Pearson Edexcel International GCSE (9–1)

Friday 3 November 2023

Morning (Time: 1 hour 30 minutes)

Paper reference **4CM1/01**

Commerce

PAPER 1: Commercial operations and associated risks

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.

Turn over ▶

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 in the primary sector?

Select **one** answer.

(1)

⊠ **A** Engineering

⊠ **B** Car production

⊠ **C** Mining

⊠ **D** Retailing

(b) Which **one** of the following documents is completed before insurance
is provided?

Select **one** answer.

(1)

⊠ **A** Claim form

⊠ **B** Policy

⊠ **C** Public liability

⊠ **D** Proposal form

(c) Define the term **trading bloc**.

(1)

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(d) Define the term **division of labour**.

(1)

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(e) *Game* is a store in South Africa that sells bikes, games, toys, dolls and offers a self-service. To encourage its customers to purchase certain items it often has 'deals of the week' or 'special offers'. In one of these weeks a Raleigh bike priced at 1 399.00 South African Rand (ZAR) could be bought with 12 monthly payments.

(i) Calculate, to **two** decimal places, the price a customer would pay per month for the bike. You are advised to show your working.

(2)

ZAR ....

(ii) State **one** reason why *Game* offers self-service to its customers.

(1)

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(iii) State **one** advantage for *Game* of using Electric Point of Sale (EPOS).

(1)

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A characteristic of ecommerce can be bricks and clicks.

(f) Explain **one** benefit for a business of using the bricks and clicks retail model.

(3)

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(g) Explain **one** reason why an insurance policy will include clauses.

(3)

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Truworths is a well-known retailer in South Africa selling clothing for adults and children. Everyday, customers of all ages come to the store to buy clothes. Tradesmen, such as plumbers and electricians, work in the store when repairs are required.

Everyone who visits the store is covered by *Truworths* public liability insurance.

(h) Analyse the benefits for *Truworths* of having public liability insurance.

(6)

(Total for Question 1 = 20 marks)

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2 A shop was insured for 4 000 000 Thai Baht (THB). A fire in the shop caused 5 500 000 THB of damage.

(a) Which **one** of the following would the insurance company pay out for the damage to the shop?

Select **one** answer.

(1)

☒ **A** 1 500 000 THB

☒ **B** 4 000 000 THB

☒ **C** 5 500 000 THB

☒ **D** 9 500 000 THB

(b) Which **one** of the following is a tax on imported goods?

Select **one** answer.

(1)

☒ **A** A quota

☒ **B** A subsidy

☒ **C** A tariff

☒ **D** An embargo

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(c) **Figure 1** shows the average premiums for insuring mobile phones.

Mobile Phone	Monthly Premium £	Annual Premium £
iPhone 11	3.55	81.05
iPhone 12	4.36	83.44
iPhone 13	3.87	83.42
iPhone 13 Pro	4.96	106.02
Samsung Galaxy S21	3.36	82.17
Samsung Galaxy S22 Ultra	4.86	102.60
Samsung Galaxy S22 Ultra 256 GB	5.65	100.76

Figure 1

(i) Identify the mobile phone with the lowest monthly premium.

(1)

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(ii) Identify the value of the highest annual premium for insuring a mobile phone.

(1)

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

(1)

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(e) Explain **one** reason why the principle of subrogation is important to insurance companies.

(3)

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(f) Explain **one** way a customer could make a complaint.

(3)

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Sri Lanka Insurance (*SLI*) is the largest insurance business in Sri Lanka. It offers a full range of insurance policies.

It is now seeing an increase in requests for insurance from older tourists to the island. Some want insurance for driving hired cars that will enable them to visit the various parts of the island. Others, want to hire different types of sailing boats, yachts or pleasure boats so they can sail to different parts of Sri Lanka. *SLI* is considering the following two options:

Option 1: increase the provision for older drivers

Option 2: introduce marine insurance as a new product.

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

(9)

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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 *Amazon* is a multinational business that trades online. Customers order goods from it, which are then delivered to them.

Amazon sells a wide range of goods including electronic equipment, toys, home furnishings, sporting goods, fashion clothing and footwear.

It has many large distribution warehouses that make deliveries to its customers.

Amazon has a membership scheme called Amazon Prime. Customers pay a monthly subscription to have their goods delivered without a charge being made. Customers who do not pay for Amazon Prime are charged a delivery fee for each item delivered.

(a) Which **one** of the following is the name of the owners of a public limited company?

Select **one** answer.

(1)

☒ **A** Employees

☒ **B** Shareholders

☒ **C** Government

☒ **D** Sole trader

If you become an *Amazon* Prime Member and pay a monthly fee of £4.49 (GBP), *Amazon* will deliver your orders free of charge. This also applies to members in India.

The exchange rate is £1.00 to 92.09 Indian Rupees (INR).

(b) Which **one** of the following would be the cost in Indian Rupees for the *Amazon* Prime Membership?

Select **one** answer.

(1)

☒ **A** 413.48

☒ **B** 920.90

☒ **C** 4 134.84

☒ **D** 4 961.81

Turn over ▶

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(c) State **one** reason why *Amazon* prefers to supply its customers in India with goods from its Indian distribution warehouses.

(1)

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(d) Outline **one** reason why *Amazon* prefers customers to return faulty goods immediately.

(2)

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(e) Analyse the benefits to *Amazon* of its customers using mobile retailing (mcommerce).

(6)

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The demand from people in India using *Amazon* is increasing. To meet this demand *Amazon* is considering two options for the location of an additional warehouse:

Option 1: locating near to good transport links

Option 2: locating at a large site with space to expand later.

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

(9)

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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 *The Pet Safari* in Selangor, Malaysia is a small pet store that sells domestic animals such as cats, hamsters and fish. They sell freshly prepared food for all these animals.

Many people write very detailed reviews about the service they receive from the employees at *The Pet Safari*, often giving employees a 5* review.

The Pet Safari has a club for members. Club members are given a 15% discount on all they buy.

(a) Calculate, to **two** decimal places, the price a club member would pay when buying an item priced at 250 Malaysian Ringgit (MYR). You are advised to show your working.

(2)

.... MYR

(b) Analyse why *The Pet Safari* completes insurance forms in utmost good faith when taking out insurance.

(6)

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(c) Evaluate why a small retailer like *The Pet Safari* survives when there is competition from large pet stores. You should use the information provided and your own knowledge of commerce in your answer.

(12)

(Total for Question 4 = 20 marks)

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

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