



Cambridge O Level

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COMMERCE**7100/22**

Paper 2 Written

May/June 2026**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. Do **not** use correction fluid or tape.
- 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 Twenty20 is a chain of ten coffee shops. It offers an ethical approach to selling convenience coffee. Figure 1.1 shows a recent social media loyalty card advertisement.

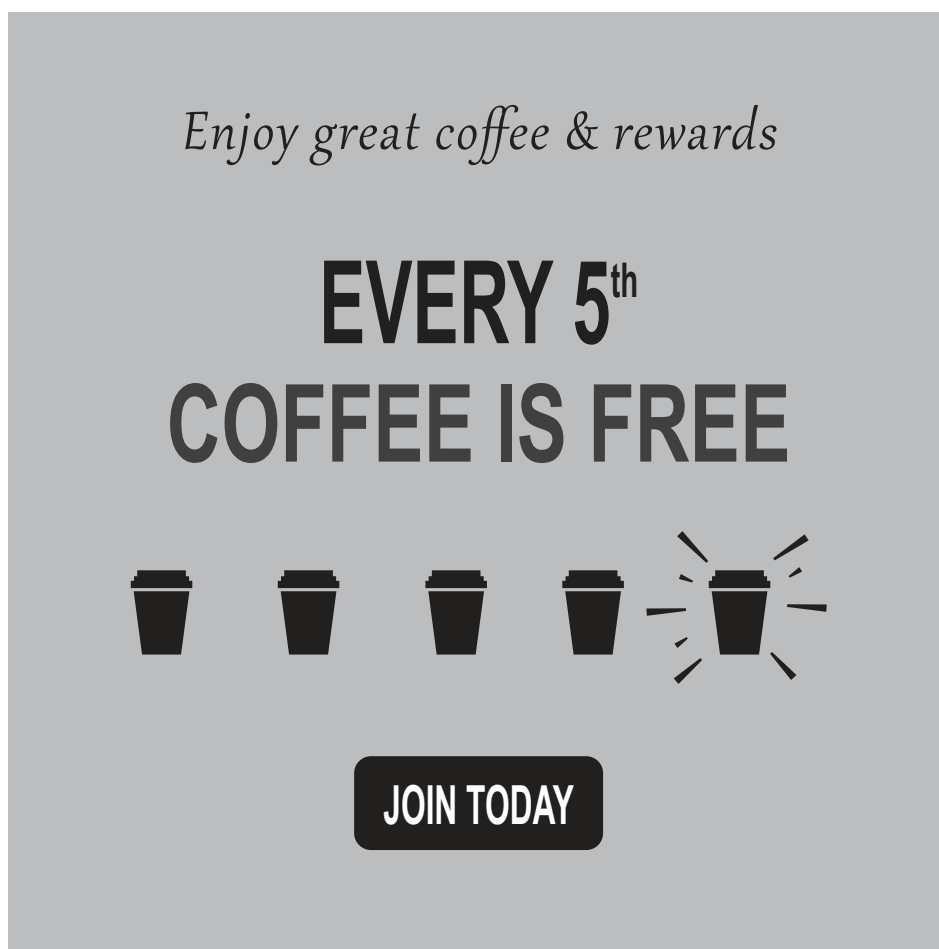


Figure 1.1

Use Figure 1.1 to help you answer the following questions.

- (a) (i) Which method of appeal is shown in Figure 1.1?

.....
 [1]

- (ii) Identify **two** other sales promotion methods that Twenty20 could use.

1

 2
 [2]



(b) Explain **two** advantages to Twenty20 of using social media advertising.

1

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2

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[4]

(c) Do you think selling ethically sourced coffee is a good idea for Twenty20? Give reasons for your answer.

.....

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.....

.....

.....

.....

[3]





(d) Twenty20 is planning to expand the business. It is considering two options:

Option 1: buying existing coffee shops

Option 2: selling Twenty20 franchises to new businesses.

Discuss **both** options. Which option would you recommend? Give reasons for your answer.

[8]

[Total: 18]





Turn over





2 Rayan is a potato farmer who has his own farm transport. He sells his potatoes to wholesalers and independent retailers.

(a) Complete the following sentences by inserting **one** word in each space.

(i) Farming is concerned with the sector of production. [1]

(ii) Wholesaling is concerned with the sector of production. [1]

(b) State **two** ways road transport might be used by Rayan’s business.

1
.....
2
..... [2]

(c) Describe how wholesalers support Rayan’s potato business in:

(i) breaking bulk.
.....
.....
..... [2]

(ii) risk bearing.
.....
.....
..... [2]





- (d)** A national supermarket chain has offered to buy all the potatoes that Rayan produces for the next four years. The supermarket's offer is at a slightly lower price than Rayan charges the wholesalers and local independent retailers.

