



Cambridge O Level

CANDIDATE
NAME

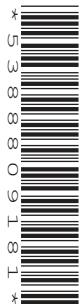
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CENTRE
NUMBER

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CANDIDATE
NUMBER

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COMMERCE

7100/22

Paper 2 Written

October/November 2020

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 **12** pages. Blank pages are indicated.

1 Fig. 1.1 shows FF Film Ltd. filming a new movie.

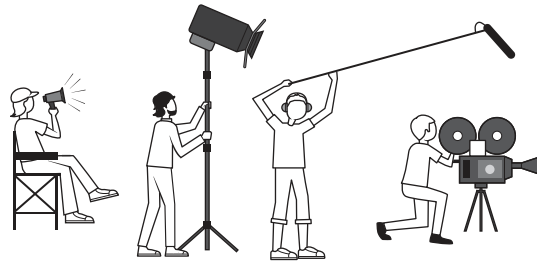


Fig. 1.1 FF Film Ltd. filming a movie

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

(a) Explain what is meant by specialisation, using an example from Fig. 1.1.

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..... [2]

(b) Explain how this film crew is productive.

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..... [2]

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

An actor injured during filming would be covered by

employer's liability insurance **OR** third party insurance.

Asking employees to turn off lights is often done to protect the

printers **OR** environment.

[2]

(d) Advertising is an aid to trade for the film industry.

(i) Explain **two** reasons why advertising is important for the film industry.

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[4]

(ii) Discuss whether FF Film Ltd. should use television or magazines to advertise the new movie. Which would you recommend? Give reasons for your answer.

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[8]

[Total: 18]

[Turn over

2 From an early age, Jack has been putting his money into a bank deposit account. He is now 18 and has started a job as a mechanic. He wants to open a bank current account.

(a) Explain **one** difference between a bank deposit account and a bank current account.

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..... [2]

(b) Describe a current account service Jack could use in each of the following situations:

(i) obtaining money when the bank is closed.

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..... [2]

(ii) authorising a creditor to withdraw money from his account.

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..... [2]

(c) Do you think it is a good idea for Jack to have mobile banking? Give reasons for your answer.

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..... [3]

(d) Jack wishes to buy a motorbike and requires credit.

(i) What is meant by *credit*?

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..... [1]

(ii) Evaluate the suitability to Jack of using hire purchase to buy the motorbike. Give reasons for your answer.

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..... [6]

[Total: 16]

3 Wholesalers deal with retailers and manufacturers. WW Wholesalers allows its retailers trade and cash discounts.

(a) A retailer has bought 50 tracksuits from WW Wholesalers costing \$120 each. The retailer is allowed 20% trade discount and 2% cash discount if the wholesaler is paid within 14 days.

Calculate how much the retailer will pay if the wholesaler’s invoice is paid within 14 days. Show your working.

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(b) The retailer has decided to postpone payment for a month. Explain why the retailer might have made this decision.

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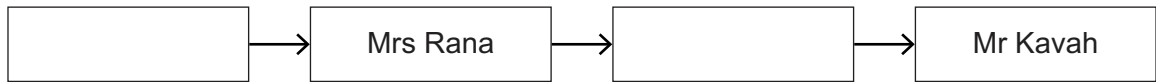
..... [3]

4 Mrs Rana is an exporter of gold jewellery. Mr Kavah imports gold jewellery from Mrs Rana to sell in his retail store.

(a) Define *imports*.

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..... [1]

(b) Complete the chain of distribution for the gold jewellery.



[2]

(c) Describe **one** method of communication that Mr Kavah would use to contact Mrs Rana about a necklace missing from a delivery.

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..... [2]

(d) Do airport authorities affect the importing of goods such as gold jewellery? Give reasons for your answer.

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..... [3]

5 Fig. 5.1 shows a warehouse owned by a large-scale retailer.

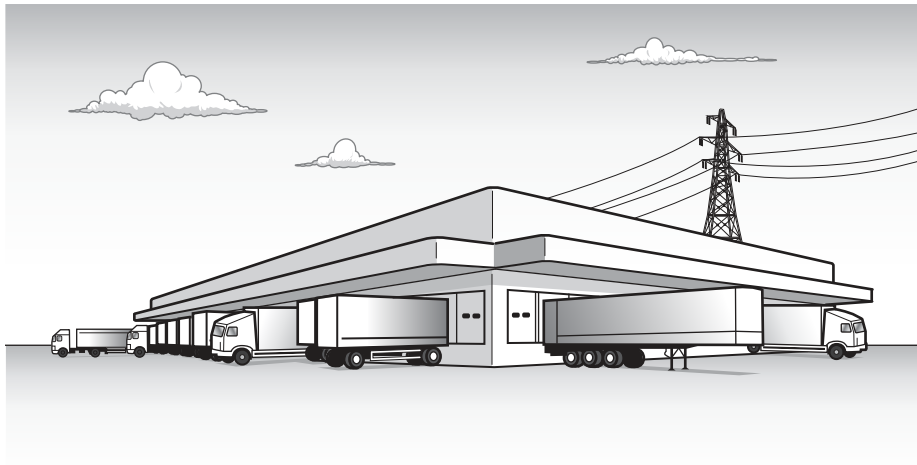


Fig. 5.1 Warehouse

Use Fig. 5.1 to help you answer the following questions.

(a) Identify the type of warehouse shown in Fig. 5.1.

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..... [1]

(b) Do you think warehousing helps large-scale retailers to improve their rate of inventory turnover? Give reasons for your answer.

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..... [3]

(c) Explain **two** effects of large-scale retailers on consumers.

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[4]

(d) Which of these statements about retailing are true and which are false?

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

	TRUE	FALSE
Factory outlets sell directly to consumers.		
An omnichannel retailer keeps customers informed about the progress of their orders.		
Supermarkets have a low rate of sales turnover.		

[3]

