Candidate surname

Other names

Pearson Edexcel
International GCSE

Centre Number

Candidate Number

Monday 21 January 2019

Afternoon (Time: 2 hours)

Paper Reference **4CM0/01**

Commerce

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*.

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.

Turn over ▶

Pearson

Answer ALL questions.

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   Complete the following sentences by inserting only **one** word in each space.

(a) Organising production into different tasks is called

.... of labour.

(1)

(b) Buying a good and paying for it in instalments is known as

hire ....

(1)

(c) A trader will make payment by cheque from their

.... bank account.

(1)

(d) Carrier bags are an example of point of ....
advertising.

(1)

(Total for Question 1 = 4 marks)

2 Using an example in each case, define the following terms:

(a) primary research

(2)

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(b) secondary research.

(2)

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(Total for Question 2 = 4 marks)

3 A retailer purchased £5 500 worth of goods from a wholesaler. The retailer received a 20% trade discount and a further 5% cash discount for quick payment.

Calculate how much the retailer paid for the goods. Show your working.

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(Total for Question 3 = 2 marks)

4 State **two** disadvantages of using rail transport to carry goods.

1 ....

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2 ....

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(Total for Question 4 = 2 marks)

5 Give **two** reasons why breaking bulk by wholesalers is important to small retailers.

1 ....

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2 ....

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(Total for Question 5 = 2 marks)

6 Identify **two** ways that warehousing can prevent price fluctuations.

1 ....

2 ....

(Total for Question 6 = 2 marks)

7 Trade documents in home trade are sent by either the buyer or the seller.

For each trade document, identify whether it is sent by the buyer or by the seller by putting a cross ⊠ in the correct box below. If you change your mind, put a line through the box ⊠ and then indicate your new answer with a cross ⊠.

Trade document	Buyer	Seller
(i) Debit note	⊠	⊠
(ii) Enquiry	⊠	⊠
(iii) Invoice	⊠	⊠
(iv) Order	⊠	⊠

(Total for Question 7 = 4 marks)

8 What is the name of the communication method that enables people to have a meeting linked only by telephone?

....

....

(Total for Question 8 = 1 mark)

9 Suggest **two** methods of appeal that an advertiser of luxury cars could use in a magazine advertisement.

1 ....

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2 ....

....

(Total for Question 9 = 2 marks)

10 State **two** features of a public corporation.

1 ....

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2 ....

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(Total for Question 10 = 2 marks)

11 Name **three** types of home shopping.

1 ....

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2 ....

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3 ....

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(Total for Question 11 = 3 marks)

12 Identify **two** ways exporters can be sure they will receive payment.

1 ....

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2 ....

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(Total for Question 12 = 2 marks)

P 5 5 8 7 5 R A 0 6 2 0

13 Explain how the advertising of a breakfast cereal can be helped by its packaging.

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(Total for Question 13 = 4 marks)

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QUESTION 14 BEGINS ON THE NEXT PAGE.

14 The following shows part of an internet bank statement.

INTERNET BANK STATEMENT			£150.00 OD Limit
Sort code: 36-92-85			
Account number: 39526134			
Date	**Transaction**	**In (£)**	**Out (£)**
30 November	Credit transfer	725.00	
1 December	Insurance		225.00
3 December	Electricity (DD)		70.00
5 December	ATM withdrawal		80.00
6 December	Phone bill		65.00
7 December	Hotel booking		380.00
8 December	Bank charges		15.00

(a) State the meaning of the following on the bank statement:

(i) OD (Overdraft)

(1)

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(ii) DD (Direct debit).

(1)

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(b) What would the term electronic transfer mean on a bank statement?

(1)

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(c) Explain **one** benefit of internet banking to a bank.

(3)

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(Total for Question 14 = 6 marks)

P 5 5 8 7 5 R A 0 1 0 2 0

15 The following information concerns a company listed on a stock exchange.

Issued share capital:

50,000 5% preference shares at £1 each

100,000 ordinary shares at £1 each

Distributed net profit: £245 000

(a) Calculate the dividend paid by the company for each of the following.

