Please check the examination details below before entering your candidate information

Candidate surname	Other names

Centre Number | Candidate Number

Pearson Edexcel International GCSE (9–1)

Friday 30 May 2025

Morning (Time: 1 hour 30 minutes)

Paper reference **4CM1/02R**

Commerce

PAPER 2: Facilitating commercial operations

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.*
- Where asked 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

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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 is a service provided by commercial banks?

Select **one** answer.

(1)

☐ **A** The setting of monetary policy

☐ **B** The printing of money

☐ **C** The provision of foreign currency

☐ **D** The provision of loans to the government

(b) Which **one** of the following uses electronic transfer as a method of payment?

Select **one** answer.

(1)

☐ **A** A direct debit

☐ **B** A written cheque

☐ **C** A postal order

☐ **D** A cash payment

(c) Define the term **venture capital**.

(1)

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(d) Define the term **inventory turnover**.

(1)

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(e) *Waterdrop* mixes healthy fruit and plant extracts, then squashes them into a small cube. The cube is added to fresh water and becomes a drink without sugar. It uses a small amount of plastic but none in the packaging of its products.

Waterdrop sponsors Danielle Collins and Taylor Fritz, famous American tennis players. Its products are advertised with posters at tennis tournaments and on television. The advertising focuses on the health benefits that come from not using sugar in its products.

(i) State **one** way changing consumer preferences have impacted on *Waterdrop*'s advertising.

(1)

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(ii) State **one** reason why *Waterdrop* sponsors famous American tennis players.

(1)

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Figure 1 gives brief financial information for *Waterdrop*.

2023	
Sales revenue	$ 91 220 000
Gross profit margin	66%

Figure 1

(iii) Calculate the gross profit for *Waterdrop* in 2023. You are advised to show your working.

(2)

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(f) Explain **one** disadvantage for a business of using factoring.

(3)

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(g) Explain **one** benefit to a business of having an overdraft.

(3)

Waterdrop's customers can pay for their cube drinks using a credit card.

(h) Analyse why using a credit card may be a good method of payment for customers of *Waterdrop*.

(6)

(Total for Question 1 = 20 marks)

2 (a) Which **one** of the following is the correct formula for the calculation of mark up?

Select **one** answer.

(1)

- ☒ **A** $\dfrac{\text{profit for the year}}{\text{capital employed}} \times 100$
- ☒ **B** $\dfrac{\text{profit per item}}{\text{cost per item}} \times 100$
- ☒ **C** $\dfrac{\text{expenses}}{\text{turnover}} \times 100$
- ☒ **D** $\dfrac{\text{gross profit}}{\text{revenue}} \times 100$

(b) Which **one** of the following is a benefit to a supplier of bricks of offering 90-day trade credit to its customers?

Select **one** answer.

(1)

- ☒ **A** Customers are guaranteed to use the bricks and pay in 90 days
- ☒ **B** Customers who want to pay before 90 days will not buy the bricks
- ☒ **C** New customers will be attracted by 90-day trade credit
- ☒ **D** Customers will pay a discounted price after 90 days

(c) **Figure 2** shows a breakdown of how UK residents obtain their credit cards.

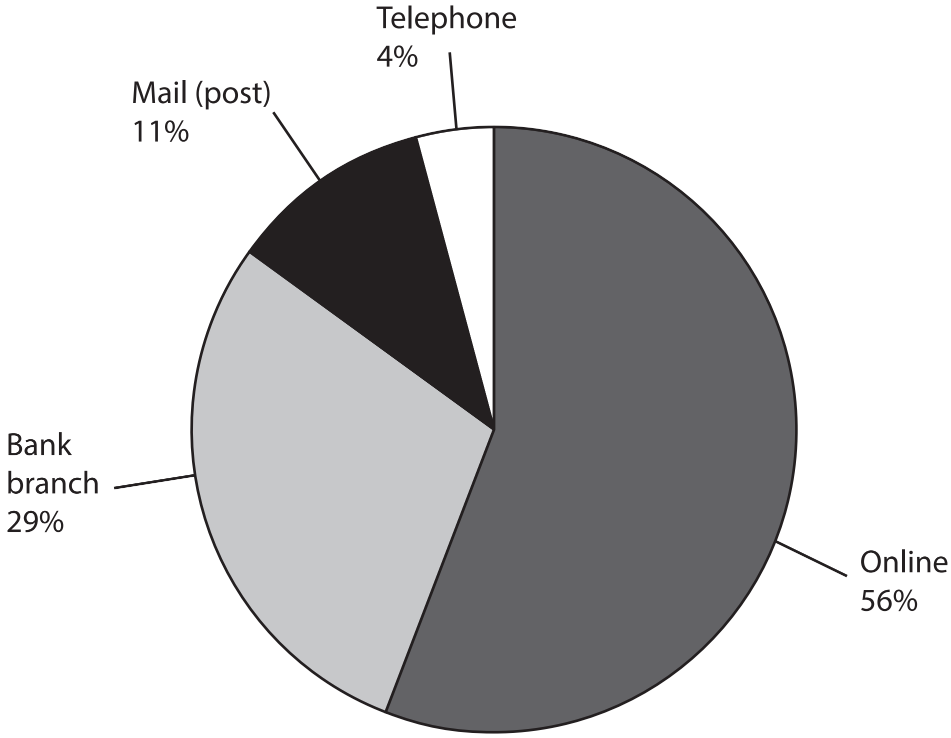

Figure 2

(i) Identify the percentage of UK residents who visit a bank branch to obtain their credit cards.

(1)

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....

(ii) Identify the method that has the lowest percentage of use by UK residents when obtaining a credit card.

