

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Centre Number

Candidate Number

**Pearson Edexcel
International GCSE (9–1)**

Friday 10 January 2020

Afternoon (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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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 industries is in the secondary sector?

Select **one** answer.

(1)

- A Manufacturing
- B Farming
- C Insurance
- D Mining

(b) Which **one** of the following is an advantage for a customer of having a supermarket loyalty card?

Select **one** answer.

(1)

- A Supermarkets provide an after-sales service
- B A supermarket reward is given when goods are purchased
- C Can only be used on supermarkets' own labels
- D Supermarket goods can be paid for in instalments

(c) Define the term **enterprise**.

(1)

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(d) Define the term **insurable interest**.

(1)

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(e) A Singapore business wants to purchase 500 bowls from a factory in Germany.
Each bowl costs €22 (Euros).

The exchange rate is €1.00 (Euro) = \$1.84 (SGD - Singapore dollars).

(i) Calculate the cost in SGD of buying 500 bowls from the factory in Germany.
You are advised to show your working.

(2)

..... SGD

(ii) State **one** possible impact on the Singapore business of a depreciation in the SGD.

(1)

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(iii) State **one** cost to the German factory of exporting to a business in Singapore, other than changes in the exchange rate.

(1)

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(f) Explain **one** reason why businesses use loss leaders.

(3)

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(g) Explain **one** advantage for retailers of providing credit facilities for customers.

(3)

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2 **Figure 1** shows the sales at supermarkets over a 10 year period in Sri Lanka.

	2008	2018
Sri Lankan Rupees	36.8 billion	25.5 billion

Figure 1

(a) How have supermarket sales changed over the last 10 years, as shown in **Figure 1**?

Select **one** answer.

(1)

- A** Sales increased by 30.7%
- B** Sales increased by 44.3%
- C** Sales decreased by 30.7%
- D** Sales decreased by 44.3%

(b) Which **one** of the following is a benefit to a person buying a franchise?

Select **one** answer.

(1)

- A** The person can buy supplies from any supplier
- B** The person is given the support of a well-known business
- C** The person is guaranteed a set wage
- D** The person shares their profits with the franchisor

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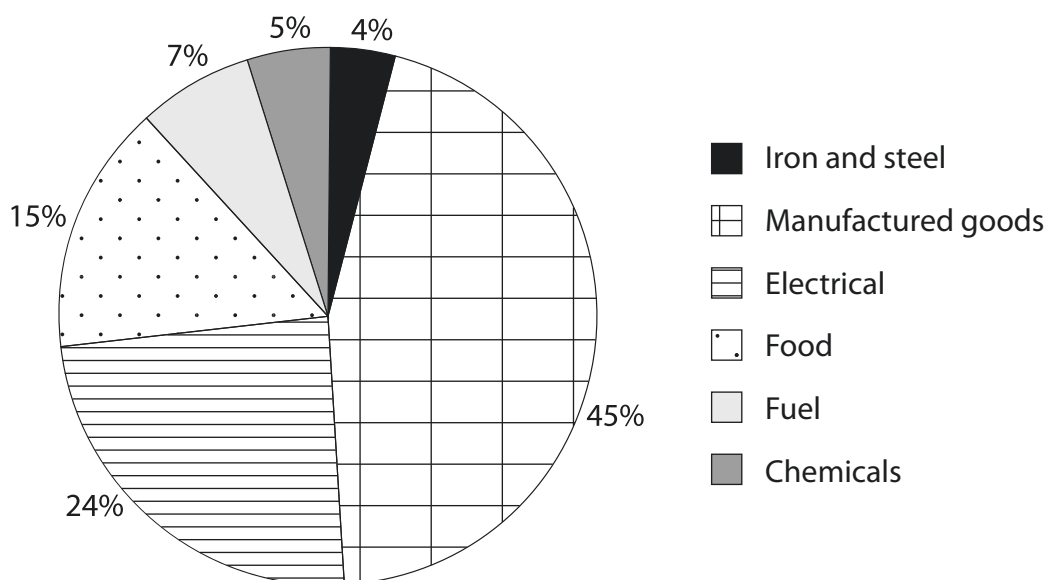
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(c) The following two charts show a country's imports and exports.

