

Please check the examination details below before entering your candidate information

Candidate surname	Other names
Pearson Edexcel International GCSE (9–1)	Centre Number <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/>
Tuesday 7 May 2019	
Afternoon (Time: 1 hour 30 minutes)	Paper Reference 4CM1/01
Commerce Paper 1: Commercial operations and associated risks	
Calculators may be used	Total Marks <input style="width: 50px; height: 20px;" type="text"/>

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.*

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 an example of the tertiary sector?

Select **one** answer.

(1)

- A Farming
- B Engineering
- C Mining
- D Retailing

- (b) Which of **one** the following would be found in the manufacturing process?

Select **one** answer.

(1)

- A Retailing
- B Division of labour
- C Insurance
- D Wholesaler

- (c) Define the term **branding**.

(1)

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- (d) Define the term **hypermarkets**.

(1)

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(e) *Sweet Inspirations* is a cake shop in Kenya. Flavourings and colourings for the cakes are not available in Kenya so they are imported from other countries. *Sweet Inspirations* buys its flavourings and colours once a month.

- (i) Calculate the cost, in Kenyan Shillings (KES), to *Sweet Inspirations* of paying €2 100 to a German supplier.

One euro (€) = 121.44 KES

You are advised to show your workings.

(2)

..... (KES)

The following month the exchange rate had changed to €1 = 125 KES.

- (ii) State **one** effect this change in the exchange rate could have on *Sweet Inspirations*.

(1)

- (iii) State **one** advantage for *Sweet Inspirations* of buying from suppliers in other countries.

(1)



(f) Explain **one** reason why a business might prefer to buy from suppliers in its own country.

(3)

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(g) Explain **one** disadvantage for a business of damaged inventory.

(3)

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Hyperstar is a fast growing supermarket chain in Pakistan. It offers its customers quality, variety and value-for-money. Keeping up with technology is important to *Hyperstar* and it is introducing self-scan checkouts.

(h) Analyse the possible impact on *Hyperstar's* customers of the introduction of self-scan checkouts.

(6)

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(Total for Question 1 = 20 marks)

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- 2 (a) A retailer buys goods from a wholesaler priced at 5 000 Bangladeshi Taka (Tk).
The retailer is given a 25% discount.

What will the retailer pay the wholesaler in Taka (Tk)?

Select **one** answer.

(1)

- A** 200
- B** 1 250
- C** 3 750
- D** 4 975

- (b) The customers of a cash and carry are:

Select **one** answer.

(1)

- A** Exporters
- B** Manufacturers
- C** Wholesalers
- D** Retailers

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(c) **Figure 1** shows an example of information an insurance company would issue to its agents and brokers, so they can quote a premium for life insurance cover.

Years of age	Future expectation of life	
	Male	Female
20	76.4	81.2
30	77.1	81.5
40	77.8	81.9
50	79.0	82.7

Figure 1

(i) Identify which age group has the largest difference between male and female life expectancy.

(1)

(ii) Identify the difference in life expectancy for males between the ages of 20 and 40.

(1)

(d) Define the term **indemnity**.

(1)



(e) Explain **one** reason why actuaries are important to the insurance trade.

(3)

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(f) Explain **one** reason why insurance companies use proposal forms.

(3)

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SECTION B

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

- 3** *Tripple Ess Toys (TET)* is a toy manufacturer in Noida, India. Its motto is 'Driven by Design and Technology'. It aims to manufacture toys that are value for money, as well as being safe for children to play with. The toys give children the opportunity to learn whilst playing.

Tripple Ess Toys are sold to large retailers and not to independent retailers.

- (a) Which **one** of the following best describes a toy sold as a loss leader?

Select **one** answer.

(1)

- A** Toys sold to wholesalers throughout India
- B** Toys sold below their cost price to attract customers
- C** Toys bought in for a sale event in retail outlets
- D** Toys lost from the manufacturer's inventory

- (b) Which **one** of the following documents is the contract of insurance?

Select **one** answer.

(1)

- A** Claim form
- B** Fidelity guarantee
- C** Policy
- D** Proposal

- (c) State **one** reason why *Tripple Ess Toys* might outsource some of its production.

(1)

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(d) Outline **one** way that *Tripple Ess Toys* can prevent goods from being stolen from its factory.

(2)

(e) Analyse the likely reasons why *Tripple Ess Toys* does not sell to independent retailers.

(6)

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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 *Waterside Bentota* is a hotel in Sri Lanka. It offers accommodation and other facilities, including cooking demonstrations, weddings and watersports. It prides itself on having a well maintained and safe property and every effort is made to make a guest's stay at the hotel a happy and memorable one.

To increase bookings the hotel is using the website *trivago.com*. This website sells the rooms and collects payment for *Waterside Bentota*. *Trivago.com* then receives a small fee from *Waterside Bentota* for the service. This reduces work for the hotel.

All the staff work together as a team to ensure that they provide excellent service and therefore receive few, if any, complaints.

A typical room booked for 14 days in January was €1 442.

If the same room had been booked in October there would have been a 21% discount on the price.

- (a) Calculate the discount for this room in October. You are advised to show your workings.

(2)

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(b) Analyse why *Waterside Bentota* accepts bookings made by customers using the holiday website *trivago.com*.

(6)

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(c) Evaluate why *Waterside Bentota* will obey consumer protection legislation.
You should use the information provided and your own knowledge in your answer.

(12)

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