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)

Thursday 31 October 2024

Morning (Time: 1 hour 30 minutes) | **Paper reference** **4WCM1/01**

Commerce (Modular)

UNIT 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

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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 payment for insurance cover?

Select **one** answer.

(1)

☒ **A** A claim

☒ **B** A premium

☒ **C** A policy

☒ **D** A proposal form

(b) Which **one** of the following defines a multinational?

Select **one** answer.

(1)

☒ **A** A business that only has foreign shareholders

☒ **B** A business that provides different services for customers

☒ **C** A business that has operations in at least two countries

☒ **D** A business that only operates in its own country

(c) Define the term **primary sector**.

(1)

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(d) Define the role of the **wholesaler** in the chain of distribution**.**

(1)

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(e) *Priceless* sells clothes, shoes, handbags and other accessories at reduced prices in the Dubai Outlet Mall. It sells mainly to European tourists. A pair of its shoes are priced at 370.00 United Arab Emirates Dirham (AED).

The exchange rate is 1.00 AED = 0.24 euros (€).

(i) Calculate, to two decimal places, the price of the shoes in euros. You are advised to show your working.

(2)

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In 2022 the exchange rate for the euro was 1.00 AED = €0.24. In 2023 the rate was 1.00 AED = €0.34.

(ii) State **one** possible effect on *Priceless* sales to European tourists after the change in the exchange rate.

(1)

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(iii) State **one** disadvantage to *Priceless* of accepting foreign currency for payment of goods bought.

(1)

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(f) Explain **one** advantage of consumer protection legislation.

(3)

(g) Explain why department stores are a popular type of retailer.

(3)

Bombay Sweet Shop is based in India. It is a popular shop with many customers buying sweets and chocolates daily from its display cabinets.

It is important that *Bombay Sweet Shop* has insurance.

(h) Analyse why an insurance business would want *Bombay Sweet Shop* to meet the principle of insurable interest.

(6)

(Total for Question 1 = 20 marks)

2 (a) Which **one** of the following risks is uninsurable?

Select **one** answer.

(1)

- ☒ **A** Injury to an employee at work
- ☒ **B** Injury to a customer visiting a shop
- ☒ **C** The loss made by a business
- ☒ **D** Damage to stock caused by flooding

Makro sells televisions. It buys them for 6 500 South African Rand (ZAR) and sells them for 8 750 ZAR. One was damaged on delivery and cost 2 750 ZAR to repair. *Makro* makes a claim against its insurance policy.

(b) Which **one** of the following is the amount of compensation that the insurance company would pay *Makro*?

Select **one** answer.

(1)

- ☒ **A** 2 250
- ☒ **B** 2 750
- ☒ **C** 3 750
- ☒ **D** 6 500

(c) **Figure 1** shows insurance premiums for one week's holiday for an individual and a family.

Insurer	1 week for an individual	1 week for a family
Coverwise	£6.09	£11.62
Avanti	£7.07	£12.20
Staysure	£7.42	£11.52
Insurefor.com	£7.70	£20.20
LV	£7.80	£13.70

Figure 1

(i) Identify the insurer with the highest premium for an individual for a week.

(1)

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(ii) Identify the lowest premium paid to insure a family for a week.

(1)

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(d) Define the term **bad debts**.

(1)

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(e) Explain **one** role of an insurance assessor.

(3)

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(f) Explain **one** reason that would make an area of land suitable for building a shopping centre on it.

(3)

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Cicli Corsa is a bicycle shop in Italy. It was set up by a group of people who enjoyed riding their bikes. The shop sells a range of bicycles and bicycle spares. The business has grown since it opened. *Cicli Corsa* is considering two options for its further expansion:

Option 1: opening another shop

Option 2: using ecommerce.

(g) Justify which **one** of these two options *Cicli Corsa* 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.

3 *Shoprite* is a supermarket in South Africa that has been trading for over 40 years. It promises to offer the lowest prices for quality food, toasters, kettles, refrigerators and ovens. It has over 500 supermarkets throughout South Africa.

Its main objective is to make shopping a convenient and enjoyable experience. It means that customers can see the goods and special offers available on its website.

Shoprite was paid 68 000 South African Rand (ZAR) by its insurance company for fire damage in one of its supermarkets.

(a) Which **one** of the following is the insurance principle on which this payment was made?

Select **one** answer.

(1)

☒ **A** Indemnity

☒ **B** Utmost good faith

☒ **C** Pooling of risks

☒ **D** Subrogation

Shoprite often has special offers on certain products in its stores. A packet of spaghetti costs 14.99 ZAR. If a customer buys two packets they receive a 12.5% reduction in the price.

(b) Which **one** of the following would be the price for two packets of spaghetti with the reduction applied?

Select **one** answer.

(1)

☒ **A** 11.24

☒ **B** 33.73

☒ **C** 26.23

☒ **D** 29.98

(c) State **one** reason why *Shoprite* might take out credit insurance.

(1)

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(d) Outline **one** advantage for *Shoprite* of providing credit facilities to its customers.

(2)

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(e) Analyse the importance to *Shoprite* of having good after sales service.

(6)

Shoprite has over 500 supermarkets in South Africa.

These supermarkets sell a wide variety of goods to customers, so that it can maintain its popularity. It has to be supplied with many different products and is now considering two options:

Option 1: buy from suppliers in South Africa

Option 2: buy from suppliers in other countries.

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

(9)

(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 *Sony* is a well-known manufacturer of televisions, phones and electronic games. It began trading in Japan in 1946 and has grown since then. It now has *Sony* stores in many countries across the world.

A customer has just bought a *Sony* television for £1 750. The customer wants to insure the new television and has received a quotation for an insurance premium of 12.5% of the price.

(a) Calculate, to two decimal places, the premium the customer will pay to insure the new television. You are advised to show your working.

(2)

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(b) Analyse the effects on *Sony* if countries increase their tariffs on imported electronic products.

(6)

(c) Evaluate why *Sony* has insurance cover against theft in its stores and warehouses. 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

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