(1)

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

(1)

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(e) Explain **one** benefit to a business of a cashless society.

(3)

(f) Explain **one** reason why return on capital employed (ROCE) is important to investors.

(3)

Warby Parker designs and produces high-quality designer prescription eyeglasses and contact lenses for people with eyesight problems. It sells them at competitive prices online and in its 200 shops across the US and Canada.

Customers who buy prescription eyeglasses are likely to need new ones quite often. This means that *Warby Parker* has many repeat customers. The average amount spent by each customer increased by 9.3%, in 2022, to $287.

In 2023, *Warby Parker* opened 40 new shops and sales revenue increased to $670 million. However, it failed to make any profit for that year because of the high costs of opening the new shops. *Warby Parker* plans to open more shops.

Warby Parker has developed a range of expensive eyeglasses. The gross profit margin for these is higher than for the cheaper eyeglasses. It sells a range of other products such as sunglasses and eyeglass cases.

Warby Parker wanted to improve its sales revenue in 2024. It considered the following two options:

Option 1: increasing the average amount spent by each customer

Option 2: spending 10% of sales revenue on marketing its ecommerce site.

(g) Justify which **one** of these two options *Warby Parker* should choose.

(9)

(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.

Brands For Less (*BFL*) is a leading retailer of fashion, household goods and toys in the Middle East. It sells branded goods for up to 80% less than the usual retail price. It constantly offers new items and brands to excite and attract customers.

BFL has a fully automated Regional Distribution Centre (RDC) in Saudi Arabia storing a range of 30 million products. This supports a network of over 20 stores across Saudi Arabia and its global ecommerce business. The automated system is highly efficient in the picking and packing of all orders.

BFL uses couriers to deliver regional ecommerce orders to customers' homes. International orders can be delivered by air from the local airport at Sudair City.

3 (a) Which **one** of the following is a debenture?

Select **one** answer.

(1)

☐ **A** A government grant available to small businesses

☐ **B** A share entitling its holder to variable dividends and voting rights

☐ **C** A long-term loan usually to buy a property and secured against property

☐ **D** A loan to a business paying a fixed rate per annum for a fixed time period

(b) Which **one** of the following is a document issued by *BFL* to find out how much a consignment of children's toys would cost from a regular supplier?

Select **one** answer.

(1)

☐ **A** An invoice

☐ **B** An enquiry

☐ **C** A statement of account

☐ **D** A credit note

(c) State **one** way the technology in the RDC helps *BFL* prepare orders.

(1)

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(d) Complete the order form in Figure 3 to show the missing amounts.

(2)

Brands For Less
Customer Information

Date	28 February 2025
Customer Name	*Nike*
Address	Oregon, US

Order Information

Quantity	**Description**	**Unit Price $**	**Total Price $**
4 500	Running Shoes	(i)	90 000
		Tax Rate 24%	21 600
		TOTAL DUE	(ii) ....

Figure 3

(e) Analyse how *BFL* could benefit from having its own transport delivering orders to customers.

(6)

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The managers of the stores and the RDC often communicate to exchange ideas and opinions about sales, inventory levels and demand for various products. This helps them prepare the stores for new items to maximise sales.

Brands For Less (*BFL*) wants to improve the communication between the store managers and the RDC.

It is considering two options:

Option 1: holding regular videoconferences

Option 2: having a weekly exchange of emails.

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

(9)

(Total for Question 3 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS

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SECTION C

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

Bakumatsuya buys and sells rare antique books relating to Japan. Its customers include private collectors, dealers, museums and universities.

Bakumatsuya is a member of the trade association *Antiquarian Booksellers Association of Japan* (*ABAJ*).

The *ABAJ* has involved its members in book fairs around the world. In Japan, the *ABAJ* has hosted international and local book fairs. All *ABAJ* members must strictly obey a code of ethics. Only booksellers who do so are allowed to use the *ABAJ* logo.

Bakumatsuya holds a large inventory of books ranging in price from $213 to $6 400 but with a low inventory turnover.

4 (a) Outline **one** way *Bakumatsuya* could improve its inventory turnover.

(2)

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(b) Analyse how *ABAJ* has helped *Bakumatsuya* to export successfully.

(6)

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Every few months, *Bakumatsuya* issues glossy and informative catalogues of its current antique books for sale. It emails these to existing customers and book sellers.

These catalogues, which are available on its website, contain a lot of detail. As part of the code of ethics, *Bakumatsuya* must include information about any faults or tears in the books.

*Bakumatsuy*a focuses on quality and is always looking for rare books to buy. If any customers have such items they wish to sell, *Bakumatsuya* invites them to make contact once they have looked at the catalogue.

(c) Evaluate whether the issuing of catalogues is an appropriate method of promotion for *Bakumatsuya*. You should use the information provided and your own knowledge of commerce in your answer.

(12)

(Total for Question 4 = 20 marks)

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

Source information

Q1 adapted from:
https://en.waterdrop.com/pages/press **and** https://www.wsj.com/market-data/quotes/WDH/financials

Q2 adapted from:
https://www.money.co.uk/credit-cards/credit-card-statistics **and** https://investors.warbyparker.com/news/news-details/2024/Warby-Parker-Announces-Fourth-Quarter-and-Full-Year-2023-Results/default.aspx

Q3 adapted from:
https://bflgroup.ae/brands-for-less-group-is-set-to-open-its-first-logistics-distribution-centre-in-saudi-arabia/ **and** https://www.brandsforless.com/en-ae/shipping-delivery/new/

Q4 adapted from:
https://www.bakumatsuya.com/ **and** http://abaj.gr.jp/en/about.php