

Please check the examination details below before entering your candidate information

Candidate surname

Other names

**Pearson Edexcel
International GCSE (9–1)**

Centre Number

--	--	--	--	--

Candidate Number

--	--	--	--	--

Time 1 hour 30 minutes

**Paper
reference**

4CM1/02

Commerce

PAPER 2: Facilitating Commercial Operations

You do not need any other materials.

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.*
- Calculators may be used.

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.
- Good luck with your examination.

Turn over ►

P66487RA

©2021 Pearson Education Ltd.

1/1/1/1/1/1/1/1/



Pearson

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 source of long-term finance?

Select **one** answer.

(1)

- A Factoring
- B Trade credit
- C Bank draft
- D Retained profit

(b) Which **one** of the following is a financial institution?

Select **one** answer.

(1)

- A A Chamber of Commerce
- B A Central Bank
- C A Trade Fair
- D A Night Safe

(c) Define the term **delivery note**.

(1)

.....

.....

.....

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

(1)

.....

.....

.....

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

(e) *Amazon* is one of the largest businesses in the world. It only sells products through its website. These products include electronics, fashion and household items. All customer purchases and preferences are recorded.

(i) State **one** benefit to customers of using the *Amazon* website to buy products. (1)

.....

.....

.....

(ii) State **one** way the *Amazon* website may help to promote the products it sells. (1)

.....

.....

.....



Figure 1 shows financial information for *Amazon*.

2019	US \$ millions
Sales	280 522
Cost of sales	265 981
Gross profit	14 541
Expenses	2 953
Profit for the year	11 588

Figure 1

- (iii) Calculate, to two decimal places, the profit for the year margin for 2019.
You are advised to show your workings.

(2)

.....%

- (f) Explain **one** advantage for small retailers of using a cash and carry warehouse.

(3)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....



(g) Explain **one** reason why an agenda might be prepared for a meeting.

(3)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....



Amazon has more than 175 warehouses across the world. Some warehouses are very large so that *Amazon* can store the thousands of products that it sells. Many products will be delivered the day after they are ordered.

(h) Analyse how these warehouses benefit *Amazon*.

(6)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(Total for Question 1 = 20 marks)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



- 2 (a) Which **one** of the following would a supplier send to a business that had received damaged products?

Select **one** answer.

(1)

- A** A credit note
- B** A postal order
- C** A standing order
- D** A debenture

- (b) Which **one** of the following is the most suitable form of communication to discuss a new product with managers in different countries?

Select **one** answer.

(1)

- A** An email
- B** A telephone call
- C** A videoconference
- D** A face-to-face meeting



(c) **Figure 2** shows the number of internet users in India from 2015 to 2019.

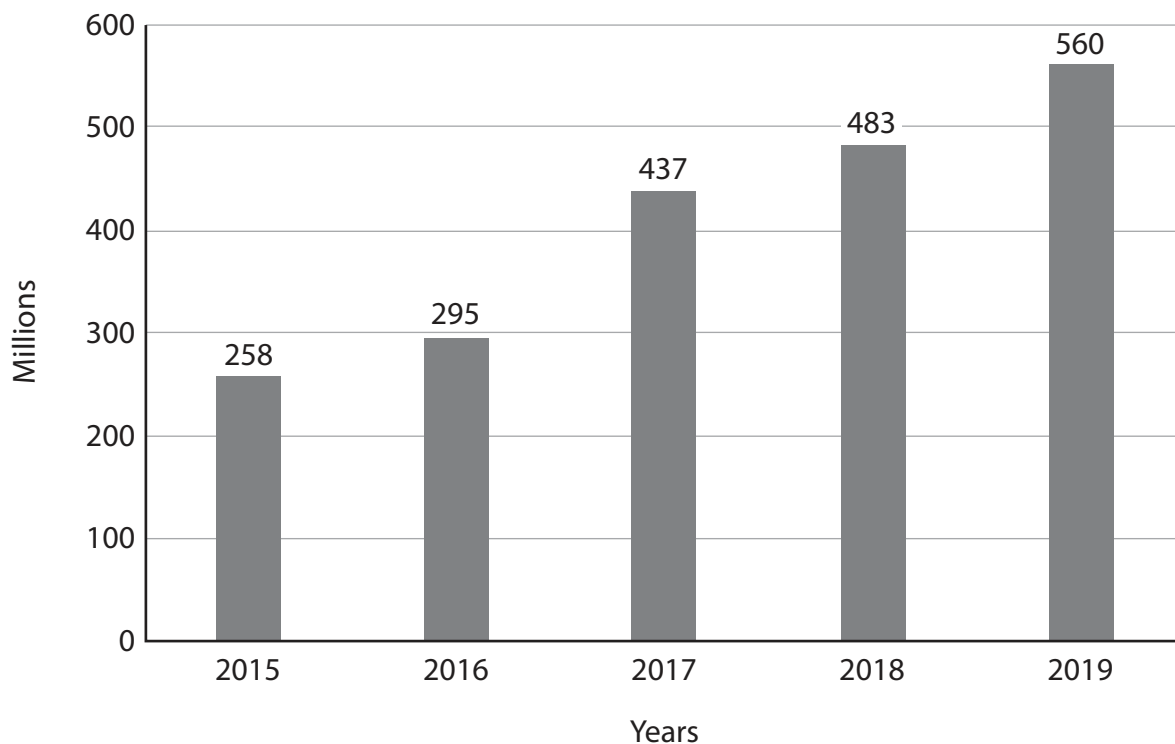


Figure 2

(i) Identify which year had the smallest number of internet users.

