



Cambridge O Level

COMMERCE

7100/13

Paper 1 Multiple Choice

May/June 2024

1 hour

You must answer on the multiple choice answer sheet.

You will need: Multiple choice answer sheet
Soft clean eraser
Soft pencil (type B or HB is recommended)

INSTRUCTIONS

- There are **forty** questions on this paper. Answer **all** questions.
- For each question there are four possible answers **A**, **B**, **C** and **D**. Choose the **one** you consider correct and record your choice in soft pencil on the multiple choice answer sheet.
- Follow the instructions on the multiple choice answer sheet.
- Write in soft pencil.
- Write your name, centre number and candidate number on the multiple choice answer sheet in the spaces provided unless this has been done for you.
- Do **not** use correction fluid.
- Do **not** write on any bar codes.
- You may use a calculator.

INFORMATION

- The total mark for this paper is 40.
- Each correct answer will score one mark.
- Any rough working should be done on this question paper.

This document has **12** pages. Any blank pages are indicated.

- 1 People have a number of basic needs.

What do these needs include?

- A entertainment and tourism
- B food and water
- C insurance and medical care
- D transport and communication

- 2 Ghana is one of the highest gold-producing countries in Africa.

Which term describes this level of specialisation for gold mining in Ghana?

- A firm
- B individual
- C manufacturing
- D national

- 3 The table shows aids to trade.

banking
communications
advertising
X
warehousing
insurance

Which aid to trade is X in the table?

- A manufacturing
- B retail
- C transport
- D wholesaling

- 4 Which type of retailer offers a limited range of goods to consumers from specially adapted vans?
- A hawker stalls
 - B mobile shops
 - C street markets
 - D vending machines

- 5 What does Electronic Point of Sale (EPoS) involve?

- A barcoding every product
- B bargaining at the checkout
- C checking stock regularly
- D finding stock to display

- 6 Ahmed wants to buy a washing machine and pay for it later.

How is Ahmed's ability to pay assessed by the retailer?

- A consumer credit
- B creditworthiness
- C hire purchase
- D informal credit

- 7 Which type of credit would be **most** suitable for paying for a meal at a restaurant?

- A credit card
- B extended credit
- C informal credit
- D trade credit

- 8 Shanshan wishes to buy a bedroom suite that is on offer for \$1800. If she pays cash, a discount of \$360 will be given. If she buys on hire purchase terms, a \$90 deposit is required plus 10 equal instalments of \$200.

How much **more** will Shanshan pay if she buys on hire purchase rather than paying cash?

- A \$290 B \$650 C \$1440 D \$2090

- 9 Which pair of services does a wholesaler provide to a manufacturer?
- A breaking bulk and a convenient location
 - B clearing production lines and risk bearing
 - C delivery and storage of goods
 - D trade discount and a variety of goods
- 10 Which type of agent guarantees payment and is responsible for any debts?
- A commission agent
 - B del credere agent
 - C import agent
 - D insurance agent
- 11 SL Ltd purchases 200 bottles of hand sanitiser for \$400.
- What is the selling price of each bottle of hand sanitiser if SL Ltd requires a mark-up of 25%?
- A \$0.50 B \$2.00 C \$2.50 D \$10.00
- 12 What does a buyer issue to find out the terms offered by a supplier?
- A delivery note
 - B enquiry
 - C order form
 - D quotation
- 13 What are products sold to foreign countries called?
- A exports
 - B imports
 - C invisibles
 - D visibles

14 What is an example of an invisible item on a country's Balance of Payments?

- A foreign doctors from Canada
- B motor vehicle kits from Japan
- C natural gas from Norway
- D shoes sent to Botswana

15 Which difficulty does a business face **only** if it is engaged in international trade?

- A competition from local firms supplying the same product
- B non-payment of debts by customers involved in home trade
- C unexpected fluctuations in exchange rates
- D unexpected transport delays within a country

16 The government of a country imposes a duty of \$100 for each tonne of imported steel.

What is this duty called?

- A ad valorem duty
- B excise duty
- C export duty
- D specific duty

17 A British importer buys headphones from a US company. The headphones cost £300 000. The exchange rate is GB £1 = US \$1.20.

How much does the British importer pay in US dollars (\$) for the headphones?

- A \$36 000 B \$150 000 C \$250 000 D \$360 000

- 18 The diagram shows a delivery truck of a fast food chain with an advertising message on the side of the truck.



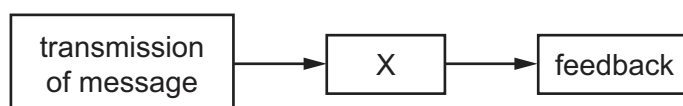
Which type of advertising message is shown in the diagram?

- A collective
 - B competitive
 - C informative
 - D persuasive
- 19 What is an advantage of using a digital billboard?
- A A digital billboard allows information to be posted on social media.
 - B A smartphone can download information from a digital billboard.
 - C Consumers can watch digital billboard advertisements on their laptops.
 - D The advertisement on the digital billboard can be changed easily.
- 20 A business gives several pairs of sports shoes to a world-famous footballer free of charge. The footballer has a large social media following.

