



Cambridge O Level

COMMERCE

7100/11

Paper 1 Multiple Choice

October/November 2025

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 **16** pages. Any blank pages are indicated.

1 What are basic human needs?

- A communication and transport
- B entertainment and employment
- C insurance and finance
- D shelter and food

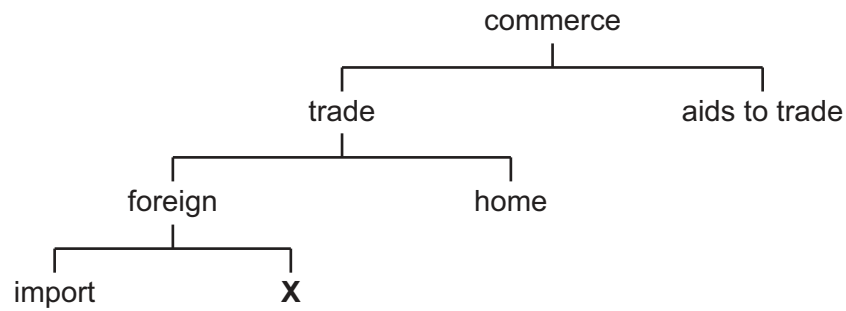
2 The table shows the percentage of workers employed in different types of sectors in the years 2003 and 2023.

	2003 %	2023 %
agriculture	5	3
commercial services	40	52
construction	8	10
direct services	20	20
manufacturing	27	15
total employed	100	100

What is the increase or decrease in the percentage of workers in primary industries between 2003 and 2023?

- A -12% B -2% C +2% D +12%

- 3 The diagram shows different divisions of commerce.



What is **X**?

- A export
 - B international
 - C retail
 - D wholesale
- 4 A local supermarket seeks to respond to customer demand for fresher fruit and vegetables. Which action by the local supermarket is **most** likely to meet customer requirements?
- A increasing storage space at the back of the store
 - B offering more self-service checkouts for customers
 - C ordering stock for delivery just before consumers need it
 - D providing a variety of special offers on products
- 5 Which retailer benefits from centralised buying?
- A chain store
 - B hawker stalls
 - C independent store
 - D street markets
- 6 Which selling technique gives a particular trademark to a product?
- A advertising
 - B barcoding
 - C branding
 - D packaging

7 Why have credit cards increased in popularity?

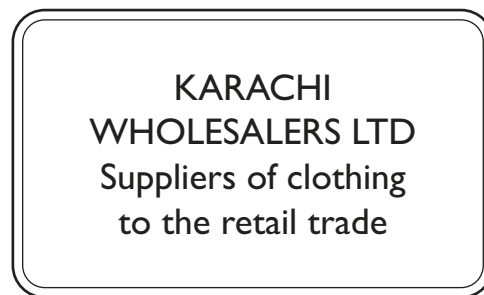
- A Goods bought using this method are always cheaper.
- B Interest is charged on credit balances at the end of the month.
- C Interest rates on outstanding balances are set at zero.
- D There is an increased variety of reward programmes offered with these cards.

8 A salesperson wants to book a hotel for a business trip.

Which type of credit would be **most** suitable for her to use?

- A bank loan
- B credit card
- C hire purchase
- D informal credit

9 This sign is outside Karachi Wholesalers Ltd.



What job would you expect this business to do for its customers?

- A deliver clothes to small-scale businesses
- B demonstrate items of clothing to the final customer
- C find raw materials needed to produce the clothes
- D manufacture a range of clothing

10 What is the **most** likely reason for someone to become a broker in the wholesale trade?

- A to bring buyers and sellers together
- B to earn commission for their services
- C to own or have possession of the goods
- D to work on behalf of the principals

11 Which document shows that a payment has been made?

- A advice note
- B credit note
- C invoice
- D receipt

12 Fatima owed a supplier \$800. She received a cash discount and paid with a cheque for \$760.

What percentage cash discount did Fatima receive?

- A 5%
- B 20%
- C 40%
- D 95%

13 The table shows the international trade figures for a country.

	\$ bn
visible exports	500
visible imports	400
invisible exports	350
invisible imports	200

What is the Balance of Payments on the current account for this country?

- A \$150 m B \$250 m C \$350 m D \$1450 m

14 What is a function of customs authorities at border crossings?

- A They calculate Balance of Trade.
- B They control traffic.
- C They enforce bans on illegal items.
- D They impose quotas.

15 Why is exporting goods more difficult than selling goods in home trade?

- A** exchange rate fluctuation
- B** many documents needed
- C** non-payment by importer
- D** risk of competition

16 Egg producers are experiencing declining sales. They have launched an advertising campaign stressing the positive qualities of eggs to increase their sales.

Which term is given to this type of advertising?

- A** collective
- B** competitive
- C** informative
- D** persuasive

17 What is an example of direct mail?

- A** a billboard on a main road
- B** catalogues sent by post
- C** handing out leaflets
- D** packaging with a logo

- 18 The diagram shows a pop-up advertisement for a shoe sale.



Which method of appeal is the advertiser using?

- A durability
 - B fitness
 - C romance
 - D status
- 19 Which term is used for a person who writes a message to another person to start communication?
- A writer
 - B medium
 - C receiver
 - D sender
- 20 What is an advantage of oral communication when selling to a customer?
- A The seller gets immediate feedback.
 - B It takes a lot of time.
 - C The information is distorted.
 - D There is no written record.

