

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)**

Monday 20 January 2020

Afternoon (Time: 1 hour 30 minutes)

Paper Reference **4CM1/02**

Commerce

Paper 2: Facilitating commercial operations

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 is managed by a central bank?

Select **one** answer.

(1)

- A Trade credit
- B Venture capital
- C Money supply
- D Crowdfunding

- (b) Which **one** of the following is a trade document used by a wholesaler when purchasing goods?

Select **one** answer.

(1)

- A Enquiry
- B Leaflet
- C Brochure
- D Circular

- (c) Define the term **postal order**.

(1)

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

(1)

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(e) *Aqua Science* is one of the largest suppliers in America that delivers equipment for purifying water.

- (i) State **one** suitable method of short-term finance that *Aqua Science* could use to increase its fleet of vehicles.

(1)

- (ii) State **one** possible reason why *Aqua Science* use emails to communicate with its customers.

(1)

Figure 1 shows the cost of production and percentage mark-up of *Aqua Science's* most popular equipment for 2019.

	Cost of production (including delivery)	Mark-up
Goulds Submersible Well Pump	\$1 116	50%

Figure 1

- (iii) Calculate *Aqua Science's* selling price. You are advised to show your working.

(2)

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(f) Explain **one** advantage for a new business of using crowdfunding.

(3)

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(g) Explain **one** reason why businesses use commercial banks.

(3)

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2 (a) Which **one** of the following is a type of credit available to consumers?

Select **one** answer.

(1)

- A Debit card
- B Credit sale
- C Trade credit
- D Government grant

(b) Which **one** of the following is a method of written communication used by a bank when communicating with a customer?

Select **one** answer.

(1)

- A Letter
- B Agenda
- C Minutes
- D Face-to-face

(c) *Wilson's Juice Company* is a lemonade producer in Nigeria. It produces drinks such as; Traditional Lemonade and Pink Lemonade.

Figure 2 shows the price for a box of 12 bottles and the number of boxes sold in 2019.

	Box of 12 bottles (Price in Nigerian Naira)	Number of boxes sold in 2019
Traditional Lemonade	2 950	522 614
Pink Lemonade	2 800	586 957

Figure 2

(i) Identify which box of lemonade was the most expensive in 2019.

(1)





(ii) Identify which lemonade sold the most boxes in 2019.

(1)

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

(1)

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(e) Explain **one** reason why a business would offer store cards to its customers.

(3)

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(f) Explain **one** reason why a business might use informative advertising.

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Currently *Wilson's Juice Company* sells its lemonade in 150 ml bottles in the 20 shops it owns in Nigeria. It plans to double its sales revenue by 2022. *Wilson's Juice Company* is considering the following two options:

Option 1: open 10 more shops

Option 2: introduce a 300 ml bottle.

(g) Justify which **one** of these two options *Wilson's Juice Company* 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 The *Dalmia Group* is the fastest-growing sugar business in India and is currently planning for major growth. The company produces quality sugar for international buyers such as *PepsiCo*, *The Coca-Cola Company* and *Walmart*.

Dalmia has received an order from *PepsiCo* for 800,000 tons of raw cane sugar, but does not have the capacity or inventory (stock) in its warehouse to deliver within the guaranteed 15-day delivery time.

- (a) Which **one** of the following is a source of support for a business when exporting?

Select **one** answer.

(1)

- A** Bank
- B** Central bank
- C** Post office
- D** Stock exchange

- (b) Which **one** of the following methods of payment would *Dalmia* use when paying its supplier of raw cane sugar?

Select **one** answer.

(1)

- A** Electronic transfer
- B** Loan
- C** Leasing
- D** Hire purchase

- (c) State **one** benefit to *Dalmia* of having a large company such as *PepsiCo* as a customer.

(1)

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(d) Complete the order form below to show the missing amounts.

(2)

Dalmia Bharat Group	Customer Information
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Date	20 January 2020
Customer Name	<i>PepsiCo UK</i>
Address	Cavendish Park, Leeds, LE6 1ET
Telephone number	(+44) 1188 628 000

Order Information

Quantity (Tons)	Description	Unit Price (Per Ton)	Total Price
800,000	Refined Sugarcane	\$46	(i) \$
		Tax Rate	21%
		Tax	(ii) \$
		Total Due	\$44 528 000





(e) Analyse the impact on *Dalmia* of not delivering the *PepsiCo* order within 15 days.

(6)

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(Total for Question 3 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS



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Uber is developing a flagship project called ‘Elevate’; this will be the first flying taxi service in the world. *Uber* aims to launch this service by the end of 2020.

Uber has been funding this development by retaining 50% of its profits since 2018, which will stop in 2021. Further funding will come from the issue of \$500 million new ordinary shares.

- (c) Evaluate how *Uber*’s funding of the ‘Elevate’ project might affect shareholder dividends. You should use the information provided as well as your knowledge of commerce.

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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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