

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Pearson Edexcel

Centre Number

Candidate Number

International GCSE (9–1)

Wednesday 13 May 2020

Afternoon (Time: 1 hour 30 minutes)

Paper Reference **4CM1/02**

Commerce

Paper 2: Facilitating commercial operations

Calculators 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.*
- You must **show all your working out** with **your answer clearly identified at the end of your solution.**

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets – *use this as a guide as to how much time to spend on each question.*

Advice

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

Turn over ►

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SECTION A

Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box ☒. If you change your mind about an answer, put a line through the box ☒ and then mark your new answer with a cross ☒.

- 1 (a) Which **one** of the following is a benefit to a consumer of using a store card?

Select **one** answer.

(1)

- A They often have high interest rates
- B They can only be used in that store
- C They can give you a discount on your first purchase
- D They allow information to be collected by the store

- (b) Which **one** of the following will improve commercial performance?

Select **one** answer.

(1)

- A Reduce sales turnover
- B Reduce expenses
- C Reduce inventory turnover
- D Reduce mark-up

- (c) Define the term **standing order**.

(1)

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(d) Define the term **speculation**.

(1)

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(e) *Tata Motors* is Asia's largest automobile manufacturer of cars and trucks.

(i) State **one** trading document that *Tata Motors* would send to a customer informing them that their vehicle has been despatched from the factory.

(1)

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(ii) State **one** possible reason why *Tata Motors* wants customers to use electronic transfers when paying for their vehicles.

(1)

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Figure 1 shows the expenses and turnover of *Tata Motors* for 2018.

	Expenses \$ Billions	Turnover \$ Billions
All vehicles	28	42

Figure 1

(iii) Calculate, to two decimal places, *Tata Motors* expenses as a percentage of turnover. You are advised to show your working.

(2)

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(f) Explain **one** advantage for a business of negotiating longer trade credit terms.

(3)

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(g) Explain **one** reason why overdrafts are useful for businesses.

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2 (a) Which **one** of the following is a service offered by a bank?

Select **one** answer.

(1)

- A** Night safe
- B** Postal order
- C** Crowdfunding
- D** Owner capital

(b) Which **one** of the following is a method of oral communication a business could use when contacting suppliers?

Select **one** answer.

(1)

- A** Minutes
- B** Agenda
- C** Telephone
- D** Letter



- (c) *The Courteney Boot Company (CBC)* is a unique business in Zimbabwe as it makes its boots from hippopotamus and ostrich skin. It only makes 16 pairs of boots a day as everything is handmade to order.

Figure 2 shows the price and the number of sales for two types of boot in 2018.

	Price in US Dollars \$	Number of pairs of boots sold in 2018
<i>Courteney Selous Men's Safari Boot</i>	436.00	1,460
<i>Ladies Classic Courteney Safari Boot</i>	305.00	2,190

Figure 2

- (i) Identify which boot is the most expensive to buy.

(1)

- (ii) Identify which boot had the most sales in 2019.

(1)

- (d) Define the term **mark-up**.

(1)



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(e) Explain **one** reason why a business would lower the price of a product.

(3)

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(f) Explain **one** reason why a business might use email to send invoices to its customers.

(3)

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(Total for Question 2 = 20 marks)

TOTAL FOR SECTION A = 40 MARKS



SECTION B

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

3 *Odyssey Airlines* is a premium non-stop business class service direct from London City Airport to New York.

(a) Which **one** of the following is a method of electronic communication?

Select **one** answer.

(1)

- A** Face-to-face
- B** Leaflet
- C** Teleconferencing
- D** Meeting

(b) Which **one** of the following would *Odyssey Airlines* send to its customers in response to an enquiry?

Select **one** answer.

(1)

- A** Quotation
- B** Advice note
- C** Receipt
- D** Credit note

(c) State **one** benefit to *Odyssey Airlines* of owning its own planes.

(1)

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(d) Complete the invoice below to show the missing values.

(2)

Odyssey Airlines Ltd - Invoice Number 501

Date – 1 May 2020

Customer Name – Tomcat Finance Systems Ltd

Description	Passengers	Amount
Departure Flight: London to New York (£3 500 per person)	4	£ (i)
Departure Flight: New York to London (£4 250 per person)	4	£ 17 000
	Subtotal	£31 000
	Tax Rate	20%
	Tax	£ (ii)
	Total Due	£37 200

Payment due within 14 days of the date of this invoice.

Address: Odyssey Airlines, London City Airport, London, United Kingdom.

Telephone Number: +44 207 653 9244

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(Total for Question 3 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS



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SECTION C

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

4 *Apple* uses a variety of advertising methods when promoting its products such as iPhone, iMac, *Apple Music* and *Apple's* mobile payment system called *Apple Pay*. However, over the past 12 months *Apple* has identified that consumer preferences on advertising have changed and has now increased its spend on television advertising by \$118 million.

(a) Outline **one** likely reason why television advertising is suitable for *Apple's* products.

(2)

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(b) Analyse the positive impact that the increased use of mobile payment services would have on *Apple Pay*.

(6)

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Apple is planning to expand *Apple Pay* into India but it is having problems convincing the 30 to 50 year old age group to use the service. *Apple* has chosen to use *Facebook* and *YouTube* to target this age group, as they are the most popular social media networks. However, *Apple* is worried that only 14% of India's population uses social media regularly.

- (c) Evaluate how effective social media may be in convincing the 30 to 50 year old age group to use *Apple Pay*. You should use the information provided as well as your knowledge of commerce.

(12)

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(Total for Question 4 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS
TOTAL FOR PAPER = 80 MARKS

