



# Cambridge O Level

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		

555171413

COMMERCE 7100/23

Paper 2 Written May/June 2025

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.

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1 A logistics company is transporting cars from an overseas agent in South Africa to a new taxi service business in Mauritius. The method of transport is shown in Fig. 1.1.

2

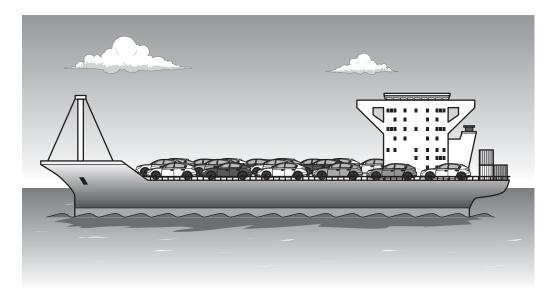


Fig. 1.1

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

	s by ship.
(ii) State one document used when transporting goods	
(b) Explain two location factors which would have been business.	considered by this new taxi service
1	
2	
	[4]



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

Transport is described as

an aid to trade **OR** a direct service.

An example of a motor insurance risk is

contents insurance **OR** third-party insurance.

[2]

(u)	offered 10 per cent trade discount. Terms were full payment within 30 days, or 5 per cent discount if paid within 15 days. This taxi company paid the amount in full within a week.
	Calculate the amount received by the wholesaler.
	(21

(e)	A manufacturer of car	s must decide which	channel of distribution	to use. It has two options
-----	-----------------------	---------------------	-------------------------	----------------------------

Option	1:	Selling	directly	to its	customers	through	its	website
Option		Coming	an oou	,	Cactonnois	unougn		TT ODOIL

Option 2	2: Selling	through an	overseas agent.

Discuss both options. Which option would you recommend? Give reasons for your answer.
[8]

[Total: 19]



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2	Fatima buys her groceries from a supermarket which only has self-service checkouts.	The
	supermarket only accepts payments by debit card.	

(a)	State <b>one</b> advantage of self-service checkouts to customers.
	[1]
(b)	Explain <b>one</b> reason why supermarkets are important in the chain of distribution.
<b>(-)</b>	Ctata taux harrafita ta a ratailar af using a la tragia invaira.
(c)	State <b>two</b> benefits to a retailer of using electronic invoices.  1
	2
<i>(</i> 1)	[2]
(d)	Do you think customers prefer using debit cards rather than paying in cash? Give reasons for your answer.

* 0000800000007 *

(e)	Discuss the effects on a business of the increased use of credit by customers. Give reasons for your answer.
	[6]
	[Total: 14]



3 MN is a multinational company that has set up its operations in the Middle East to import and sell mobile devices. Fig. 3.1 shows the percentage share of the annual advertising media expenditure for MN.

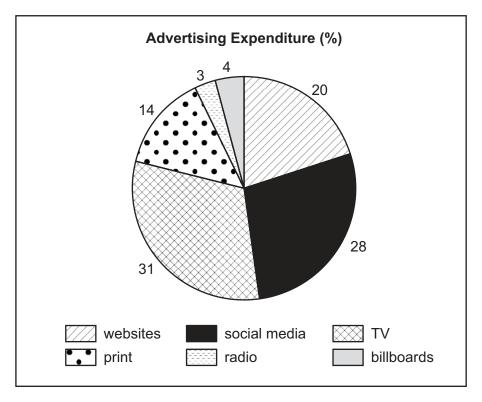


Fig. 3.1

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

(a)	(i)	Identify the advertising medium which received one-fifth of the advertising expenditure in the pie chart.
	(ii)	Give <b>two</b> examples of print media.
		1
		2
		[2]
(b)		te <b>two</b> financial incentives that attract multinational companies to set up operations in a ntry.
	1	
	2	

	cooosooooooooooooooooooooooooooooooooo	important for a mult	inational company.
	1		
	2		
			[17]
(.1\	NAVISCIENT ALL CONTRACTOR CONTRAC	is TDUE and orbital	[4]
(d)	Which of these statements about international trade	S I RUE and which	I IS FALSE?
	Tick (✓) TRUE or FALSE in the correct column.	TDUE	E41.0E
	Multinational companies always operate within a	TRUE	FALSE
	trading bloc.		
	Quotas decrease revenue for the importing country's government.		
	A freeport is a type of seaport.		
(e)	In addition to advertising, many large businesses of	fer free gifts to custo	[3] omers.
	Evaluate the implications to a business of offering fi	ree gifts. Give reaso	ns for your answer.
			[6]
			[Total: 18]
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4		W is a cash and carry warehouse operated as a partnership by Javed and Farid. They have ny expenses, including insurance premiums.
	(a)	State <b>one</b> feature of a cash and carry warehouse.

	[1]
(b)	CCW paid a \$6000 annual insurance premium last year. This year, CCW will be awarded a no claims discount of 20%.
	Calculate the premium that CCW will pay this year.
	[2]
(c)	Javed and Farid are considering changing CCW's form of business organisation to a private limited company.

reasons for your answer.	

Do you think it would be better for CCW to operate as a private limited company? Give



(d) Javed and Farid want to improve CCW's net profit by 50% next year. They have two options:

11

Option 1: increasing sales
Option 2: reducing cost of sales.
Discuss both options. Which option would you recommend? Give reasons for your answer
[8]

[Total: 14]



**5** Fig. 5.1 shows banking services used by a small manufacturer. The manufacturer is considering different sources of finance to buy equipment for recycling waste.

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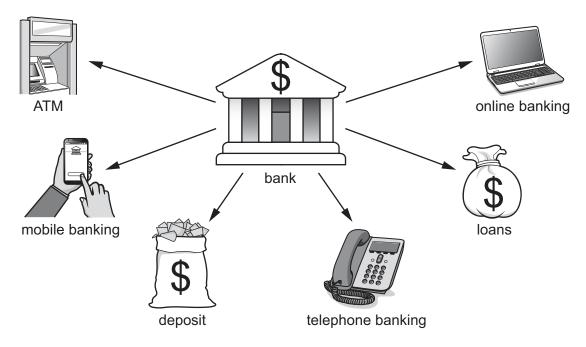


Fig. 5.1

(a) Identify the banking service in Fig. 5.1 that the manufacturer could use to:

	(i)	withdraw cash.	
	(ii)	earn interest.	[1]
			[1]
b)		which sector of production are delivery services provided by a manufacturer to stomers?	its
			[1]

(d)

(e)

^ 0000800000013 ^	

	88    88    88    88    88    88    88    88    88    88    88    188   188
(c)	Explain two benefits of mobile banking to a manufacturer.

13

·
1
2
[4]
Explain <b>one</b> difficulty for a manufacturer when recycling waste.
[2]
This manufacturer is considering using retained profits to buy the recycling equipment. Discuss whether or not this is a suitable source of finance. Give reasons for your answer.

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