

Please check the examination details below before entering your candidate information

Candidate surname

Other names

Pearson Edexcel

Centre Number

Candidate Number

International GCSE (9–1)

Wednesday 13 May 2020

Afternoon (Time: 1 hour 30 minutes)

Paper Reference **4CM1/02R**

Commerce

Paper 2: Facilitating commercial operations

Calculators may be used.

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.*

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 ►

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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 a function of a post office?

Select **one** answer.

(1)

- A Regulates banks
- B Stabilises currency
- C Payment of bills
- D Prevents inflation

- (b) Which **one** of the following is the purpose of a night safe?

Select **one** answer.

(1)

- A To keep jewellery safe for customers
- B To withdraw money when the bank is too busy
- C To deposit money when the bank is closed
- D To withdraw money from an ATM

- (c) Define the term **bank giro**.

(1)

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

(1)

(e) *The Lego Group* is one of the largest manufacturers of products aimed at children and adults of all ages.

(i) State **one** trading document that *The Lego Group* would send out to a retailer in response to an order enquiry.

(1)

(ii) State **one** possible reason why *The Lego Group* use catalogues.

(1)



Figure 1 shows the expenses of *The Lego Group* for 2018.

<i>The Lego Group</i>	(\$ billions)
Germany	0.95
Switzerland	0.65
Denmark	0.70
Czech Republic	0.50
France	0.55

Figure 1

(iii) Calculate *The Lego Group's* total expenses as a percentage of its \$5 billion turnover. You are advised to show your working.

(2)

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(f) Explain **one** reason why a business would issue a credit note.

(3)

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(g) Explain **one** reason why factoring is useful for businesses.

(3)

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The Lego Group is considering whether to distribute its products using other companies, such as *DHL*, as well as its own delivery lorries.

(h) Analyse the benefits of each transport method for *The Lego Group*.

(6)

Area with horizontal dotted lines for writing the answer.

(Total for Question 1 = 20 marks)



2 (a) Which **one** of the following is the formula for mark-up?

Select **one** answer.

(1)

- A** $\text{Gross profit} \div \text{Revenue} \times 100$
- B** $\text{Profit for the year} \div \text{Revenue} \times 100$
- C** $\text{Turnover} \div \text{Expenses} \times 100$
- D** $\text{Profit per item} \div \text{Cost per item} \times 100$

(b) Which **one** of the following is a role of warehousing?

Select **one** answer.

(1)

- A** Safety
- B** Protecting supply
- C** Cash and carry
- D** Sponsorship



(c) *Gymshark* is a UK manufacturer of fitness equipment and clothing. It only sells online and operates in 131 countries. *Gymshark* has over three million social media followers.

Figure 2 shows the price and sales for three *Gymshark* products for 2018.

	Price (£)	Units sold
New Era 9forty Adjustable Baseball Hat	25.00	265,000
The Statement Backpack	40.00	124,000
Fruit Infuser	10.00	62,500

Figure 2

(i) Identify from **Figure 2** which product is the cheapest to buy.

(1)

(ii) Identify from **Figure 2** which product sold the most in 2018.

(1)

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

(1)



(e) Explain **one** reason why a customer would use a credit card to purchase goods. (3)

(f) Explain **one** reason why a business might use social media. (3)

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Gymshark has had a big increase in enquiries from businesses and people in China. *Gymshark* is now planning to increase its advertising in China. However, *Gymshark* does not have any knowledge of the Chinese market and needs support and advice. *Gymshark* is considering the following two aids to export to help it identify where to promote its products:

Option 1: use the trade organisation for the fitness industry

Option 2: use an overseas agent.

(g) Justify which **one** of these two options *Gymshark* 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 *Monin* is a company that produces premium quality products including syrups, gourmet sauces, and fruit smoothies in France. It constantly develops new products to enter new markets. Its products are distributed to more than 140 countries and those exports represent 75% of its total sales.

(a) Which **one** of the following is a service offered by a bank?

Select **one** answer.

(1)

- A** Trade credit
- B** ATM
- C** Crowdfunding
- D** Venture capital

(b) Which **one** of the following is a mode of transport that *Monin* could use to distribute its products overseas?

Select **one** answer.

(1)

- A** Taxi
- B** Passenger train
- C** Freight plane
- D** Coach

(c) State **one** benefit to *Monin* of using videoconferencing when discussing new products with distributors.

(1)

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(d) Complete *Monin's* Statement of comprehensive income below to show the missing values.

(2)

	\$
Sales revenue	84 000 000
Cost of sales	(i)
Gross profit	45 000 000
Expenses	32 500 000
Operating profit	12 500 000
Tax @ 18%	(ii)
Net profit	10 250 000

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Recently, one of *Monin's* main suppliers had a large fire at its warehouse. This destroyed all of the raw materials that would have been delivered to *Monin*. This meant that *Monin* was not able to complete as many orders on time.

(e) Analyse the impact on *Monin* of not being able to complete as many orders.

(6)

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Monin has experienced significant growth outside of France over the last two years. It has four production facilities, one in the US, two in Europe and the last one in Malaysia.

Monin is going to open a new production facility in South America to meet the growing demand. This will cost \$90 million to build. *Monin* is considering the following two options to finance its new production facility:

Option 1: use all its retained profit

Option 2: use a debenture.

(f) Justify which **one** of the two options *Monin* should choose.

(9)



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(Total for Question 3 = 20 marks)

TOTAL FOR SECTION B = 20 MARKS



SECTION C

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

4 *Samsung* is a producer that offers a wide range of electronic devices ranging from smartphones through to washing machines. On its most expensive products it offers consumers the opportunity of a '100-day change of mind guarantee'. This is where the consumer can return the product if they are not happy within 100 days for a full refund. However, this is only possible if the product is purchased through its website rather than a retailer.

(a) Outline **one** reason why *Samsung* offer a 100-day change of mind guarantee.

(2)

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(b) Analyse the positive impact on *Samsung* of using its own website rather than a retailer to sell its products.

(6)

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Samsung has a range of products called connected living. This range includes refrigerators, cookers, lights, televisions and even vacuum cleaners. These are all linked via Wi-Fi and can be controlled by a smartphone or simply by voice. *Samsung* is planning to increase its persuasive advertising to promote its connected living range to improve sales turnover.

The need for the connected living range was designed around the hectic life of people. *Samsung* made devices to allow the family to focus on being together and making life easier and more enjoyable.

- (c) Evaluate how using persuasive advertising could improve *Samsung's* sales turnover. You should use the information provided as well as your knowledge of commerce.

(12)

Area with horizontal dotted lines for writing the answer to question (c).



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(Total for Question 4 = 20 marks)

TOTAL FOR SECTION C = 20 MARKS

TOTAL FOR PAPER = 80 MARKS

