



Cambridge O Level

CANDIDATE
NAME



CENTRE
NUMBER

--	--	--	--	--

CANDIDATE
NUMBER

--	--	--	--

COMMERCE

7100/21

Paper 2 Written

October/November 2024

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 shows an online retailer's advertisement on their website.

SMARTPHONES FOR SALE AT \$960



FLASH SALE




**24 monthly payments on direct debit on phone contract.
20% deposit.
0% interest.**

Fig. 1.1

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

(a) (i) State what is meant by a flash sale.

.....
 [1]

(ii) State **one** reason why 0% interest is offered.

.....
 [1]





(iii) Calculate the monthly payment if a customer pays by direct debit. Show your working.

.....

.....

.....

.....

.....

.....

.....

.....

..... [4]

(b) Explain **one** advantage to a retailer of advertising smartphones on their website.

.....

.....

.....

..... [2]

(c) This online retailer offers delivery by drone.

Do you think delivering goods by drone is a good idea? Give reasons for your answer.

.....

.....

.....

.....

.....

..... [3]

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

An important factor affecting the location of an online retailer is

availability of power **OR** public transport links.

A smartphone insurance policy is likely to cover

cracked screens **OR** lost photos.

[2]



[6]

[Total: 19]

2 Fig. 2.1 shows stages of a chain of distribution for tea.

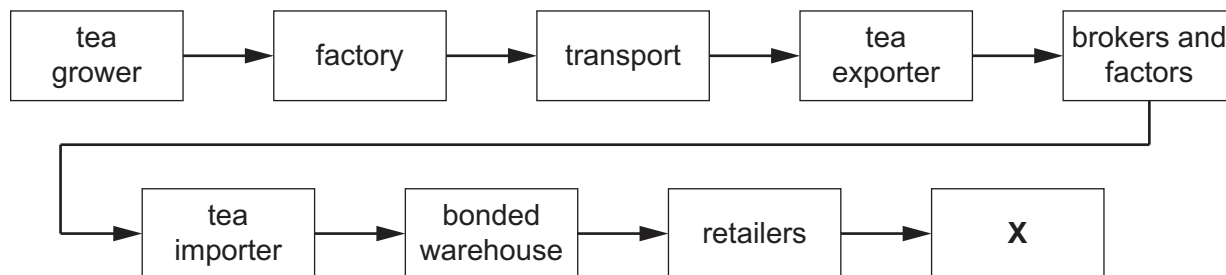


Fig. 2.1

Use Fig. 2.1 to help you answer the following questions.

(a) (i) Identify which stage is a primary industry activity.

..... [1]

(ii) Identify stage X.

..... [1]

(b) Explain **one** difference between a broker and a factor.

.....

 [2]

(c) State **two** features of a bonded warehouse.

1

 2
 [2]



[6]

[Total: 12]

3 Fig. 3.1 shows the Balance of Payments in three countries: country A, country B and country C.

Balance of Payments (\$m)

		Country A	Country B	Country C
Visible Trade:	Exports	9589	8912	4324
	Imports	8364	6327	5675
Visible Trade Balance		1225	2585	(1351)
Invisible Trade Balance		1245	512	3412

Fig. 3.1

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

(a) (i) Which country has the most income from selling goods abroad?

..... [1]

(ii) Which country has a visible trade deficit?

..... [1]

(iii) Define *invisible trade*.

.....
 [1]

(b) Explain the effects on imported goods if country C:

(i) introduces tariffs.

.....

 [2]

(ii) places embargoes on certain goods.

.....

 [2]





(c) Do you think having a stall at a trade fair is useful for exporters? Give reasons for your answer.

[3]

(d) Many exporters are concerned with the risk of non-payment in international trade.

Discuss **two** methods of payment that exporters can use to make sure that they do receive payment. Which method of payment do you recommend? Give reasons for your answer.

[8]

[Total: 18]





4 MM Bank is a multinational bank that provides internet banking to its customers. It has over 400 bank branches.

(a) State **two** features of a multinational bank.

1

.....

2

.....

[2]

(b) Identify **two** types of bank account that MM Bank might provide for its customers.

1

.....

2

.....

[2]

(c) MM Bank wants to introduce a mobile banking app.

Should MM Bank send letters to inform its customers about this new banking service? Give reasons for your answer.

.....

.....

.....

.....

.....

..... [3]



..... [6]

[Total: 13]

5 Fig. 5.1 shows a country's employment figures in 2023. Its total working population is 24 million.

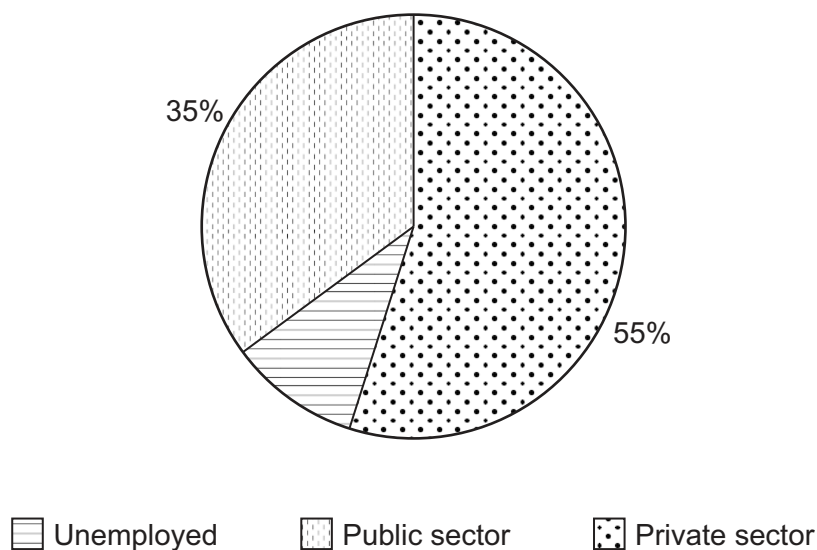


Fig. 5.1

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

(a) Identify **one** characteristic of a public sector enterprise.

.....
 [1]

(b) Calculate the total number of unemployed people in 2023. Show your working.

.....

 [2]





- (c) Many wholesalers sell vegetables to retailers in the private sector.

Explain the role of wholesalers in:

- (i) the breaking of bulk.

.....

.....

.....

..... [2]

- (ii) risk-bearing.

.....

.....

.....

..... [2]

- (d) Which of these statements about documents used between wholesalers and retailers are true and which are false?

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

	TRUE	FALSE
An order is sent by the wholesaler to the retailer.		
An advice note tells the retailer that the goods have been despatched.		
A credit note is sent when goods have been undercharged by the wholesaler.		

[3]





[8]

[Total: 18]





DO NOT WRITE IN THIS MARGIN





Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.

