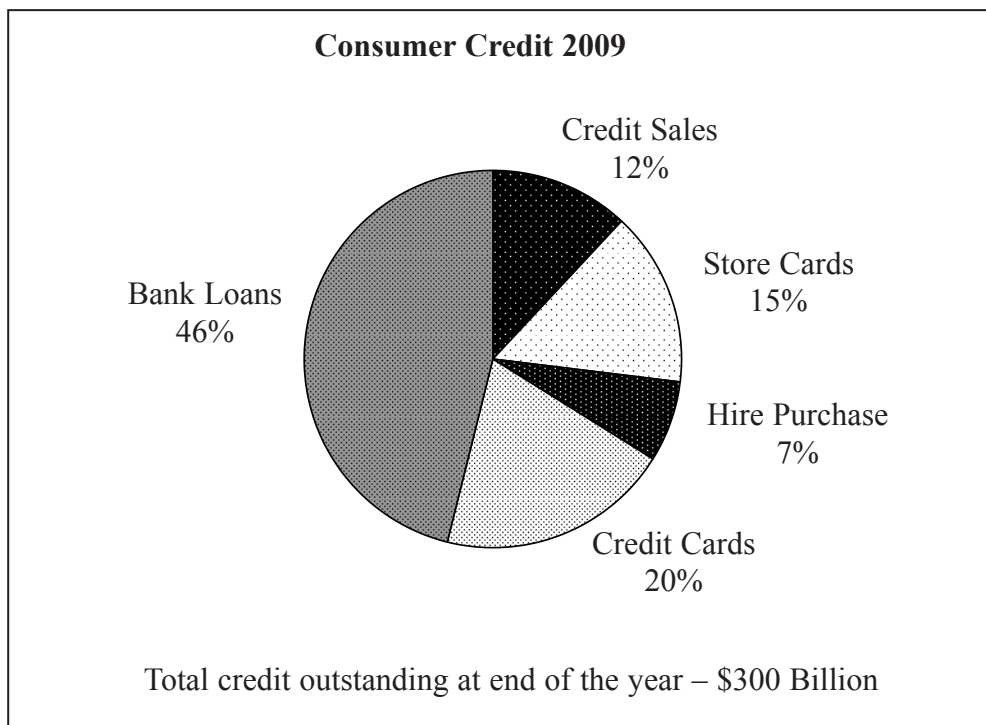




**Answer ALL questions**

1. The following pie chart shows some types of credit used by consumers in shops in 2009.



(a) (i) Calculate the percentage of total credit taken by consumers using credit sales and hire purchase in 2009.

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**(2)**

(ii) Calculate the amount owed at the end of 2009 by consumers using store cards.

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**(2)**



(b) State **two** advantages and **two** disadvantages to the consumer of using credit cards to purchase goods in a shopping centre.

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**(4)**

(c) Suggest, giving reasons for your choice, a suitable method of credit in the following circumstances:

(i) A yacht costing \$120 000.

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**(3)**

(ii) New furniture, including a television, costing \$7 000.

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**(3)**



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(d) A television bought two weeks ago is faulty and does not work.

Identify the actions that the consumer should take in this situation.

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(4)

(e) Discuss why the use of credit for the buying of goods and services continues to increase.

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(7)

**(Total 25 marks)**

Q1

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2. The following information relates to a small retailer for the year 2009.

Average stock at hand (at cost price)	\$10 000
Turnover	\$75 000
Mark-up on cost price	25%

(a) (i) Name **two** operating expenses that a small retailer is likely to have in carrying out their business.

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**(2)**

(ii) Calculate the gross profit.

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**(2)**

(iii) Calculate the rate of turnover.

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**(2)**

(b) Why does the rate of turnover vary from one retailer to another?

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**(4)**



(c) Explain why the following may have happened to a retail business.

(i) gross profit for the year increased but net profit was lower.

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**(3)**

(ii) whilst turnover remained the same, the rate of turnover decreased over the past year.

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**(3)**





3. Look Ltd has produced a new brand of cosmetics targeted at young teenagers.

(a) (i) Name **three** types of media that you would recommend to advertise these cosmetics.

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(3)

(ii) Explain a method of appeal that could be used to advertise the cosmetics.

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(3)

(iii) Why do manufacturers such as Look Ltd use brand names?

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(3)





(b) Analyse the differences between **informative** and **persuasive** advertising.

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(6)

(c) Why might advertising to consumers be considered undesirable?

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(6)



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(d) Describe how a code of advertising might affect the advertising of goods such as cosmetics.

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(4)

Q3

(Total 25 marks)



4. Study the following table which shows a country's trade with the rest of the world.

Trade 2009	Exports (\$M)	Imports (\$M)
Raw materials	8.25	12.50
Manufactured goods	40.10	17.40
Semi-manufactured goods	19.90	11.60
Fuels	6.30	11.50
Food	13.00	17.00
Other goods	5.45	10.25
Services	9.00	19.75

(a) Calculate the total value of trade for **each** of the following:

(i) Visible exports.

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

(ii) Invisible balance.

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

(b) Identify **two** conclusions that can be made about the commercial activities of this country, as shown in the table.

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



(c) Explain why a country:

(i) exports goods.

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(3)

(ii) imports goods.

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(3)

(d) The directors of a company in a country that grows and packages tea are planning to export to other countries.

Outline the importance of **each** of the following to the directors.

(i) Bonded warehouses.

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(5)



(ii) Trade fairs.

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(3)

The currency of this country has appreciated in value.

(e) How will the profitability of this company be affected?

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(5)

Q4

(Total 25 marks)

**TOTAL FOR PAPER: 100 MARKS**

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