

Paper Reference 4CM1/02
Pearson Edexcel
International GCSE (9-1)

Total Marks

COMMERCE
PAPER 2: FACILITATING COMMERCIAL
OPERATIONS

**Time: 1 hour 30 minutes plus your
additional time allowance.**

**In the boxes below, write your name,
centre number and candidate number.**

Surname					
Other names					
Centre Number					
Candidate Number					

Y66487RA



Pearson

YOU WILL BE GIVEN

- A separate Data Book.

INSTRUCTIONS

- Answer ALL questions.
- Answer the questions in the spaces provided in this Question Paper or in the Data Book – 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.
 - Good luck with your examination.
-

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  .**

Question 1 is on the next page.

1. (a) Which ONE of the following is a source of long – term finance?

Select ONE answer.

(1 mark)

☐

A Factoring

☐

B Trade credit

☐

C Bank draft

☐

D Retained profit

(continued on the next page)

1. continued

(b) Which ONE of the following is a financial institution?

Select ONE answer.

(1 mark)

☐

A A Chamber of Commerce

☐

B A Central Bank

☐

C A Trade Fair

☐

D A Night Safe

(continued on the next page)

Turn over

1. continued

- (c) Define the term DELIVERY NOTE.
(1 mark)**

(continued on the next page)

1. continued

**(d) Define the term CHEQUE.
(1 mark)**

(continued on the next page)

1. continued

(e) AMAZON is one of the largest businesses in the world. It only sells products through its website. These products include electronics, fashion and household items. All customer purchases and preferences are recorded.

(i) State ONE benefit to customers of using the AMAZON website to buy products.

(1 mark)

(continued on the next page)

Turn over

1. continued

**(e) (ii) State ONE way the AMAZON website may help to promote the products it sells.
(1 mark)**

(continued on the next page)

Turn over

1. continued

Figure 1 below shows financial information for AMAZON.

Figure 1

2019	US \$ MILLIONS
SALES	280 522
COST OF SALES	265 981
GROSS PROFIT	14 541
EXPENSES	2 953
PROFIT FOR THE YEAR	11 588

- (e) (iii) On the space provided for Question 1 (e) (iii) in the separate Data Book, calculate, to two decimal places, the profit for the year margin for 2019. You are advised to show your workings. (2 marks)**

Turn over

1. continued

- (f) Explain ONE advantage for small retailers of using a cash and carry warehouse.
(3 marks)**

(continued on the next page)

Turn over

1. continued

(continued on the next page)

1. continued

- (g) Explain ONE reason why
an agenda might be prepared
for a meeting.
(3 marks)**

(continued on the next page)

Turn over

1. continued

(continued on the next page)

1. continued

AMAZON has more than 175 warehouses across the world. Some warehouses are very large so that AMAZON can store the thousands of products that it sells. Many products will be delivered the day after they are ordered.

- (h) Analyse how these warehouses benefit AMAZON.
(6 marks)**

(continued on the next page)

Turn over

1. continued

[illegible]

(continued on the next page)

Turn over

1. continued

[illegible]

(continued on the next page)

Turn over

1. continued

(Total for Question 1 = 20 marks)

- 2. (a) Which ONE of the following would a supplier send to a business that had received damaged products?**

**Select ONE answer.
(1 mark)**

☐

A A credit note

☐

B A postal order

☐

C A standing order

☐

D A debenture

(continued on the next page)

2. continued

(b) Which ONE of the following is the most suitable form of communication to discuss a new product with managers in different countries?

**Select ONE answer.
(1 mark)**

☐

A An email

☐

B A telephone call

☐

C A videoconference

☐

D A face – to – face meeting

(continued on the next page)

Turn over

2. continued

- (c) Look at Figure 2 for Question 2 (c) in the separate Data Book.**

Figure 2 is a bar chart showing the number of internet users in India from 2015 to 2019.

- (i) Identify which year had the smallest number of internet users.**
(1 mark)

(continued on the next page)

2. continued

- (c) (ii) Identify how many internet users there were in 2017.
(1 mark)**

(continued on the next page)

2. continued

**(d) Define the term AVERAGE
INVENTORY.**

(1 mark)

(continued on the next page)

2. continued

- (e) Explain ONE reason why
a business might use
COMPETITIVE ADVERTISING.
(3 marks)**

(continued on the next page)

Turn over

2. continued

(continued on the next page)

Turn over

2. continued

- (f) Explain ONE benefit to a business of being paid by direct debit.
(3 marks)**

(continued on the next page)

Turn over

2. continued

(continued on the next page)

2. continued

GOGORO manufactures and sells electric scooters in Taiwan. Many city workers use them as cheap transport.

The Taiwanese government values the environmental benefits of electric scooters. GOGORO is planning to launch its new Viva model for a price of \$3 600. The government will give a 50% subsidy for each Viva scooter sold and this will allow GOGORO to reduce the selling price.

