

Cambridge O Level

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		



COMMERCE 7100/22

Paper 2 Written May/June 2022

2 hours

You must answer on the question paper.

No additional materials are needed.

INSTRUCTIONS

- Answer all questions.
- Use a black or dark blue pen.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do not write on any bar codes.
- You may use a calculator.

INFORMATION

- The total mark for this paper is 80.
- The number of marks for each question or part question is shown in brackets [].

This document has 16 pages. Any blank pages are indicated.

1 Fig. 1.1 is a table of annual insurance premiums for motor cars based on occupation.

Occupation	Annual premium
Motor racing driver	\$2000
Footballer	\$1900
Student	\$1300
Machinist	\$1000
Farmer	\$800
Lawyer	\$600
Teacher	\$400

Fig. 1.1

Use Fig. 1.1 to help you answer the following questions.

(a)	(i)	What is an insurance premium?
		[1]
	(ii)	Which occupation in Fig. 1.1 is in the secondary industry?
(b)		ain two factors, apart from occupation, for the high premiums charged to students for or car insurance.
	1	
	2	
		[4]

(c)	Should individuals specialise in particular occupations? Give reasons for your answer.	
		[3]
(d)	Circle the correct answer to complete each of the following sentences.	
	An increased number of motor vehicles is a cause of	
	global trade OR global warming.	
	Imported car parts will often be stored in a	
	manufacturer's warehouse OR cold storage warehouse.	[2]

(e)	Khalid, a student, could pay his motor car annual insurance premium either by monthly direct debit or the total in advance by credit card.
	Discuss each of these two options. Which would you recommend? Give reasons for your answer.
	[8]
	[Total: 19]

2

	international cricket club uses a variety of communications in its operations. The club is making reased use of air transport to send equipment for matches.
(a)	Explain one example of oral communication that might be used by the cricket club.
/ b\	Explain why letters are used by the alph when signing now players
(b)	Explain why letters are used by the club when signing new players.
	[3]
(c)	Do you think negative social media reviews from supporters are always bad for sports clubs? Give reasons for your answer.
	[3]

(d) Sports clubs need to consider several factors, such as the nature of the equipment to be

carried, before deciding to send their equipment by air transport.
Evaluate two other factors sports clubs should consider before choosing air transport to send their equipment. Give reasons for your answer.
[6]
[Total: 14]

3 Aisha opened a shop six months ago, selling homemade cakes and meat pies. She buys her meat pies from a wholesaler.

Fig. 3.1 shows Aisha's trading figures for the two products sold.

	Cakes (\$)	Meat pies (\$)
Revenue	15600	35400
Cost of sales	5000	(ii)
Gross profit	(i)	4200
Expenses	2600	1480
Net profit (profit for the year)	8000	(iii)

Fig. 3.1

Use Fig. 3.1 to help you answer the following questions.

(a)	Do the calculations to complete the gaps at (i), (ii) and (iii) in the table in Fig. 3.1. [3]
(b)	Define revenue.
	[1]
(c)	Explain two possible disadvantages to Aisha of buying her meat pies from a wholesaler.
	1
	2
	[4]

(d) Aisha would like to increase her revenue.

Two possible solutions are:

- Offer a discount of 20% if customers buy 10 cakes. Each cake costs \$3.
- Pay someone \$600 to design a website to advertise her cakes and meat pies.

Discuss answer.	each of	these	solutions.	Recommend	a course	of action.	Give re	easons	for your
						•••••			
		•••••							
		•••••							
									[8]

[Total: 16]

4

	is a self-employed photographer, working from home. He uses mobile banking for most of syments.
(a) Id	dentify a form of business organisation that Wasi could set up.
	[1]
(b) E	explain one advantage and one disadvantage of using mobile banking to make payments.
A	Advantage
D	Disadvantage
	[4]

	si wants to work from a purpose-built studio in the garden of his home but he does not e enough finance from his own savings to buy the studio.
(i)	Explain one reason why obtaining finance might be difficult for Wasi.
	[2]
(ii)	Do you think a loan would be the most suitable source of finance for Wasi to choose? Justify your answer.
	[6]
	[7] [Total: 13]
	(i)

5 Fig. 5.1 shows self-service checkouts that a supermarket chain has introduced into its stores. This is part of its new technology developments.



Fig. 5.1 Self-service checkouts

(a)	State two characteristics of a supermarket, apart from self-service checkouts.
	1
	2
	Z
	[2

(b)	Explain two advantages of self-service checkouts to supermarkets.			
	1			
	2			
			[4]	
(c)	Do you think introducing new technology into supermarkets reasons for your answer.	benefits the co	ustomer? Give	
			[3]	
(d)	Which of these statements about the location of retail units are	true and which		
(u)		ara willon	are raise:	
	Tick (✓) TRUE or FALSE in the correct column.			
		TRUE	FALSE	
	Department stores locate in neighbourhood areas			
	Shopping centres locate near to transport routes			
	Hypermarkets locate where car parking is available			
		1	[3]	

(e)	Γhe supermarket imports much of its perishable stock from overseas suppliers.		
	Evaluate two difficulties faced by the supermarket when using this supply chain. Give reasons for your answer.		
	[6]		
	[Total: 18]		

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