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Pearson Edexcel Centre Number Candidate Number
International GCSE

Commerce

Monday 22 January 2018 – Afternoon Time: 2 hours	Paper Reference 4CM0/01
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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.*

Information

- The total mark for this paper is 100.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*
- A calculator 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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Answer ALL questions.

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 Complete the following sentences by inserting only **one** word in each space.

(a) A tax on imported goods is a (1)

(b) An individual buying a franchise is known as a (1)

(c) Goods sold below their cost price to attract customers are called
..... leaders. (1)

(d) Mark-up is the margin on a product offered
for sale. (1)

(Total for Question 1 = 4 marks)

2 Using an example of a type of organisation in each case, define:

(a) private sector (2)

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(b) public sector. (2)

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(Total for Question 2 = 4 marks)

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3 An investor owns 750 shares in a company. The company has declared a dividend of 15 pence per share.

Calculate how much dividend the investor will receive. Show your working.

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(Total for Question 3 = 2 marks)

4 State **two** disadvantages for a customer of paying for goods using a store card.

1

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2

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(Total for Question 4 = 2 marks)

5 Give **two** reasons why supermarkets bulk buy.

1

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2

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(Total for Question 5 = 2 marks)

6 Name **two** documents that must be presented to the bank when using documentary credits.

1

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2

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(Total for Question 6 = 2 marks)



7 For each type of business listed, identify whether it is a business producing goods or a business providing services by putting a cross ☒ in the correct box below.

Business	Producing goods	Providing services
(i) Abel's shoe repairs	<input type="checkbox"/>	<input type="checkbox"/>
(ii) Cement Engineering Ltd	<input type="checkbox"/>	<input type="checkbox"/>
(iii) Fiona's fish farm	<input type="checkbox"/>	<input type="checkbox"/>
(iv) Pat's convenience store	<input type="checkbox"/>	<input type="checkbox"/>

(Total for Question 7 = 4 marks)

8 Name **one** postal service that a business could use to send a final demand for payment.

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(Total for Question 8 = 1 mark)

9 Suggest **two** ways in which a coffee shop could increase its turnover.

1

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2

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(Total for Question 9 = 2 marks)

10 State **two** features of credit transfer as a method of payment.

1

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(Total for Question 10 = 2 marks)

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11 Outline **three** functions of central banks.

1

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(Total for Question 11 = 3 marks)

12 Identify **two** reasons why medical equipment would be sent by air.

1

2

(Total for Question 12 = 2 marks)

13 Brokers and factors are two intermediaries who work on behalf of other people in international trade.

Compare the work of brokers and factors as intermediaries.

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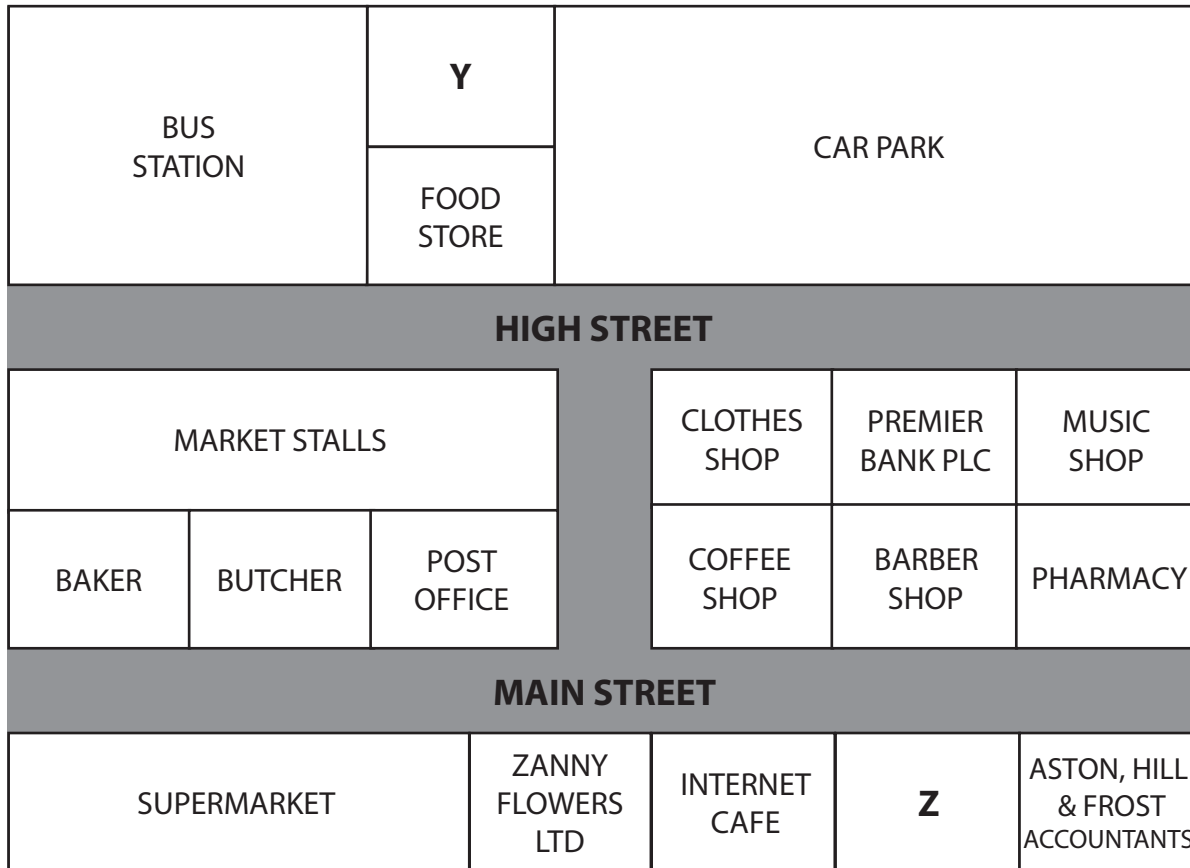
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(Total for Question 13 = 4 marks)



14 Below is a street plan of a town centre. Martha is going to open a bookshop in the town centre. Two shops, marked Y and Z on the street plan, are available for Martha to rent.