The batteries GOGORO fits to its scooters are of the highest quality and expensive. Scooter owners have to regularly exchange their flat batteries for fully charged ones, only available from GOGORO.

(continued on the next page)

Turn over

2. continued

GOGORO wants to improve its commercial performance and increase profits. It is considering the following two options:

OPTION 1: increase the sales of electric scooters

OPTION 2: buy cheaper, lower quality batteries.

**(g) Justify which ONE of these two options GOGORO should choose.
(9 marks)**

(continued on the next page)

Turn over

2. continued

[illegible]

(continued on the next page)

Turn over

2. continued

[illegible]

(continued on the next page)

Turn over

2. continued

[illegible]

(continued on the next page)

Turn over

2. continued

(Total for Question 2 = 20 marks)

TOTAL FOR SECTION A = 40 MARKS

Turn over

SECTION B

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

BIG BLUE is a fashion business with 22 stores in South Africa. It uses only local designers and locally made fabrics to design and produce its wide range of unique dresses, trousers and clothes for men, women and children. Its bestselling item is a T–shirt with varying logos that show its pride in African heritage.

Question 3 is on the next page.

- 3. (a) Which ONE of the following is an example of a point of sale promotion?**

**Select ONE answer.
(1 mark)**

☐

A A local sponsorship

☐

B A magazine advertisement

☐

C A carrier bag

☐

D A credit card

(continued on the next page)

3. continued

(b) Which ONE of the following may be a reason BIG BLUE holds face – to – face meetings with its designers?

**Select ONE answer.
(1 mark)**

☐

A To keep written records of the meeting

☐

B To touch the local materials

☐

C To plan future meeting dates

☐

D To agree to send the prices by email

(continued on the next page)

Turn over

3. continued

- (c) State ONE way the South African government could help BIG BLUE export products abroad.
(1 mark)**

(continued on the next page)

3. continued

- (d) Look at Figure 3 for Question 3 (d) in the separate Data Book.**

Complete the statement of account to show the missing amounts.

(2 marks)

(continued on the next page)

3. continued

Customers can open an account with BIG BLUE and make a payment each month for three months. There is no interest charged.

- (e) Analyse the benefit to BIG BLUE of allowing customers to pay for their purchases by spreading the interest-free payment over three months.
(6 marks)**

(continued on the next page)

Turn over

3. continued

[illegible]

(continued on the next page)

Turn over

3. continued

[illegible]

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Turn over

3. continued

BIG BLUE wants to keep in contact with its customers and inform them of its latest fashions as demands change. It always wants to attract new customers and encourage them to buy more of its original designs.

BIG BLUE is considering two options:

OPTION 1: offer a specially designed free T–shirt with all purchases

OPTION 2: open an online shop.

**(f) Justify which ONE of these two options BIG BLUE should choose.
(9 marks)**

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Turn over

3. continued

[illegible]

(continued on the next page)

Turn over

3. continued

[illegible]

(continued on the next page)

Turn over

3. continued

(Total for Question 3 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS

Turn over

SECTION C

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

Nigeria has very few trains that are suitable for carrying agricultural freight across the vast country. Deliveries of manufactured products are by road and are often delayed by congestion in ports and cities. There are too few roads across Nigeria and these roads are poorly maintained. All this can increase the cost of deliveries for businesses. The Nigerian government plans to improve the road and rail network in the near future.

(continued on the next page)

Turn over

SECTION C. continued

KOBO360 is based in Nigeria and operates a website to connect and support companies needing transport for a wide range of products using Nigerian roads. With 13,000 different trucks travelling all over the country, it has specialist knowledge of the best routes and the current problems on particular roads.

Using its mobile applications, businesses can choose the most suitable truck for its products and have it delivered quickly.

Question 4 is on the next page.

4. (a) Outline ONE advantage for farmers in remote areas of using trains to transport their agricultural products to the cities. (2 marks)

(continued on the next page)

Turn over

4. continued

- (b) Analyse the likely benefits to businesses of using KOBO360 to transport their products.
(6 marks)**

(continued on the next page)

Turn over

4. continued

[illegible]

(continued on the next page)

Turn over

4. continued

(continued on the next page)

Turn over

4. continued

In 2018 three venture capitalists saw a potential of growth for KOBO360. Demand for transport services was likely to increase to other African countries because of increasing trade and improved roads. The venture capitalists invested \$250 000 in KOBO360 to fund its growth.

(continued on the next page)

4. continued

- (c) Evaluate whether the use of venture capital is a good source of finance to help KOB0360 grow. You should use the information provided and your own knowledge of commerce.
(12 marks)**

(continued on the next page)

Turn over

4. continued

[illegible]

(continued on the next page)

Turn over

4. continued

[illegible]

(continued on the next page)

Turn over

4. continued

[illegible]

(continued on the next page)

Turn over

4. continued

[illegible]

(continued on the next page)

Turn over

4. continued

(Total for Question 4 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS

TOTAL FOR PAPER = 80 MARKS

END OF PAPER
