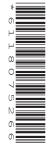


Cambridge O Level

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		



COMMERCE 7100/23

Paper 2 Written May/June 2023

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 shows an insurance company's advertisement on a digital billboard located on a highway.

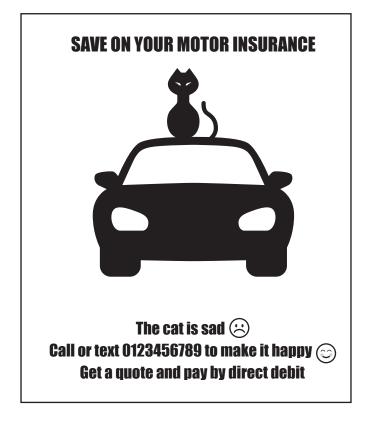


Fig. 1.1 digital billboard advertisement

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

(a)	(i)	Which method of appeal is shown in Fig. 1.1?	
	(ii)	Explain what is meant by an insurance quotation.	[1]
			[2]
(b)	Circ	cle the correct answer to complete each of the following sentences.	
		Advertising is an example of	

an aid to trade **OR** a secondary activity.

Pollution caused by motor vehicles leads to

globalisation **OR** global warming.

(c)	Explain one reason why a customer might prefer to make an insurance enquiry by text message rather than by telephone.
	[2]
(d)	State two reasons why companies ask customers to pay by direct debit.
	1
	2
	[2]
(e)	Do you think a digital billboard on a highway is a good way to advertise motor insurance? Give reasons for your answer.
	[3]

(f)	Evaluate whether the principle of utmost good faith is more important than the principle of insurable interest when taking out motor insurance. Give reasons for your answer.
	[8]

[Total: 20]

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		nultinational oil company based in the UK. BB extracts oil in several countries and supplies global market.
(a)	ldeı	ntify the type of industry that extracts oil.
		[1]
(b)	Def	ine global market.
		[2]
(c)		te whether the following transactions would be recorded as exports or imports on the UK ance of Trade.
	(i)	Selling oil to Japan
		[1]
	(ii)	Buying drilling equipment from the US
(d)		you agree that pipelines are the best way to transport liquids such as oil? Give reasons for r answer.
		[3]

(e)	BB now wants to extract oil in a new host country.
	Evaluate the advantages and disadvantages to the new host country of BB's activities.
	[8]
	[Total: 16]

WW	V Wh	olesalers sells fresh fish to retailers using road transport.
(a)	Ide	ntify one other chain of distribution that WW Wholesalers could use.
(b)		ing 2022, WW Wholesalers made 20% gross profit and 5% net profit on sales revenue of 0000.
	Cal	culate for 2022:
	(i)	the gross profit
	(ii)	the cost of goods sold
	(11)	the cost of goods sold
		[2
	(iii)	the net profit.
		[2

(c)	Do you think increasing selling prices will increase WW Wholesaler's sales revenue? Give reasons for your answer.
	[3]
(d)	Discuss how important road transport is in the chain of distribution. Give reasons for your answer.
	[6]
	[Total: 16]

Abi	usiness distributes a mail order catalogue to sell its plants and seeds.	
(a)	Explain one way a catalogue helps customers to choose which goods to buy.	
		[2]
(b)	The mail order catalogue business issues an invoice once an order has been received fro customer. Explain the purpose of an invoice.	m a
		[2]
(c)	Describe a situation in which the mail order catalogue business might issue a credit note.	
		[2]

(d)	Discuss two disadvantages of buying plants and seeds by mail order. Which is the more important disadvantage? Give reasons for your answer.
	[6]
	[Total: 12]

5 Fig. 5.1 shows the floor plan of a large retail store.

Floor 6.	Home furnishing	Garden furniture	Restaurant	
Floor 5.	Toys	Office equipment	Hobby corner	
Floor 4.	Small kitchen appliances	Large kitchen appliances	Photography & framing	
Floor 3.	Men's clothing	Superr	narket	Z Z
Floor 2.	Home electronics	Books	Music & movies	
Floor 1.	Gifts Inform	ation Women's clothing	Cosmetics	

Fig. 5.1

Use Fig. 5.1 to help you answer the following questions.

(a)

(i)	Identify the type of retail store shown in Fig. 5.1.
	[1]
(ii)	Explain one reason why this type of retail store has gifts and cosmetics on floor 1.
	[2]

(b)	Explain	two effects that large-scale retailers have on	small-scale	e retailers.	
	1				
	2				
					[4]
(c)	Which of these statements about types of credit offered by large-scale retailers are true and which are false?				
	Tick (✓)	true or false in the correct column.			
			TRUE	FALSE	
		The same store card can be used in all shops.			
		The customer becomes the owner of hire purchase goods after paying the final instalment.			
		Extended credit is offered for purchase of items with a low second-hand value.			

[3]

(d)	Large-scale retailers use regional distribution centres (RDC).		
	Why are RDCs essential to large-scale retailers? Give reasons for your answer.		
	[6]		
	[Total: 16]		

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