(a) Identify **one** example from the diagram of each of the following:

(i) private limited company

(1)

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(ii) public limited company.

(1)

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(b) Suggest **two** possible reasons why Martha has located her business in shop Z.

(4)

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(Total for Question 14 = 6 marks)

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15 The table below shows the exports and imports in 2017 for Country A.

Its main exports are tea, clothing and tourism. Its main imports are shipping, cars and chemicals.

	Exports (£million)	Imports (£million)
Visible trade	550	650
Invisible trade	235	380

(a) State the difference between visible and invisible trade, using examples for each from Country A.

(4)

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(b) (i) Calculate the balance of payments in 2017 for Country A.

(3)

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(ii) Why might the government of Country A be concerned with these balance of payments figures?

(3)

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(c) Explain why countries specialise in producing specific products.

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(d) Explain **two** disadvantages of a multi-national company operating in a country.

(6)

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(Total for Question 15 = 20 marks)

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16 Fruity Wholesalers, an independent wholesaler, supplies local retailers with fruit. It owns a cold storage warehouse where fruit is stored. It uses its own fleet of vans for delivery.

(a) Suggest a suitable channel of distribution that Fruity Wholesalers could use.

(2)

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(b) Discuss why Fruity Wholesalers needs a cold storage warehouse.

(4)

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(c) Explain **one** reason why Fruity Wholesalers uses road transport to deliver to retailers.

(3)

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(d) Some people argue that it is better for retailers to buy directly from manufacturers rather than from wholesalers.

To what extent do you agree with this view?

(6)

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(e) Explain how the growth of cash-and-carry in recent years has helped some independent wholesalers to continue in business.

(5)

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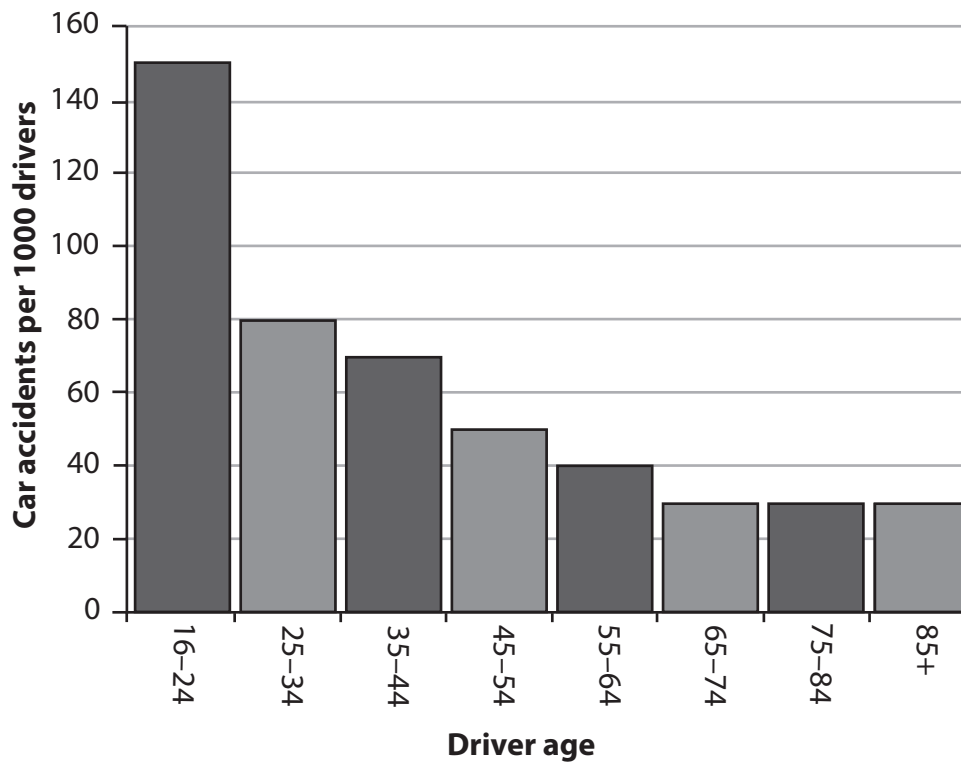
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17 The following graph shows a country's insurance statistics on the number of car accidents based on age. These statistics are used by insurance companies to calculate insurance premiums.



(a) (i) What is an insurance premium?

(2)

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(ii) Apart from age, analyse **one** factor that would influence the level of car insurance premiums.

(3)

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(b) Explain why younger drivers have more car accidents than older drivers.

(3)

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(c) Identify **four** actions a driver would need to take after a car accident before completing an insurance claim form.

(4)

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(d) Evaluate whether indemnity or utmost good faith is more important when making an insurance claim following a car accident.

(8)

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(Total for Question 17 = 20 marks)

TOTAL FOR PAPER = 100 MARKS

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