21 In-touch interfaces are often used in shopping centres to display a map.

What is the **most** likely reason for this use of the in-touch interface?

- A Frequent use by shoppers makes the technology cheaper to run.
- B It is convenient for customers to locate the shops they want to visit.
- C It is easy to input and display large amounts of data.
- D Software designers are **not** needed to develop the technology.

22 Rail transport is a suitable method of transport for which of the following?

- A the carriage of goods between towns near to each other
- B the delivery of small, light goods over long distances
- C the international carriage of perishable goods
- D the long distance carriage of bulky goods

23 Why are insurance premiums low for transport containers?

- A Containers are delivered sealed.
- B Containers can be reused.
- C Containers have fast turnaround times.
- D Containers use inexpensive packaging.

24 Which service is provided at a port for handling cargo?

- A boarding bridge
- B container terminal
- C hangar
- D runway

25 What is a function of a warehouse?

- A automated sorting
- B producing goods
- C protecting supply
- D voice picking

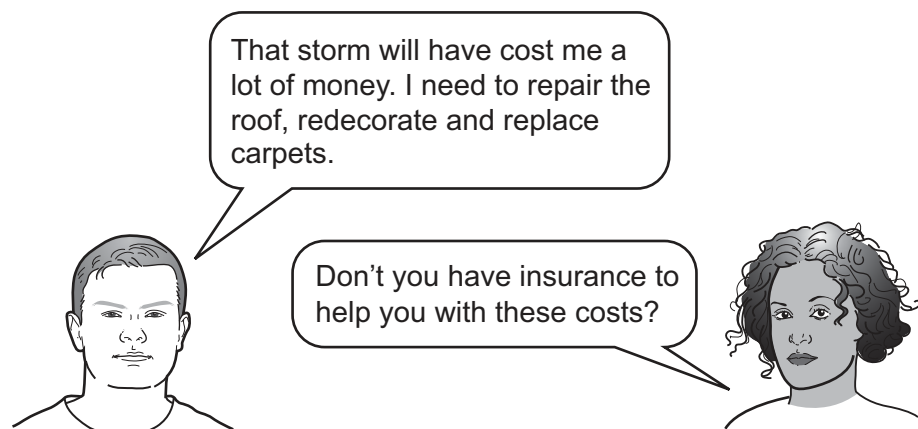
26 Which is a feature of a bonded warehouse?

- A only contains expensive items
- B only contains perishable goods
- C used to store confiscated goods
- D used to store dutiable goods

27 What is meant by insurance premium?

- A administrative cost of an insurance company
- B financial protection against risk
- C payment for insurance cover
- D payment to compensate for a loss

28 The diagram shows a conversation between two neighbours about their houses after a storm.



Which type of insurance would cover such losses?

- A buildings and contents
- B consequential loss
- C mortgage protection
- D personal liability

- 29** An insurance company offers annual buildings insurance at a rate of 30% of the value of contents insurance.

Contents insurance rates are shown in the table.

value of contents	up to \$10 000	\$10 001 to \$25 000
total annual premium for contents	\$80	\$150

If a householder buys both buildings insurance and contents insurance to cover contents valued at \$15 000, what will be the annual premium?

- A** \$45 **B** \$105 **C** \$145 **D** \$195

- 30** What is a feature of a current account?

- A** The customer is able to make withdrawals on demand.
B The customer is always granted an overdraft.
C The customer receives a credit card when the account is opened.
D The customer receives a safe deposit box.

- 31** Which method provides security for importers that payment will be made?

- A** crossed cheque
B debit card
C documentary credit
D electronic transfer

- 32** Jules runs a small computer repair shop.

Why does Jules use internet banking?

- A** His repair shop is near his bank.
B Jules can use his bank account 24/7.
C Jules shares his computer with his son.
D Some customers pay for repairs in cash.

33 What is a characteristic of a public corporation?

- A** has unlimited liability
- B** owned by taxpayers
- C** provides essential services
- D** employs few workers

34 Susan has decided to set up her own business for which there are no legal formalities to complete.

Which type of business organisation will Susan set up?

- A** partnership
- B** private limited company
- C** public limited company
- D** sole trader

35 Which statement describes a micro-multinational?

- A** a small business with a capital less than \$10 million
- B** a small business that is a market leader in its industry
- C** a small business that operates in only two countries
- D** a small business that sells globally using the internet

36 Which source of finance is short-term?

- A** bank overdraft
- B** debentures
- C** retained profit
- D** share issues

- 37 The table shows part of a profit and loss account for last year.

	\$ million
revenue	525
cost of sales	175
gross profit	350
expenses	300

What was the net profit last year?

- A \$50 million
 - B \$175 million
 - C \$350 million
 - D \$700 million
- 38 The diagram shows a newspaper headline.

**THE USE OF ROBOTS HAS
INCREASED IN WAREHOUSES**

Which PEST factor is shown in the headline?

- A economic
 - B political
 - C social
 - D technological
- 39 Websites often have a section for Frequently Asked Questions (FAQs).

Which topic will be covered on the list of FAQs?

- A gross profits
- B returns policy
- C sales turnover
- D stock availability

- 40** Amina returned the shoes she had bought from a retailer the next day because she did not like the colour. She was offered a refund.

Why did the retailer offer Amina the refund?

- A** Amina has a legal right to change her mind
- B** Amina returned the shoes immediately
- C** it was a goodwill gesture by the retailer
- D** the shoes had a one year guarantee

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