

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

Paper Reference(s)

**7100/1B**

**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	
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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 4 questions in this question paper. The total mark for this Paper 7100/1A is 60 and 40 for Paper 7100/1B.  
 There are 16 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 B**

**Answer TWO questions only from this section.**

**You are advised to spend approximately 60 minutes answering the two questions from this section.**

**Put a cross in the box indicating the question that you have chosen ().  
If you change your mind, put a line through the box () and then put a cross in the other box ().**

Chosen Question Number: **Question 1**

1. Aston Fashions is a wholesaler supplying clothes shops from three regional warehouses.

(a) Define the term wholesaler.

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**(2)**

(b) Explain the importance of warehousing for Aston Fashions.

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(c) Discuss the ways in which wholesale warehouses are organised.

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**Question 1 continues on next page**



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(d) Why do many manufacturers sell directly to retailers?

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**(Total 20 marks)**

**Q1**

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Chosen Question Number: **Question 2**

**2.** Businesses use a variety of transport methods to transport goods.

(a) Name **two** different types of water transport, other than used on canals.

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**(2)**

(b) What would be the advantages and disadvantages of transporting freight by canal (an inland waterway).

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**Question 2 continues on next page**



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(c) Analyse the reasons for the continued growth of air transport for goods.

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(d) Discuss the factors affecting the choice of freight transport to be used by businesses.

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(Total 20 marks)

Q2

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Chosen Question Number: **Question 3**

3. Money has developed from barter to be traded internationally.

(a) Define the term barter.

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**(2)**

(b) What would be the disadvantages of barter compared with money?

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(c) Explain the features of **two** international methods of payment.

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**Question 3 continues on next page**



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(d) Predict the effects of exchange rate movements on UK exporters.

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Q3

(Total 20 marks)



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Chosen Question Number: **Question 4**

**4.** Frank Jennings owns 1 000 ordinary shares in Global Interactions plc. Last year he received a good dividend but this year the company is warning that a dividend may not be paid. Frank is going to sell his shares.

(a) What is meant by ordinary shares.

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**(2)**

(b) Show how a limited company differs from a partnership.

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**Question 4 continues on next page**



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(c) Identify the process that Frank would go through in order to sell his shares.

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(d) Using the information above, justify Frank's decision to sell his shares.

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Q4

(Total 20 marks)

**TOTAL FOR PAPER: 40 MARKS**

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