Write your name here Surname	Of	ther names
Pearson Edexcel International GCSE	Centre Number	Candidate Number
Commerc		
Commerc	.e	
Wednesday 10 May 2017 Time: 2 hours		Paper Reference 4CM0/01

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.

Information

- The total mark for this paper is 100.
- The marks for **each** question are shown in brackets
 - use this as a guide as to how much time to spend on each question.
- A calculator 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.

P 4 8 0 1 6 A 0 1 1 6

Turn over ▶



Answer ALL questions.

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

1	Complete the following sentences by inserting only one word in each space.	
	(a) Communication is an example of asector activity.	(1)
	(b) Buy One Get One Free is an example of a special	(1)
	(c) A partnership will normally have between	(1)
	(d) A business may pay an advertisingto organise its advertising campaign.	(1)
	(Total for Question 1 = 4 ma	(1) rks)
2	Using one example of a type of job in each case, define the following terms:	
	(a) primary production	(2)
	(b) secondary production.	(2)
	(Total for Question 2 = 4 ma	rks)



3	A wholesaler sells 55 chairs to a retailer. The normal selling price is £20 but for this transaction the retailer is given a 20% trade discount. The retailer decided to return 12 chairs to the wholesaler.
	Calculate the amount of the credit note. Show your working.
	(Total for Question 3 = 2 marks)
4	State two disadvantages for factory production workers of division of labour.
1	
1	
2	
_	(Total for Question 4 = 2 marks)
5	Identify two features of a documentary credit.
1	
2	
	(Total for Question 5 = 2 marks)
6	State two examples of costs that a company might pay when selling goods online.
1	State two examples of costs that a company might pay when sening goods offline.
Ι	
2	
	(Total for Question 6 = 2 marks)



7 Retailers can be divided into large or small types.

For each retailer below, identify whether it is small or large by putting a cross \boxtimes in the correct box below.

Retailer	Small	Large
(i) Convenience store	×	×
(ii) Department store	×	×
(iii) Hypermarket	×	×
(iv) Street market stall	×	×

(Total for Question 7 = 4 marks)

(Total for Question 8 = 1 mark)
State two methods of appeal that might be used to advertise chocolate in a magazine.
(Total for Question 9 = 2 marks)

(Total for Question 10 = 2 marks)



11 Identify three methods of field market research.	
1	
2	
3	
	(Total for Question 11 = 3 marks)
12 State two reasons why companies sponsor charity ev	ents.
1	
2	
	(Total for Question 12 = 2 marks)
13 How has the use of containerisation at ports changed	
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14 Study the information provided, and answer the questions that follow. The company's long-term capital has been raised with: 1 000 000 ordinary shares of £1 4 000 000 8% preference shares of 50p £7 000 000 of 7% debentures During the year, the company's accounts showed: £2 000 000 Production costs (excluding payments to debenture holders) £500 000 Income tax £50 000 (a) (i) Which **one** of the sources of capital would give shareholders voting rights? (1) (ii) How much money does the company raise by issuing preference shares? (1)

(iii) How much does the company pay in interest to debenture holders each year? (1) (b) Calculate the amount of money available to pay out in ordinary share dividends. (3)

(Total for Question 14 = 6 marks)

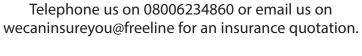
760 494 240 425 follow.	(2)
international trade.	
international trade.	
international trade.	(2)
international trade.	
	(4)
	(4)



onsidering the introduction of trade restrictions ar		
Analyse the likely effects of the following trade	restrictions on imports:	
(i) tariffs		
	(3))
(ii) quotas.		
	(3)	

(d) Analyse why a devaluation of the country's currency might benefit the country.	(6)
(Total for Question 15 = 20 m	arks)

16 Below is an advertisement for Wecaninsureyou, an insurance company.





Study the advertisement, and answer the questions that follow.

(a) (i) State **one other** electronic method of communication that could be used by Wecaninsureyou.

(1)

(ii) State **one** benefit to the company of a customer telephoning them for a quotation.

(1)

(iii) State **one** reason why a customer would make an insurance enquiry by email rather than by telephone.

(1)

	company and purchasing insurance from Lloyd's.	(4)
(c) Explain why people should obtain several quotations before purchasing insurance.	(3)



before providing insurance cover.	(6)
	(0)
e) Explain how insurance companies make a profit from providing insurance cover.	
	(4)



17 Seaways Ltd is a transport company. Apart from transporting oil in oil tankers, is wants to carry passengers and freight by ferry.	t now
(a) Describe two benefits of using ferries to transport freight.	(4)
1	
2	
(b) Seaways Ltd is a private limited company. What is meant by:	
(i) private	(2)
(ii) limited?	(2)

Seaways Ltd wishes to buy two ferries to start its new service. It does not have enough capital but is considering the following two options.	
Option 1 – Using retained profits	
Option 2 – Obtaining a bank loan	
(c) Justify which option Seaways Ltd should choose by explaining why you have selected this option and rejected the other.	(8)
	(0)

(d) Analyse why an overdraft would not be a suitable so new ferries.	urce of finance for buying the
Hew lettles.	(4)
(Тс	otal for Question 17 = 20 marks)
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