

Please check the examination details below before entering your candidate information				
Candidate surname	Other names			
Pearson Edexcel International GCSE (9–1)	re Number Candidate Number			
Tuesday 14 May 2019				
Morning (Time: 1 hour 30 minutes)	Paper Reference 4CM1/02			
Commerce Paper 2: Facilitating commercial operations				
Calculators may be used.	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.

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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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 $oxtimes$ and then mark your new answer with a cross $oxtimes$.			
1 (a) Which one of the following methods of payment has decreased in use?				
	Select one answer.			(4)
				(1)
	×	A	Debit cards	
	X	В	Credit cards	
	×	C	Cheques	
	×	D	Standing orders	
	(b) Whic	h on	e of the following is a method of short-term finance?	
	Selec	ct on	e answer.	(1)
				(1)
	×	A	Debentures	
	X	В	Venture capital	
	×	C	Mortgage	
	×	D	Overdraft	
(c) Define the term bank loan .			(4)	
				(1)
(d) Define the term standing order .				(4)
				(1)

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(e)	Neo is a fast-growing coffee retailer in Nigeria that has seen its popularity increase
	significantly over the last two years. It owns 30 coffee shops and one regional
	distribution centre.

(i) State **one** reason why *Neo* would accept cash payments in its shops.

(1)

(ii) State **one** reason why *Neo* uses a regional distribution centre.

(1)

Figure 1 shows an extract from Neo's financial information for 2018.

	\$ million
Revenue	180
Gross Profit	112
Operating Expenses	52

Figure 1

(iii) Calculate, to two dec	imal places, <i>Neo'</i> s n	et profit margin f	for the year	2018. You
are advised to show	our workings.			

(2)



supplier.	(3)
	(-)
) Explain one reason why businesses accept the use of debit cards to purcha	ase
goods.	(3)
	(-)

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Neo is considering two options to deliver coffee from its farm to the regional distribution centre. Figure 2 shows the cost of each delivery method and the delivery time.

	Cost per tonne per km	Delivery time
Road – delivery van	\$1.12	4 Days
Rail – goods train	\$2.73	1 Day

Figure 2

(h) Analyse the positive impact that each method could have on <i>Neo's</i> continued growth.		
9.0	(6)	
(lotal for Qu	iestion 1 = 20 marks)	



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2	(a) Which one of the following sources of finance would allow the purchase of a
	property?

Select **one** answer.

(1)

- A Overdraft
- B Mortgage
- C Hire purchase
- **D** Leasing
- (b) Which **one** of the following is the cost of borrowing from a bank?

Select **one** answer.

(1)

- A Dividend
 - B Equity
 - C Yield
 - D Interest
- (c) *Zipline* is a company in Rwanda that builds drones. The drones transport life-saving medical supplies to places where roads are poor.

Figure 3 shows the costs per delivery of each medical supply and the number of deliveries in 2018.

	Cost per delivery	Number of deliveries in 2018
Vaccines	\$6 000	450
Medicine	\$4 500	840
Sterile equipment	\$11 000	370

Figure 3

(i) Identify which product had the largest number of deliveries in 2018.

(1)

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(ii) Identify which product has the highest cost per delivery.	(1)
(d) Define the term Return on Capital Employed (ROCE) .	(1)
(e) Explain one way a business could improve its gross profit.	(3)
(f) Evaluin and reason why a husiness would accept payments using electronic	
(f) Explain one reason why a business would accept payments using electronic transfers.	(3)



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PLATINUM BUSINESS ACADEMY

Zipline is looking to expand the production of the drones in India and requires \$200 million. The money will be used to open a new distribution centre in India. Zipline currently has \$221 million as retained profit and its share price is \$25.	
Zipline is considering the following two finance options:	
Option 1: use all of its retained profits	
Option 2: issuing 8,000,000 ordinary shares.	
(g) Justify which one of these options <i>Zipline</i> should choose.	(9)
	(9)
(Total for Question 2 = 20	0 marks)
TOTAL FOR SECTION A = 40	MARKS

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SECTION B

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

OYO Rooms is an Indian-based business that books hotel rooms for its customers. It works with hotels across India to provide hotel rooms at budget prices.

OYO Rooms keeps in contact with its customers using email.

In the last three months some of its customers have not paid their invoices. *OYO Rooms* will use a factoring service offered by its bank but will only get 80% of the invoice totals.

3	(a)	Whic	ch d	ocument is sent by a business in response to a customer enquiry?			
	Select one answer.						
					(1)		
	ĺ	×	A	Quotation			
		×	В	Order			
		×	C	Advice note			
		×	D	Invoice			
	(b)	Whic	:h o	ne of the following is a type of credit used by consumers to buy goods?			
		Sele	ct o	ne answer.	(1)		
					(1)		
		×	A	Debit card			
		×	В	Store card			
		×	C	Cash on delivery			
	ļ	×	D	Cheque			
	(c)	State	e on	ne benefit of <i>OYO Rooms</i> using email to keep in contact with customers.	(1)		



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(d) Complete the invoice below to show the missing amounts.

Invoice OYO Date - May 2019 Rooms Customer name - Spencer Law Ltd Number 201 Number of rooms Description **Amount** February @ \$21 per room 2 800 \$58 800 March @ \$21 per room 2 000 \$42 000 April @ \$21 per room 1 600 (1) Subtotal \$134 400 Tax Rate 21% Tax (ii) \$ (1) **Total Due** \$162 624

Payment due within 14 days of the date of this invoice.

Figure 4



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invoices.		(6)



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DI ATINIIN
BUSINESS ACADEM

The demand for <i>OYO Rooms</i> has increased in Japan. It is planning to expand in the market by adding Tokyo hotels to its list. <i>OYO Rooms</i> is considering the following options to attract hotels to their list:	
Option 1 : using national Japanese newspapers to advertise <i>OYO Rooms</i>	
Option 2 : using a stand at an international business trade fair in Tokyo.	
(f) Justify which one of the two options OYO Rooms should choose.	(9)
(Total for Question 3 = 2	u 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 *HSBC Holding Plc* is a British multinational banking and financial services business. It is the world's seventh largest bank.

It has recently started an advertising campaign aimed at persuading customers to change banks. *HSBC* advertisements show famous people using its products. Recently, *Lloyds Bank*, its largest rival, has started using competitive advertising.

HSBC's popularity in the Asian market has been restricted due to the increased use of social media by its competitors, such as Chinese and Japanese banks.

(a) Outline one reason why <i>HSBC</i> uses persuasive advertising.	(2)



(b) Analyse how competitive advertising by <i>Lloyds Bank</i> would impact on <i>HSBC</i> .	(6)

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mark	kets. You should use the information provided a	a can be used by <i>HSBC</i> to improve its popularity in Asian he information provided as well as your knowledge of		
com	merce.	(12)		



077	78	98	62	6

(Total for Question 4 = 20 marks)
TOTAL FOR SECTION C = 20 MARKS
TOTAL EOD DADED - 90 MARKS