Discuss whether Rayan should sell to the national supermarket chain. Give reasons for your answer.

[6]

[Total: 14]



- 3 SP is an online retailer selling baby strollers and prams.

Table 3.1 shows SP's trading figures for the two products sold.

Table 3.1

	baby strollers (\$)	prams (\$)
revenue	752 800	985 600
cost of sales	424 575	(i)
gross profit	(ii)	322 450
expenses	168 750	114 320
net profit	159 475	(iii)

Use Table 3.1 to help you answer the following questions.

- (a) Calculate the missing figures labelled (i), (ii) and (iii) to complete Table 3.1.

Working space

[3]

- (b) State the formula for the calculation of revenue.

.....
 [1]

- (c) Give **one** way to reduce cost of sales.

.....
 [1]





(d) Do you think selling online is the best way to sell baby strollers and prams?

Give reasons for your answer.

..... [3]

(e) SP would like to increase its revenue from selling baby strollers by offering a digital resale marketplace on its website.

Discuss whether this is a good idea for SP. Give reasons for your answer.

[6]

[Total: 14]



- 4 DD Ltd is a road freight company operating nationwide. It uses fleets of container trucks to provide logistics services for its customers.

(a) Define 'logistics'.

.....

.....

.....

..... [2]

(b) Identify **one** document that DD Ltd would use when delivering goods to its customers.

.....

..... [1]

(c) Explain **two** advantages to the customers of DD Ltd of receiving goods by road transport.

1

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2

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..... [4]

(d) A main competitor of DD Ltd has decided to start delivering goods in containers by rail.

Do you think DD Ltd should be worried about this decision? Give reasons for your answer.

.....

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..... [3]





(e) Discuss the importance of insurance to logistics companies.

[6]

[Total: 16]



- 5 Figure 5.1 shows the value of the exports and imports of a clothing company. This company uses imported raw materials for its in-house production.

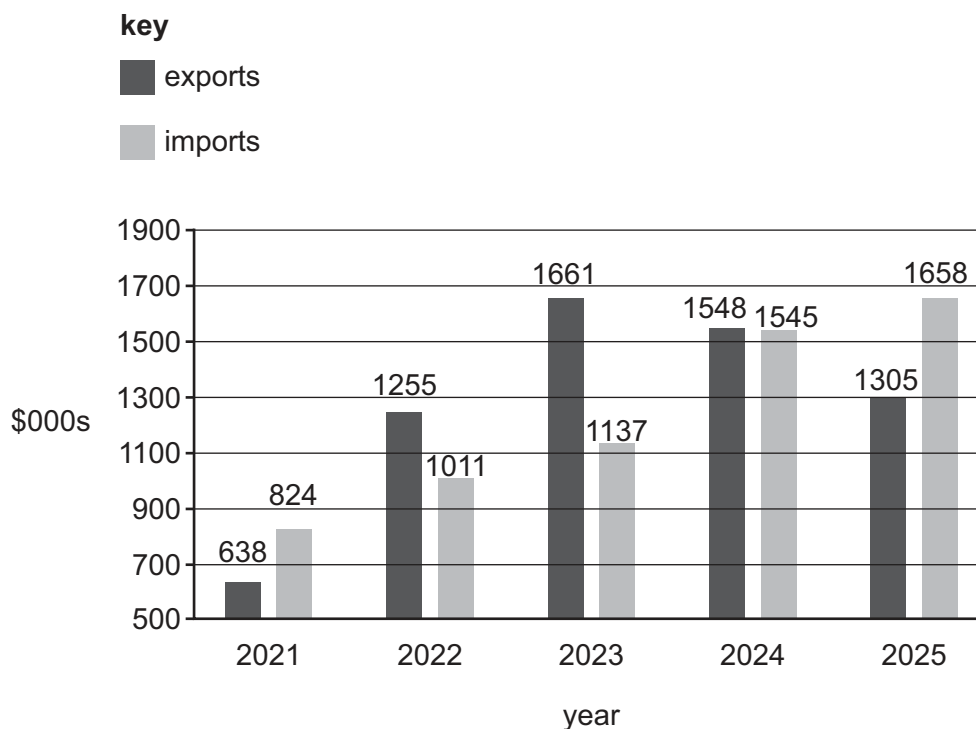


Figure 5.1

Use Figure 5.1 to help you answer the following questions.

- (a) (i) Identify the year with the highest value of imports.

.....
 [1]

- (ii) Identify **two** trends in Figure 5.1.

1

 2
 [2]





(iii) Calculate the difference between total exports and total imports over the 5-year period.

.....

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..... [3]

(b) Give **two** ways a customs authority might enforce trade restrictions on imported goods.

1

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2

..... [2]

(c) Define 'in-house production'.

.....

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..... [2]





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[8]

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