What is the **most** likely reason for doing this?

- A The business invests in charitable causes.
 - B The business supports the footballer's team.
 - C The footballer can trial the sports shoes and give feedback.
 - D The footballer may influence the sales of the sports shoes.
- 21 Which advertising method of appeal would make an advertisement more interesting?
- A affluence
 - B convenience
 - C music
 - D status

- 22 The diagram shows the process of communication.



What does X in the diagram represent?

- A communicator
 - B medium
 - C receiver
 - D sender
- 23 A multinational company plans to conduct a meeting with its staff from offices in different countries.
- Which method of communication should this multinational company use for this meeting?
- A email
 - B podcast
 - C social media
 - D videoconference
- 24 Why is it important for a social influencer to post videos regularly?
- A builds friendship with target audience
 - B obtains customer feedback
 - C promotes engagement with followers
 - D reduces cost of posting
- 25 What is an example of a post office service?
- A private box
 - B debt factoring
 - C customs payment
 - D voicemail

26 Which statement **best** explains why a bill of lading differs from an air waybill?

- A A bill of lading allows lower freight charges than an air waybill.
- B A bill of lading and an air waybill are evidence of a contract of carriage.
- C A bill of lading is used when goods are transported in container ships.
- D A bill of lading is used when goods are trans-shipped from rail to road.

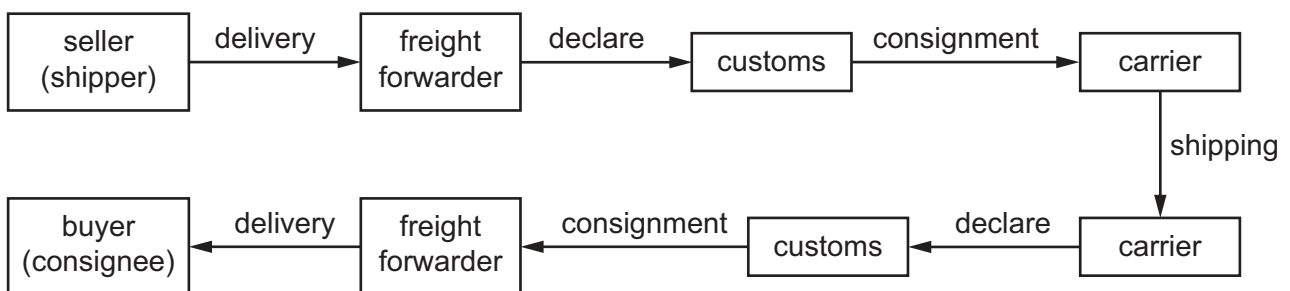
27 Which service is provided at seaports for passengers?

- A restaurants
- B dredging
- C container terminals
- D warehousing

28 What do ventilated containers transport?

- A coal
- B food
- C machinery
- D televisions

29 The flow chart shows a process of transporting goods internationally.



What is the process in the flow chart called?

- A containerisation
- B globalisation
- C logistics
- D sustainability

- 30 Why are selling costs in a cash and carry warehouse lower than in a traditional warehouse?
- A delivery of goods is offered
 - B fewer goods are stored
 - C no credit is offered
 - D they sell food and household goods
- 31 What is **not** a function of warehousing?
- A breaking down bulk into smaller quantities
 - B meeting unexpected changes in demand
 - C preventing theft of stored products
 - D providing customer service to retailers
- 32 Which type of insurance would protect a business against consumer claims for injury resulting from faulty goods?
- A consequential loss
 - B key person
 - C product liability
 - D public liability
- 33 A motorist paid a premium of \$1200 for her car insurance in 2022. She then received a no claims discount of 25% for 2023 for careful driving.
- What was the amount of her insurance premium in 2023?
- A \$30 B \$900 C \$1200 D \$1500
- 34 Which document is required when a claim is made following a car accident?
- A birth certificate
 - B cover note
 - C insurance policy
 - D proposal form

- 35 What is needed to use mobile banking?
- A smartphone
 - B kiosk
 - C cash
 - D telephone
- 36 What is the **main** advantage of rail transport being in public ownership?
- A Bureaucracy makes it easier to manage.
 - B Government resources fund the industry.
 - C Private individuals can receive dividends.
 - D Profits benefit private individuals.
- 37 What is an advantage of becoming a franchisee?
- A The franchisee is responsible for national advertising.
 - B The franchisee will be able to buy cheap supplies anywhere.
 - C The franchisee will have total control of the products sold.
 - D The franchisee will receive expert business support.
- 38 What describes the purchase of goods when ownership is transferred on payment of the last instalment?
- A credit sale
 - B hire purchase
 - C leasing contract
 - D trade credit
- 39 What is a characteristic of an online store?
- A gives face-to-face personal service
 - B creates window displays
 - C provides order tracking
 - D uses self-service checkouts

40 What is **not** a form of consumer protection?

- A advertising codes of practice
- B consumer laws on saleable quality
- C guarantees on goods and services
- D provision of after-sales service

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