



Cambridge O Level

CANDIDATE
NAME

CENTRE
NUMBER

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COMMERCE

7100/22

Paper 2 Written

May/June 2022

2 hours

You must answer on the question paper.

No additional materials are needed.

INSTRUCTIONS

- Answer **all** questions.
- Use a black or dark blue pen.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.

INFORMATION

- The total mark for this paper is 80.
- The number of marks for each question or part question is shown in brackets [].

This document has **16** pages. Any blank pages are indicated.

1 Fig. 1.1 is a table of annual insurance premiums for motor cars based on occupation.

Occupation	Annual premium
Motor racing driver	\$2000
Footballer	\$1900
Student	\$1300
Machinist	\$1000
Farmer	\$800
Lawyer	\$600
Teacher	\$400

Fig. 1.1

Use Fig. 1.1 to help you answer the following questions.

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

.....
 [1]

(ii) Which occupation in Fig. 1.1 is in the secondary industry?

.....
 [1]

(b) Explain **two** factors, apart from occupation, for the high premiums charged to students for motor car insurance.

1.

 2.

[4]

(c) Should individuals specialise in particular occupations? Give reasons for your answer.

.....
.....
.....
.....
.....
..... [3]

(d) Circle the correct answer to complete each of the following sentences.

An increased number of motor vehicles is a cause of

global trade **OR** global warming.

Imported car parts will often be stored in a

manufacturer's warehouse **OR** cold storage warehouse.

[2]

2 An international cricket club uses a variety of communications in its operations. The club is making increased use of air transport to send equipment for matches.

(a) Explain **one** example of oral communication that might be used by the cricket club.

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..... [2]

(b) Explain why letters are used by the club when signing new players.

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..... [3]

(c) Do you think negative social media reviews from supporters are always bad for sports clubs? Give reasons for your answer.

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.....
..... [3]

- (d) Sports clubs need to consider several factors, such as the nature of the equipment to be carried, before deciding to send their equipment by air transport.

Evaluate **two other** factors sports clubs should consider before choosing air transport to send their equipment. Give reasons for your answer.

Dotted lines for writing the answer.

[6]

[Total: 14]

- 3 Aisha opened a shop six months ago, selling homemade cakes and meat pies. She buys her meat pies from a wholesaler.

Fig. 3.1 shows Aisha’s trading figures for the two products sold.

	Cakes (\$)	Meat pies (\$)
Revenue	15 600	35 400
Cost of sales	5 000	(ii)
Gross profit	(i)	4 200
Expenses	2 600	1 480
Net profit (profit for the year)	8 000	(iii)

Fig. 3.1

Use Fig. 3.1 to help you answer the following questions.

- (a) Do the calculations to complete the gaps at (i), (ii) and (iii) in the table in Fig. 3.1. [3]

- (b) Define *revenue*.

.....
 [1]

- (c) Explain **two** possible disadvantages to Aisha of buying her meat pies from a wholesaler.

1.

 [4]

4 Wasi is a self-employed photographer, working from home. He uses mobile banking for most of his payments.

(a) Identify a form of business organisation that Wasi could set up.

.....
..... [1]

(b) Explain **one** advantage and **one** disadvantage of using mobile banking to make payments.

Advantage

.....

.....

.....

Disadvantage

.....

.....

.....

[4]

(c) Wasi wants to work from a purpose-built studio in the garden of his home but he does not have enough finance from his own savings to buy the studio.

(i) Explain **one** reason why obtaining finance might be difficult for Wasi.

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..... [2]

(ii) Do you think a loan would be the most suitable source of finance for Wasi to choose? Justify your answer.

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..... [6]

[Total: 13]

5 Fig. 5.1 shows self-service checkouts that a supermarket chain has introduced into its stores. This is part of its new technology developments.



Fig. 5.1 Self-service checkouts

(a) State **two** characteristics of a supermarket, apart from self-service checkouts.

- 1.
-
- 2.
-

[2]

(b) Explain **two** advantages of self-service checkouts to supermarkets.

1.

2.

[4]

(c) Do you think introducing new technology into supermarkets benefits the customer? Give reasons for your answer.

.....

[3]

(d) Which of these statements about the location of retail units are true and which are false?

Tick (✓) TRUE or FALSE in the correct column.

	TRUE	FALSE
Department stores locate in neighbourhood areas		
Shopping centres locate near to transport routes		
Hypermarkets locate where car parking is available		

[3]

- (e) The supermarket imports much of its perishable stock from overseas suppliers.

Evaluate **two** difficulties faced by the supermarket when using this supply chain. Give reasons for your answer.

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..... [6]

[Total: 18]

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