

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

Candidate Number

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Pearson Edexcel International GCSE (9–1)

Time 1 hour 30 minutes

Paper
reference

4CM1/01

Commerce

PAPER 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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Q:1/1/1/1/1/1/



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 businesses is in the secondary sector?

Select **one** answer.

(1)

- A Cereal farmer
- B Hairdresser
- C Car manufacturer
- D Taxi driver

(b) Which **one** of the following describes a loss leader?

Select **one** answer.

(1)

- A An item of stock that is given away free
- B An item of stock that has the wrong price
- C An item of stock that has been stolen
- D An item of stock sold below its cost price

(c) Define the term **utmost good faith**.

(1)

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(d) Define the term **multinational corporation**.

(1)

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(e) *Kazuri* is a business based in Kenya. It has a factory making beads that are then used to make bracelets and necklaces. *Kazuri* also produces different types of pottery. All these items are sold around the world.

A business in Italy purchased 200 *Kazuri* necklaces at a cost of 481 720 Kenyan Shillings (KES).

In February 2020 the exchange rate was 1 euro (€) = 120.43 KES.

(i) Calculate the cost of buying the 200 *Kazuri* necklaces in euros in February 2020. You are advised to show your working.

(2)

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In September 2020 the exchange rate was €1 = 124.48 KES.

(ii) State **one** possible effect on the business in Italy from the appreciation of the euro against the Kenyan Shilling in September 2020.

(1)

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(iii) State **one** possible advantage for *Kazuri* of exporting its products.

(1)

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(f) Explain **one** advantage to a retailer of providing a good after-sales service.

(3)

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

(3)

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Bangla Toys in Bangladesh sells a wide variety of toys that it buys from a number of manufacturers. These toys include an Activity Ball or Baby Pool for babies and games such as Chess or Battleships for teenagers. A small number of toys are returned to *Bangla Toys* if they have faults.

(h) Analyse the impact on *Bangla Toys* of dealing with faulty toys.

(6)

Area with horizontal dotted lines for writing the answer.

(Total for Question 1 = 20 marks)



- 2 An insurance company has been asked by a businessman to extend the insurance on his car for an extra month.

The premium for the extra month has been calculated as 11.5% of the annual premium of £360.

- (a) Which **one** of the following is the premium for the extra month?

Select **one** answer.

(1)

- A £33.45
- B £41.40
- C £371.50
- D £401.40

- (b) Which **one** of the following could help independent retailers to survive?

Select **one** answer.

(1)

- A Reduce their social media marketing
- B Increase the price of goods
- C Offer extra services to customers
- D Reduce opening hours



(c) **Figure 1** shows the most popular laptops for sale in the UK for 2020.

Model	Original price (£)	Special offer price (£)
Dell Inspiron 14 7000	1 000	900
Acer Swift 3	500	430
Asus Zeus Book	600	500
Acer Chromebook Spin	230	200
HP Pavilion Gaming	900	770

Figure 1

(i) Identify which laptop is the most expensive.

(1)

(ii) Identify the laptop with the largest difference between its original price and its special offer price.

(1)

(d) Define the term **cover note**.

(1)



(e) Explain why wholesalers offer advice to retailers.

(3)

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(f) Explain the importance of packaging to retailers.

(3)

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Holders Farmers' Market is a local market in Barbados. It opens every Sunday from 9.00 am until 2.00 pm. Rackel Barber hires a stall each week to sell the fruit and vegetables she grows. She also has a stall at another weekly market. She wants to expand her business by growing additional varieties of fruit and vegetables, but she is working most of the day and has very little free time. She is considering the following two options:

Option 1: to remain a sole trader

Option 2: to take on a partner.

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

(9)

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(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 *Sri Lankan Safari (SLS)* offers overland adventures and safaris throughout Sri Lanka. Trips range from 1 to 25 days and each one is accompanied by an experienced driver and a tour guide. All meals are freshly prepared each day using local suppliers. *SLS* provides an opportunity for tourists to see Sri Lanka's animals and sea life as well as bird watching.

There are some high running costs so *SLS* needs to manage the business efficiently. All safaris are sold at a high price.

- (a) Which **one** of the following is an example of capital?

Select **one** answer.

(1)

- A Coal
- B Trees
- C Farm worker
- D Machinery

The revenue earned from tourists in Sri Lanka was:

2018 – \$4 381 million

2019 – \$3 607 million

- (b) What is the percentage decrease in revenue from tourists to Sri Lanka?

Select **one** answer.

(1)

- A 17.67%
- B 21.46%
- C 82.33%
- D 121.46%

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(c) State **one** possible reason why staffing costs for *SLS* may be high.

(1)

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(d) Outline **one** likely reason why *SLS* prefers to purchase goods from local suppliers.

(2)

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(e) Analyse how *SLS* could reduce the risk of bad debts from its clients.

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(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.

- 4** *Next*, a well-known clothing retailer, operates in over 70 countries with more than 43,000 employees. Since *Next* started trading it has introduced many other products to its range such as furniture and flowers.

In 1999 it launched its own online shopping platform allowing customers to purchase *Next* goods wherever they live. *Next* continues to improve its customer service by introducing new initiatives such as next day delivery.

To reduce its stock of furniture *Next* is selling sofas with a 33% discount off the original price.

- (a) Calculate the discounted price of a sofa originally selling for £999.00

You are advised to show your working.

(2)

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(b) Analyse the purpose of endorsements on an insurance policy taken out by *Next*.

(6)

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(c) Evaluate the types of business risks *Next* would have to consider when taking out insurance on its stores/shops. 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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