

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 January 2008 – Morning

Time: 1 hour 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 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 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) A retail area where no traffic is allowed is called a shopping (1)

(b) Bonded warehouses store goods. (1)

(c) Video can link people in different parts of the world using sound and vision. (1)

(d) The Trade Act makes it illegal to describe goods in a misleading way. (1)

(Total 4 marks)

Q1

2. Study the following balance of payments figures.

	£ million
Invisible exports	+25 650
Balance of trade	+1 118
Invisible imports	-23 120

Calculate the balance of payments. (Show your workings.)

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(Total 2 marks)

Q2



Leave blank

3. Describe the purpose of an invoice.

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(Total 2 marks)

Q3

4. State **two** disadvantages of using the barter system.

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(Total 2 marks)

Q4



Leave blank

5. There are various different methods of payments used in home trade and in international trade.

Match each of the following methods of payment to home trade or international trade by putting a cross ☒ in the correct boxes below.

Method of payment	Home	International
Bank draft	<input type="checkbox"/>	<input type="checkbox"/>
Documentary credit	<input type="checkbox"/>	<input type="checkbox"/>
Electronic transfer	<input type="checkbox"/>	<input type="checkbox"/>
Credit transfer	<input type="checkbox"/>	<input type="checkbox"/>

Q5

(Total 4 marks)

6. Why is it worthwhile for suppliers to offer cash discounts to attract customers?

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Q6

(Total 2 marks)



Leave blank

7. What is the difference between desk and field market research?

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(Total 2 marks)

Q7

8. Name **two** postal services.

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(Total 2 marks)

Q8



9. The two pictures below show containers being transported by road and rail to a port container terminal.



Source: Clipart



Source: Wikipedia

(a) List **three** factors businesses consider when choosing the form of transport.

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(3)



(b) (i) Identify **two** advantages of using road transport to distribute goods.

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(2)

(ii) Identify **two** disadvantages of using road transport to distribute goods.

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(2)

(c) Using an example, explain when rail transport would be preferred to road transport for delivering goods.

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(3)



(d) (i) Describe **two** features of a port container terminal.

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(2)

(ii) Why is containerisation used in transport?

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(4)



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blank

(e) Discuss the importance of transport to trade.

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(4)

Q9

(Total 20 marks)

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10. Part of an insurance cover note is shown below. Answer the questions that follow.

NORISK ASSURANCE COMPANY LIMITED	
Office Address <i>1 Merndale Road, Wolverhampton</i>	
FIRE AND ACCIDENT DEPARTMENT	Cover Note No: 171809
Proposer's Name <i>Mr. V. HEAD</i> Address <i>EVERGLADES SCHOOL FOR BOYS WAKEN STREET WATCHETT</i>	
PARTICULARS OF INSURANCE	
PERIOD: From <i>7.30</i> am/pm on <i>10th November 2008</i> to <i>6.30</i> pm	
Situation of Property/Premises Insured <i>(if different from address above)</i>	
FIRE (Subject to Average)	SUM INSURED: £..... on
CONSEQUENTIAL LOSS (Subject to Average) LOSS OF PROFITS	SUM INSURED: GROSS PROFIT £..... PERIOD OF INDEMNITYmonths SUM INSURED: WAGES £..... 100% forweeks and% thereafter
LIABILITY a) EMPLOYERS <i>(certificate issued/not issued)</i> b) PUBLIC c) PRODUCTS	INDEMNITY UNLIMITED INDEMNITY £..... ANY ONE EVENT INDEMNITY £..... ANY ONE YEAR
OTHER INSURANCES: <i>Personal Accident Premium £55.00</i>	
Benefits: <i>a) Death £200 000 b) Loss of one or more eyes or limbs £100 000 c) Temporary total disablement £200 per week for 52 weeks.</i>	
Date <i>6.11.07</i>	<i>S Tandy</i> on behalf of the Company



(a) (i) Name the insurer.

..... (1)

(ii) Name the insured.

..... (1)

(iii) What is a cover note?

..... (1)

(b) Using an example, explain the term 'indemnity'.

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..... (3)



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(ii) Why are some risks non-insurable?

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(3)

(e) Mr Heap was involved in a personal accident.

Describe how Mr Heap would make an insurance claim.

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(4)

Q10

(Total 20 marks)

TOTAL FOR SECTION A: 60 MARKS

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