

Centre No.						Paper Reference						Surname	Initial(s)	
Candidate No.						7	1	0	0	/	1	A	Signature	

Paper Reference(s)

7100/1A

London Examinations GCE

Commerce

Ordinary Level

Monday 14 May 2007 – Morning

Time: 2 hours 30 minutes

Examiner's use only

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Team Leader's use only

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7100/1A

Question Number	Leave Blank
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	
Total for Section A	

Materials required for examination

Nil

Items included with question papers

Nil

7100/1B

Question Number	Leave Blank
1	
2	
3	
4	
Total for Section B	

Instructions to Candidates

Indicate which question you are answering by marking the box (☒).
 If you change your mind, put a line through the box (☒) and then indicate your new question with a cross (☒).
 This paper has two parts: 7100/1A and 7100/1B.
 In Paper 7100/1A, answer ALL questions in the spaces provided.
 In Paper 7100/1B, answer TWO questions in the spaces provided.

Information for Candidates

The marks for individual questions and the parts of questions are shown in round brackets: e.g. (2).
 There are 10 questions in this question paper. The total mark for this Paper 7100/1A is 60 and 40 for Paper 7100/1B.
 There are 12 pages in this question paper. Any blank pages are indicated.
 Paper 7100/1A carries 60% of the total marks and Paper 7100/1B carries 40%.

Advice to Candidates

Write your answers neatly and in good English.
 In Paper 7100/1B organise your material and present your ideas in a clear and logical form.
 Calculators may be used.

Total for Question Paper	
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Section A

You must attempt all TEN questions in this section.

You are advised to spend approximately 90 minutes answering the questions in this section.

Write your answers in the spaces provided.

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

(a) Industry, and direct services make up production. **(1)**

(b) The State holds shares in corporations. **(1)**

(c) Insurance can be described as the of risks. **(1)**

(d) Competitive advertising makes use of names. **(1)**

(Total 4 marks)

Q1

2. A retailer orders goods from a manufacturer to the value of £800. Trade discount of 25% and cash discount of 5% is allowed on this sale.

Calculate the final invoice amount to be paid to the manufacturer from the following information. Show your working.

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.....

(Total 2 marks)

Q2



Leave blank

3. What would be **one** reason for protecting consumers when they buy goods.

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Q3

(Total 2 marks)

4. State **two** advantages of using cheques instead of cash.

1
.....
2
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Q4

(Total 2 marks)

5. Documents are used in the home and international trade.

Match each of the following documents to home or international by placing a cross in the correct boxes below.

Document	Home	International
Consignment note	<input type="checkbox"/>	<input type="checkbox"/>
Consular invoice	<input type="checkbox"/>	<input type="checkbox"/>
Indent	<input type="checkbox"/>	<input type="checkbox"/>
Order	<input type="checkbox"/>	<input type="checkbox"/>

Q5

(Total 4 marks)



Leave blank

6. Why are hypermarkets located in out of town centres?

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Q6

(Total 2 marks)

7. Define the term mortgage loan.

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.....

Q7

(Total 2 marks)

8. State **two** benefits to a business of using video conferencing.

1
.....
2
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Q8

(Total 2 marks)



9. Weekends Away Ltd is a travel business which specialises in organising weekend breaks such as shopping trips in London to sightseeing in other European cities.

The following is part of a questionnaire used in field research that Weekends Away Ltd is planning to use to research the market for the kind of holiday it sells.

Extract from questionnaire

How much do you earn each year?

£15 000–£25 000 Above £25 000

How many holidays do you go on each year?

1–2 holidays More than 2

- (a) (i) Define field research.

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(2)

- (ii) Outline **one** other method of market research.

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(2)

Question 9 continues on next page



(b) (i) Give **two** examples of questions that Weekends Away Ltd could add to the market research questionnaire.

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(2)

(ii) How would each question be useful to Weekends Away Ltd?

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(2)

(c) Explain why businesses carry out market research.

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(4)



Leave blank

Weekends Away Ltd uses an advertising agency to help advertise its holidays.

(d) State **two** services that an advertising agency offers, other than carrying out market research.

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(2)

(e) Analyse **two** disadvantages of advertising to consumers.

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(6)

(Total 20 marks)

Q9

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10. Study the trading figures below that relate to a country's balance of payments and answer the questions that follow.

	£ million	
	2005	2006
Visible Trade: Exports	7 536	8 120
Imports	7 645	7 821
Visible Balance	(109)	
Invisible Balance	(27)	98
Current Balance	(136)	

(a) (i) Calculate the Visible Balance and the Current Balance for 2006.

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(2)

(ii) Give **two** examples of invisible trade.

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(2)



(b) What would be the effects on imported goods of quotas and tariffs?

(i) Quotas

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.....
.....

(2)

(ii) Tariffs

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.....

(2)

(c) Discuss the benefits of international trade to the people living in a country.

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(4)

Question 10 continues on next page



(d) State **two** difficulties faced by exporters in international trading.

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(2)

(e) Examine **two** ways by which a Government helps businesses who export goods.

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(6)

Q10

(Total 20 marks)

TOTAL FOR PAPER: 60 MARKS

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M 2 5 3 6 3 A 0 1 1 1 2

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