(1)

(ii) Identify how many internet users there were in 2017.

(1)

(d) Define the term **average inventory**.

(1)



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

(e) Explain **one** reason why a business might use **competitive advertising**.

(3)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

(f) Explain **one** benefit to a business of being paid by direct debit.

(3)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....



Gogoro manufactures and sells electric scooters in Taiwan. Many city workers use them as cheap transport.

The Taiwanese government values the environmental benefits of electric scooters. *Gogoro* is planning to launch its new Viva model for a price of \$3 600. The government will give a 50% subsidy for each Viva scooter sold and this will allow *Gogoro* to reduce the selling price.

The batteries *Gogoro* fits to its scooters are of the highest quality and expensive. Scooter owners have to regularly exchange their flat batteries for fully charged ones, only available from *Gogoro*.

Gogoro wants to improve its commercial performance and increase profits. It is considering the following two options:

Option 1: increase the sales of electric scooters

Option 2: buy cheaper, lower quality batteries.

(g) Justify which **one** of these two options *Gogoro* should choose.

(9)

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

(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.

Big Blue is a fashion business with 22 stores in South Africa. It uses only local designers and locally made fabrics to design and produce its wide range of unique dresses, trousers and clothes for men, women and children. Its bestselling item is a T-shirt with varying logos that show its pride in African heritage.

3 (a) Which **one** of the following is an example of a point of sale promotion?

Select **one** answer.

(1)

- A A local sponsorship
- B A magazine advertisement
- C A carrier bag
- D A credit card

(b) Which **one** of the following may be a reason *Big Blue* holds face-to-face meetings with its designers?

Select **one** answer.

(1)

- A To keep written records of the meeting
- B To touch the local materials
- C To plan future meeting dates
- D To agree to send the prices by email

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



(c) State **one** way the South African government could help *Big Blue* export products abroad.

(1)

(d) Complete the statement of account to show the missing amounts.

(2)

STATEMENT OF ACCOUNT		Big Blue		
To: <i>Big Blue</i> Clearwater Mall Johannesburg South Africa		From: Wild Designs Johannesburg South Africa		
25 August 2020		Ref: 150		
Date	Ref	Amount	Credit	Amount Due
04.08.2020	S1 1002	R 150		R 150
11.08.2020	S11 10016	R 600		R 600
20.08.2020	CR 20560		R 175	(R 175)
Subtotal				(i).....
Opening Balance				R 1 250
Total due				(ii).....

Payment due by: 30 September 2020

Please make payments to Wild Designs

Figure 3



Customers can open an account with *Big Blue* and make a payment each month for three months. There is no interest charged.

- (e) Analyse the benefit to *Big Blue* of allowing customers to pay for their purchases by spreading the interest-free payment over three months.

(6)

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

Big Blue wants to keep in contact with its customers and inform them of its latest fashions as demands change. It always wants to attract new customers and encourage them to buy more of its original designs.

Big Blue is considering two options:

Option 1: offer a specially designed free T-shirt with all purchases

Option 2: open an online shop.

(f) Justify which **one** of these two options *Big Blue* should choose.

(9)

Area with horizontal dotted lines for writing the justification.



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

(Total for Question 3 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS



SECTION C

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

Nigeria has very few trains that are suitable for carrying agricultural freight across the vast country. Deliveries of manufactured products are by road and are often delayed by congestion in ports and cities. There are too few roads across Nigeria and these roads are poorly maintained. All this can increase the cost of deliveries for businesses. The Nigerian government plans to improve the road and rail network in the near future.

Kobo360 is based in Nigeria and operates a website to connect and support companies needing transport for a wide range of products using Nigerian roads. With 13,000 different trucks travelling all over the country, it has specialist knowledge of the best routes and the current problems on particular roads.

Using its mobile applications, businesses can choose the most suitable truck for its products and have it delivered quickly.

- 4** (a) Outline **one** advantage for farmers in remote areas of using trains to transport their agricultural products to the cities.

(2)

.....

.....

.....

.....

.....

.....

.....

DO NOT WRITE IN THIS AREA



(b) Analyse the likely benefits to businesses of using *Kobo360* to transport their products. (6)

Area with horizontal dotted lines for writing.

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

In 2018 three venture capitalists saw a potential of growth for *Kobo360*. Demand for transport services was likely to increase to other African countries because of increasing trade and improved roads. The venture capitalists invested \$250 000 in *Kobo360* to fund its growth.

- (c) Evaluate whether the use of venture capital is a good source of finance to help *Kobo360* grow. You should use the information provided and your own knowledge of commerce.

(12)

Dotted lines for writing.



DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

DO NOT WRITE IN THIS AREA

(Total for Question 4 = 20 marks)

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

