

Write your name here

Surname

Other names

**Edexcel**  
**International GCSE**

Centre Number

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Candidate Number

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# Commerce

Wednesday 8 May 2013 – Morning  
**Time: 2 hours**

Paper Reference

**4CM0/01**

**A calculator may be used.**

Total Marks

## Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer **all** questions.
- Answer the questions in the spaces provided  
– *there may be more space than you need.*

## Information

- The total mark for this paper is 100.
- The marks for **each** question are shown in brackets  
– *use this as a guide as to how much time to spend on each question.*
- A calculator may be used.

## Advice

- Read each question carefully before you start to answer it.
- Keep an eye on the time.
- Try to answer every question.
- Check your answers if you have time at the end.

Turn over ►

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**PEARSON**

**Answer ALL questions.**

**1** Complete the following sentences by inserting only **one** word in each space.

- (a) The buying and selling of goods is known as ..... (1)
- (b) A fruit farmer is part of ..... production. (1)
- (c) Underwriters operate in ..... of London. (1)
- (d) Customs duties are taxes on ..... (1)

**(Total for Question 1 = 4 marks)**

**2** Using an example in each case, define:

- (a) private sector (2)

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- (b) public sector. (2)

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**(Total for Question 2 = 4 marks)**



3 The capital balance of a business is £300 000 and at the end of the financial year it has a net profit of £60 000.

Calculate the return on capital. Show your working.

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(Total for Question 3 = 2 marks)

4 Give **two** advantages of using containers for transporting goods.

1 .....

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2 .....

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(Total for Question 4 = 2 marks)

5 State **two** features of a bank giro (credit transfer) payment.

1 .....

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2 .....

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(Total for Question 5 = 2 marks)

6 Suggest **two** possible methods of appeal that might be used in a magazine advertisement for a sports car.

1 .....

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2 .....

.....

(Total for Question 6 = 2 marks)



7 Sources of finance can be divided into short-term and long-term.

For each source of finance below, identify if it is short-term or long-term by putting a cross in the correct box.

Indicate your answer by marking a cross ☒. If you change your mind, put a line through the box ~~☒~~ and then indicate your new answer with a cross ☒.

Sources	Short-term	Long-term
(i) Debentures	<input type="checkbox"/>	<input type="checkbox"/>
(ii) Debt factoring	<input type="checkbox"/>	<input type="checkbox"/>
(iii) Overdrafts	<input type="checkbox"/>	<input type="checkbox"/>
(iv) Retained profits	<input type="checkbox"/>	<input type="checkbox"/>

(Total for Question 7 = 4 marks)

8 Name the postal communications service that you would use to send a letter to a friend abroad.

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(Total for Question 8 = 1 mark)

9 Identify **two** reasons why notes and coins are used as a means of paying for goods.

1 .....

2 .....

(Total for Question 9 = 2 marks)



**10** What is the purpose of the following commercial documents?

1. Advice note

.....  
.....

2. Credit note

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.....

**(Total for Question 10 = 2 marks)**

**11** Give **three** benefits to a business of having its own road transport.

1 .....  
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2 .....  
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3 .....  
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**(Total for Question 11 = 3 marks)**

**12** Suggest **two** reasons why exchange rates might change.

1 .....  
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2 .....  
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**(Total for Question 12 = 2 marks)**



13 Examine **two** ways in which home trade differs from international trade.

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**(Total for Question 13 = 4 marks)**



14 Below is an advertisement from a newspaper.

**METRO DIESEL CAR FOR SALE**

On-the-road price £4,200

Minimum Deposit 20%

24 Monthly payments

0% Interest

Finance subject to status

(a) Give **one** reason why 0% interest is being offered.

(1)

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(b) Calculate the monthly repayment if the maximum amount is borrowed.  
Show your working.

(2)

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(c) Explain **one** factor the bank will take into account when deciding if it will give a loan to a customer.

(3)

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**(Total for Question 14 = 6 marks)**



15 A furniture wholesaler wishes to insure their warehouse building and stock against the risk of fire and theft.

	Value	Premium
Warehouse	£350 000	£1 per £1000
Stock	£72 000	£5 per £1000

(a) Calculate the total annual fire and theft premium for warehouse and stock. Show your working.

(3)

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(b) Why are some premiums higher than others?

(2)

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(c) Explain the role of the insurance broker in arranging insurance.

(4)

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(d) Why does a furniture wholesaler need a warehouse?

(5)

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(e) Explain why wholesalers do not operate retailing businesses.

(6)

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**(Total for Question 15 = 20 marks)**



16 The following is an extract from an Offer for Sale of shares for a public limited company. Study it and then answer the questions that follow.

Jonas plc  
OFFER FOR SALE  
Complete the application form. Post it, with your cheque, to the  
Welcome Merchant Bank, London.  
Make sure your name and address are written on the back of the cheque.

(a) Name **four** other items of information about the company that will be contained in the Offer for Sale document.

(4)

1 .....

2 .....

3 .....

4 .....

(b) What is the meaning of 'limited' in the term 'public limited company'?

(3)

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(c) How will the Offer for Sale document be drawn to the attention of prospective investors?

(3)

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(d) Why do limited companies need to be registered with the Registrar of Companies?

(4)

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(e) Explain why shareholders are said to be the risk-bearers in a company.

(6)

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**(Total for Question 16 = 20 marks)**

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**Turn over for Question 17.**



17 XYZ plc produces Kafe, a brand of coffee, which it advertises using a number of different methods.

(a) (i) Outline **two** benefits companies gain from advertising.

(4)

1 .....

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2 .....

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(ii) Why do you think this company uses a brand name for its coffee?

(3)

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Recently XYZ has chosen television to advertise Kafe.

(b) Explain why television was a good choice of media to advertise Kafe.

(5)

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(c) Consider the advantages and disadvantages to the consumer of the competitive advertising of products such as coffee.

(8)

Dotted lines for writing answers.

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**(Total for Question 17 = 20 marks)**

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**TOTAL FOR PAPER = 100 MARKS**





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