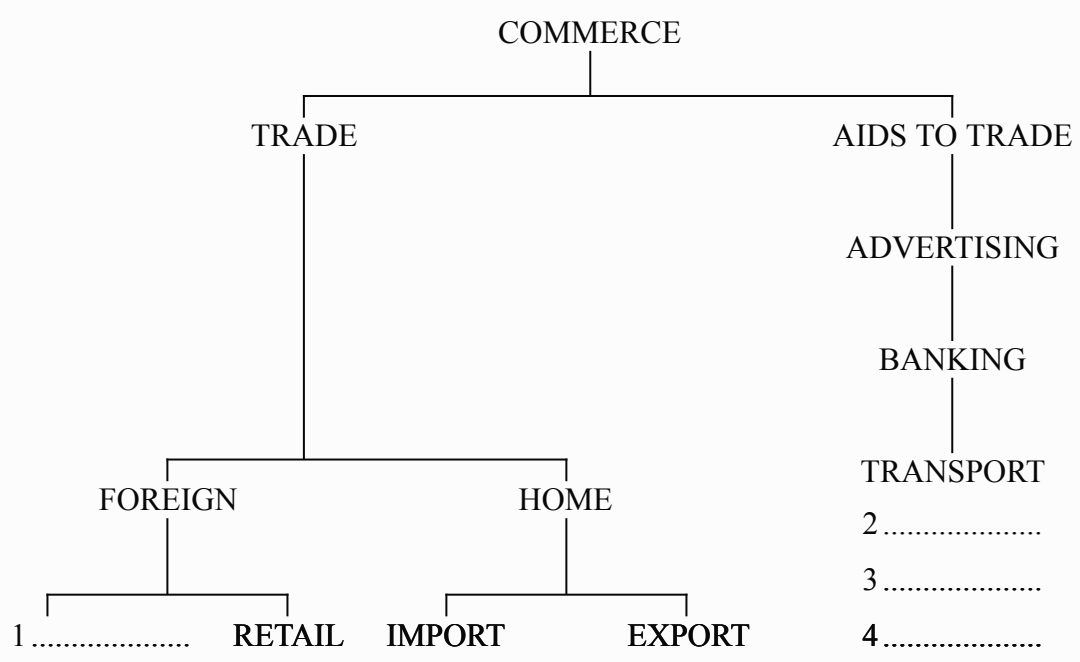


Answer ALL questions

1. The following diagram shows the divisions of commerce.



(a) (i) Complete the diagram with the missing word that should appear against each of the numbers 1–4. (4)

(ii) What are the differences between foreign trade and home trade?
.....
.....
.....
.....
.....
.....
.....
(4)

(b) (i) State **three** benefits to the **consumer** of foreign trade.
.....
.....
.....
.....
.....
(3)



(ii) Describe **two** ways in which consumers are given consumer protection.

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

(4)

(iii) Explain why consumers need protecting when trading.

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

(3)

The earliest trade used was a system called barter.

(c) (i) What is meant by barter?

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

(2)



Two disadvantages of the barter system are the double coincidence of wants and the indivisibility of goods.

(ii) Discuss why these are disadvantages of the barter system.

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.....

(4)

Occupations are classified into primary, secondary and tertiary activities.

(d) (i) Give an example of an occupation for each of the three activities.

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

(3)

Study the following table which shows United Kingdom employment trends over the last 300 years.

YEAR	PRIMARY	SECONDARY	TERTIARY
1700	75%	15%	10%
1900	15%	55%	30%
2000	2%	28%	70%

(ii) Identify **three** trends shown by the table.

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

(3)

Q1

(Total 30 marks)



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2. The following newspaper advertisements have been placed by two businesses.

One is a small shop and the other is a supermarket. They are in direct competition with each other.

SMALL SHOP

We are offering a special
10% discount week
from
3 December to 10 December

at our local store on the
High Street

There will be extended opening
hours from 8 am until 8 pm
every night
(except on Wednesday when
the store will close at 2 pm)

There will be more sales
bargains than ever, especially
on children's toys and
household goods

SUPERMARKET

BUY NOW HURRY!

more
2 for the price of 1
bargains

PRIZES
SPECIAL OFFERS
ALL BRANDS REDUCED

SAVE LOTS OF MONEY ON A
WEEKLY SHOP AT YOUR VALUE
FOR MONEY SUPERMARKET ON
THE HIGH STREET



Use the advertisements to help you to answer the following questions.

(a) (i) Give **two** examples of competitive advertising in the advertisements.

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

(2)

(ii) Give **two** examples of informative advertising in the advertisements.

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

(2)

(b) (i) Explain **two** benefits of using local newspaper advertising.

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

(4)

(ii) Identify, giving reasons for each of your choices, **three** other methods of advertising that the two businesses could have used to promote their businesses.

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.....
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.....

(6)



Leave blank

(c) (i) Explain why many customers prefer to shop at large-scale retailers rather than use small shops close to their homes.

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

(6)

(ii) List **two** services offered by a small shop.

.....
.....

(2)

(d) Some producers may take part in collective advertising.

(i) Explain what is meant by collective advertising.

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

(2)

(ii) Suggest an example of a collective advertising slogan.

.....
.....

(1)

(Total 25 marks)

Q2

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3. Yasmin works as an assistant in a shop selling and repairing computers. Study the following information, which gives details of the weekly income and spending of Yasmin, and then answer the questions which follow.

Gross wage	£400
LESS deductions	£150
Spending	£180

(a) (i) Calculate Yasmin's net wage.

.....
.....
..... (2)

(ii) Calculate how much Yasmin saves weekly.

.....
.....
..... (2)

(iii) Yasmin keeps her money at home. Give **two** reasons why she should not keep her savings in this way.

.....
.....
..... (2)

(iv) What would be **two** possible deductions from Yasmin's income?

.....
.....
..... (2)



Yasmin has managed to save £5 000 and has decided to set up her own business repairing computers.

(b) (i) Why do you think Yasmin would prefer to work for herself?

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.....

(4)

(ii) What problems might arise if the new business is run as a sole trader?

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.....

(5)

(iii) State **two** ways in which the bank could have helped Yasmin before she began trading.

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

(2)



Leave blank

Yasmin began trading in 2005 and has the following trading figures for the years 2005 and 2006. Study the information and then answer the questions which follow.

	2005	2006
	£	£
Sales	40 000	50 000
Less Cost of Goods Sold	30 000	40 000
GROSS PROFIT	10 000	10 000
Expenses	5 000	8 000
NET PROFIT	5 000	2 000

(c) (i) Calculate the Gross Profit Ratio for 2005 and 2006.

.....
.....
..... (2)

(ii) Suggest **one** reason for the change in the Gross Profit Ratio.

.....
..... (1)

(iii) Calculate the Net Profit Ratio for 2006.

.....
..... (1)

(iv) Suggest **two** possible reasons why the Net Profit Ratio has fallen.

.....
.....
..... (2)

(Total 25 marks)

Q3

TOTAL FOR PAPER: 80 MARKS

END

