

Please check the examination details below before entering your candidate information

Candidate surname	Other names					
<b>Pearson Edexcel International GCSE (9–1)</b>	Centre Number <table border="1" style="display: inline-table; border-collapse: collapse; text-align: center;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> </table>					
<b>Tuesday 14 May 2019</b>						
Morning (Time: 1 hour 30 minutes)	Paper Reference <b>4CM1/02</b>					
<h2 style="margin: 0;">Commerce</h2> <h3 style="margin: 0;">Paper 2: Facilitating commercial operations</h3>						
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 ☒ and then mark your new answer with a cross ☒.

- 1 (a) Which **one** of the following methods of payment has decreased in use?

Select **one** answer.

(1)

- A** Debit cards
- B** Credit cards
- C** Cheques
- D** Standing orders

- (b) Which **one** of the following is a method of short-term finance?

Select **one** answer.

(1)

- A** Debentures
- B** Venture capital
- C** Mortgage
- D** Overdraft

- (c) Define the term **bank loan**.

(1)

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- (d) Define the term **standing order**.

(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.

	<b>\$ million</b>
Revenue	180
Gross Profit	112
Operating Expenses	52

**Figure 1**

(iii) Calculate, to two decimal places, *Neo's* net profit margin for the year 2018. You are advised to show your workings.

(2)

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(f) Explain **one** advantage for a business of having 60 days' trade credit from its supplier.

(3)

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(g) Explain **one** reason why businesses accept the use of debit cards to purchase goods.

(3)

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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)

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(d) Define the term **Return on Capital Employed (ROCE)**.

(1)

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(e) Explain **one** way a business could improve its gross profit.

(3)

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(f) Explain **one** reason why a business would accept payments using electronic transfers.

(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.**

*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) Which document is sent by a business in response to a customer enquiry?

Select **one** answer.

(1)

- A** Quotation
- B** Order
- C** Advice note
- D** Invoice

(b) Which **one** of the following is a type of credit used by consumers to buy goods?

Select **one** answer.

(1)

- A** Debit card
- B** Store card
- C** Cash on delivery
- D** Cheque

(c) State **one** benefit of *OYO Rooms* using email to keep in contact with customers.

(1)

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

<b>OYO Rooms</b>		<b>Invoice</b>	
		Date – May 2019	
		Customer name – Spencer Law Ltd	
		Number 201	
Description	Number of rooms	Amount	
February @ \$21 per room	2 800	\$58 800	
March @ \$21 per room	2 000	\$42 000	
April @ \$21 per room	1 600	(i) \$ .....	(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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(e) Analyse the impact on *OYO Rooms* of using a factoring service to claim the unpaid invoices.

(6)

Area with horizontal dotted lines for writing the answer.

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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 *HSBC* uses persuasive advertising.

(2)

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