Show your working.

(i) preference shares

(2)

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(ii) ordinary shares.

(2)

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(b) Analyse the difference between preference shares and ordinary shares.

(4)

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(c) Explain why stock exchanges are important to listed companies.

(4)

(d) An investor is interested in buying ordinary shares.

(i) Describe **one** way that the investor could buy ordinary shares.

(2)

(ii) Assess the risks for investors of owning ordinary shares in a company.

(6)

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(Total for Question 15 = 20 marks)

P 5 5 8 7 5 R A 0 1 3 2 0

16 The diagram shows the pooling of risk for employers' liability insurance.

750 businesses	→ Premiums paid →	£3 million	→ Compensation paid to 25 businesses for claims
			→ Costs to run the insurance company
			→ X
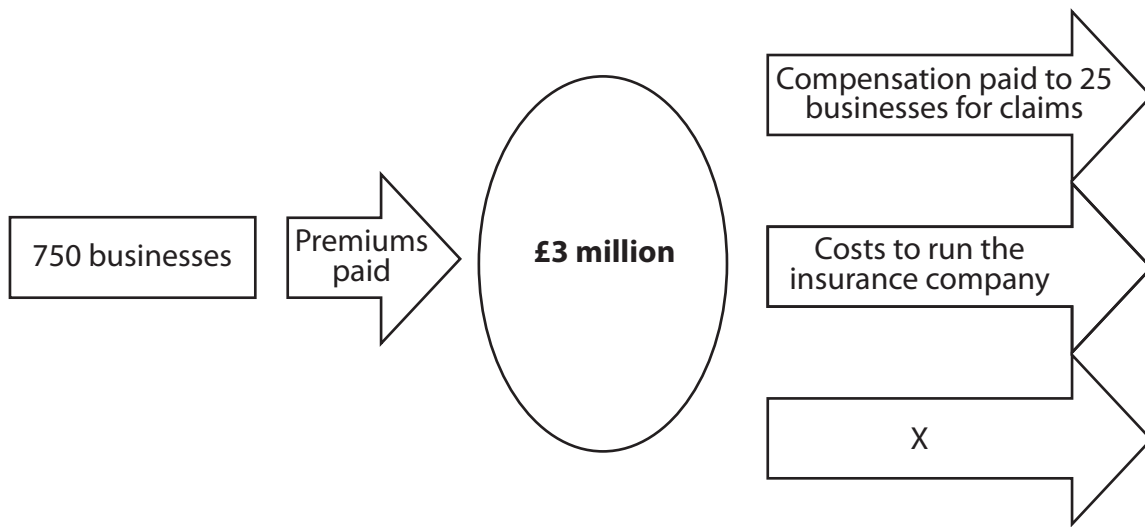
(a) Describe what is meant by employers' liability insurance.

(2)

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(b) Explain why a business cannot insure against business failure.

(4)

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(c) (i) Calculate the average premium paid by each one of the 750 businesses. Show your working.

(2)

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(ii) Give **one** example of a cost needed to run the insurance company.

(1)

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(iii) Identify the arrow labelled X in the diagram.

(1)

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(d) Explain how the pooling of risk affects the level of premium paid.

(4)

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P 5 5 8 7 5 R A 0 1 5 2 0

(e) Analyse how the principle of utmost good faith affects an insurance claim.

(6)

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(Total for Question 16 = 20 marks)

P 5 5 8 7 5 R A 0 1 6 2 0

17 International trade means that countries will have both import and export visible items. These items are often transported in containers.

E19 is a manufacturer of buses that exports them to countries in and outside a trading bloc.

(a) What is meant by the term visible export?

(2)

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(b) Explain **one** reason why E19 uses containers to import the parts it needs to manufacture buses.

(4)

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(c) Analyse why countries trade with other countries.

(4)

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(d) Describe what is meant by a trading bloc.

(2)

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E19 is considering exporting to new countries.

(e) Evaluate the difficulties for E19 of exporting its buses to new countries.

(8)

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(Total for Question 17 = 20 marks)

TOTAL FOR PAPER = 100 MARKS

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