(1)
(d) Outline one likely reason why <i>SK</i> purchases goods directly from suppliers.	(2)

(e) Analyse the impact of bad debts on <i>SK</i> 's suppliers of ingredients.	(6)



business has increased <i>SK</i> is having to consider increasing its inventory. It will need more space to cook the meals, including desserts, and then prepare them for delivery.	
To do this, it is considering the following two options:	
Option 1: increasing the size of the restaurant	
Option 2: renting new premises for delivery orders.	
(f) Justify which one of these two options <i>SK</i> should choose.	
	(9)



TOTAL FOR SECTION B = 20 MARKS
(Total for Question 3 = 20 marks)

(2)

SECTION C

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

4 Stanley Market in Hong Kong is a traditional Chinese market selling a variety of products to local visitors. It is popular with foreign tourists staying in Hong Kong and they visit the market to buy souvenirs from the stalls.

Hanamoji is one of the stall holders at the market. He sells a wide selection of Chinese lanterns for inside and outside the home. To make a profit Hanamoji needs a large number of locals and tourists to visit the market and buy his products.

On Saturday Hanamoji sold goods to the value of 5 400 Hong Kong Dollars (HKD) and made a profit of 2 300 HKD. On Sunday his profit had increased by 27.5%

(a)	Calculate, to two decimal places, the profit Hanamoji made on Sunday. You are
	advised to show your working.

HKD





		(6)



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commerce in your unswen			(12)



(Total for Question 4 = 20 marks)	

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



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Source information

https://www.moneysavingexpert.com/insurance/over65s-travel-insurance/