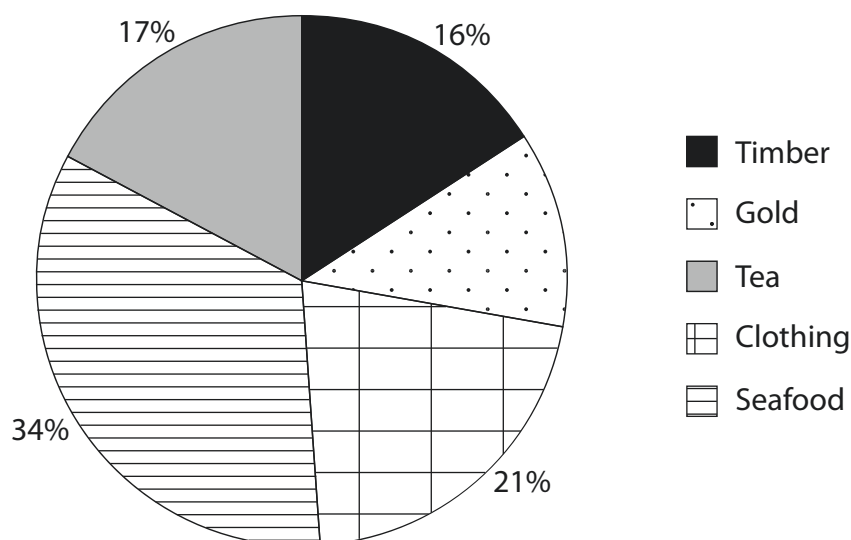
Figure 2 – Imports



(i) Identify which good is the second largest import.

(1)

Figure 3 – Exports



(ii) Identify the percentage of gold exported.

(1)



(d) Define the term **click and collect**.

(1)

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(e) Explain **one** possible reason why retailers have self-scan checkouts.

(3)

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(f) Explain **one** possible advantage for a business of exporting its products.

(3)

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Petalbees is a florist in Kuala Lumpur, Malaysia. The business offers a delivery service to customers of a wide range of floral arrangements and gifts for all occasions. Customers can place an order by visiting its small shop or by ordering online. The business has become very successful over the last few months and is considering expanding.

It is considering the following two options:

Option 1: increase the size of its only shop

Option 2: open a second shop in another part of Kuala Lumpur.

(g) Justify which **one** of these two options *Petalbees* should use to expand.

(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.

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 ☒.

- 3 *Zero Baht* is a unique shop that trades in Bangkok, Thailand. It is unique because no money is transferred from buyer to seller. People exchange recyclable goods for useful items such as snacks, drinks and basic cooking ingredients. The payment is made with glass, plastic bottles, tin cans and anything else that can be recycled. The recycled items are then sold to businesses that recycle goods. *Zero Baht* uses these funds to pay the running costs of the shop, such as insurance. Over recent months the shop has become quite successful. The shop provides locals who have limited finance or a low income the opportunity to obtain goods they would not normally be able to purchase.

- (a) Which **one** of the following describes an etailer?

Select **one** answer.

(1)

- A** Buyer cannot view goods before purchase
- B** The buyer and seller do not meet
- C** There are no delivery charges
- D** Purchases can only be made using a mobile phone

- (b) Which **one** of the following would the insurance company consult to assess its risk when providing insurance for *Zero Baht's* shop?

Select **one** answer.

(1)

- A** Bank loans held by *Zero Baht*
- B** Profit made by *Zero Baht* last year
- C** Statistics of past insurance claims
- D** The pool of premiums paid by insured people/businesses

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(c) State **one** cost, other than insurance, that *Zero Baht* would have to pay.

(1)

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(d) Outline **one** likely reason for the success of *Zero Baht's* shop.

(2)

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(e) Analyse the importance of *Zero Baht* locating its shop near to transport links.

(6)

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Zero Baht is planning to expand by opening more shops in Bangkok and is considering the following two options of ownership for the shops:

Option 1: becoming a partnership

Option 2: becoming a private limited company.

(f) Justify which **one** of these two options *Zero Baht* should choose.

(9)





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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 Lou Wener owns a small shop in Xiabao Village just outside Hangzhou City in China. She sells many different household items that customers want. She has run the store on her own for the past 21 years. She never closes the shop, even for Chinese New Year – she says this day ‘is one of the busiest days’.

When she first opened, business was good, as people did not often go to the city to buy things. In recent years sales have not been as good and it is now more difficult to make a profit.

On Monday Lou Wener took 40 orders worth 1 719 RMB and made a profit of 116 RMB.

On Tuesday her profit was 32.5% higher than on Monday.

- (a) Calculate, to two decimal places, the profit she made on Tuesday. You are advised to show your workings.

(2)

..... RMB

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(b) Analyse why Lou Wener would want to make sure that her shop is fully insured.

(6)

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(c) Evaluate whether small retailers such as Lou Wener are likely to survive in markets where there are large retailers. You should use the information provided and your own knowledge 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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