

Write your name here

Surname

Other names

**Pearson Edexcel  
International GCSE**

Centre Number

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Candidate Number

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# Commerce

Wednesday 7 May 2014 – Afternoon  
**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) Hairdressing and restaurants are examples of the ..... sector. (1)

(b) Channels of ..... are the ways by which goods are transferred from the producer to the consumer. (1)

(c) Loyalty ..... are given to customers to reward them for buying from a business. (1)

(d) A night ..... enables people to deposit money after banking hours. (1)

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

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

(a) Consumer durables (2)

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.....  
.....  
.....

(b) Consumer legislation. (2)

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



**3** In 2013 a business sold £300 000 of products. Its expenses were £54 000.

Calculate the expenses as a % of turnover. Show your working.

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**(Total for Question 3 = 2 marks)**

**4** State **two** disadvantages for a country if it joins a trading bloc.

1 .....

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2 .....

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

**5** Give **two** reasons why a cover note is sometimes issued when taking out insurance.

1 .....

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2 .....

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**(Total for Question 5 = 2 marks)**

**6** Identify **two** disadvantages of using waterways to transport goods.

1 .....

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2 .....

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**(Total for Question 6 = 2 marks)**



7 Business documents are used in home trade and international trade.

For each business document, identify whether it is used in home trade or international trade by putting a cross ☒ in the correct box below.

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

Document	Home trade	International trade
(i) Bill of lading	<input type="checkbox"/>	<input type="checkbox"/>
(ii) Quotation	<input type="checkbox"/>	<input type="checkbox"/>
(iii) Debit note	<input type="checkbox"/>	<input type="checkbox"/>
(iv) Air waybill	<input type="checkbox"/>	<input type="checkbox"/>

(Total for Question 7 = 4 marks)

8 What is the name of the job occupation of the person that sells insurance cover from many insurance companies?

.....  
.....

(Total for Question 8 = 1 mark)

9 List **two** methods of sales promotion.

1 .....

2 .....

(Total for Question 9 = 2 marks)



10 Describe **one** difference between an ordinary share and a preference share.

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(Total for Question 10 = 2 marks)

11 Identify **three** disadvantages to an individual employee who works on a car assembly line.

1 .....

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2 .....

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3 .....

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(Total for Question 11 = 3 marks)

12 State **two** reasons why pipelines are used for transporting liquids.

1 .....

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2 .....

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(Total for Question 12 = 2 marks)



**13** How has the improvement in communications assisted the expansion of international trade?

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



14 The diagram below shows an advertisement.

Computer 2B3-4			
Leasing option	No Deposit	£50 a Month	Over two years
Hire purchase option	Deposit £150	£40 a Month	Over two years
Cash price option	£1,150 only!		

(a) Identify the cheapest option for financing the purchase of this computer.

(1)

.....

.....

(b) State **three** disadvantages of using hire purchase when buying products.

(3)

1 .....

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2 .....

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3 .....

.....

(c) Why do many consumers choose to lease a computer rather than pay by cash?

(2)

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



15 Study the following trading figures below that relate to a country's balance of payments and answer the questions that follow.

	<b>£ million</b>	
	<b>2012</b>	<b>2013</b>
Visible Trade: Exports	4 731	4 845
Imports	5 119	5 783
Visible Trade Balance	(388)	?
Invisible Balance	125	287
Current Balance	(263)	?

(a) (i) Calculate the Visible Trade Balance and the Current Balance for 2013. Show your working.

(2)

Visible Trade Balance

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.....

Current Balance

.....

.....

(ii) Give **two** examples of invisible trade.

(2)

1 .....

2 .....

(iii) Why are the balance of payments figures more important to a country than its balance of trade figures?

(2)

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(d) Analyse why an appreciation in a country's exchange rate might cause a current account deficit.

(5)

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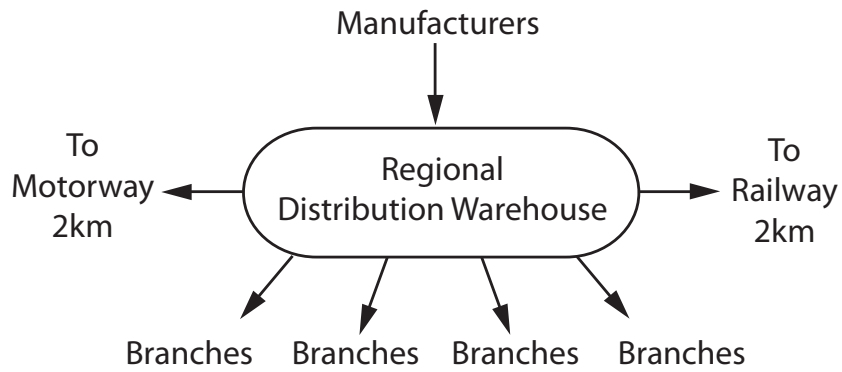
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**(Total for Question 15 = 20 marks)**



16 Study the diagram below and then answer the questions that follow.



(a) Outline why regional distribution warehouses are situated near transport links, as shown in the diagram.

(2)

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(b) Explain why regional distribution warehouses are important to some businesses.

(4)

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(c) Analyse how warehousing will:

(6)

(i) stabilise the price of goods

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(ii) aid seasonal production.

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**17** Mr Tomkins, a sole proprietor, sells bicycles. BigBikes plc is a UK public limited company that manufactures and sells bicycles in its own shops.

(a) (i) Compare the organisation of sole proprietors and public limited companies in terms of the control of the business.

(2)

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.....

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.....

(ii) Who is responsible for the business losses for:

(2)

a sole proprietor

.....

.....

public limited companies?

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(b) Why might a cyclist prefer to go to Mr. Tomkins for after-sales service rather than to BigBikes plc?

(4)

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BigBikes plc has decided to build a new factory in Asia to manufacture its latest bicycle.

(c) Analyse **one** benefit for BigBikes plc by locating its new factory in Asia.

(4)

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(d) Discuss **two** possible conflicts of interest which might arise when a multinational company locates in a country.

(8)

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

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**TOTAL FOR PAPER = 100 MARKS**

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