

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 January 2008 – Morning

Time: 1 hour

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	
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10	
Total for Section A	

7100/1B

Question Number	Leave Blank
1	
2	
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4	
Total for Section B	

Materials required for examination

Nil

Items included with question papers

Nil

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 Paper 7100/1A is 60 and 40 for this 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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Turn over

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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. One of the functions of commerce is to provide a link between the producer and the consumer.

(a) Define the terms producer goods and consumer goods.

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(2)



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blank

(b) What would be the stages in the processing of tea from the producer to the consumer?

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(c) Analyse why division of labour exists in industry.

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(d) Discuss the importance of direct services to industry.

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(Total 20 marks)

Q1



Chosen Question Number: **Question 2**

2. The United Kingdom has a mixed economy.

(a) What is meant by the term 'mixed economy'?

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(2)

(b) Explain government's role in the control and finance of public corporations.

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(c) Identify ways in which local authority trading operations differ from public corporations.

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The United Kingdom government has returned many public corporations to private ownership.

(d) Analyse why this has happened.

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Q2

(Total 20 marks)

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Chosen Question Number: **Question 3**

3. Businesses spend a great deal of money each year on advertisements for their products.

(a) Name **two** types of media used for advertising.

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(2)

(b) Why do businesses advertise?

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(c) How do consumers benefit from advertising?

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(d) Discuss the problems that advertising can cause for consumers.

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Q3

(Total 20 marks)

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Chosen Question Number: **Question 4**

4. A public limited company (plc) wishes to increase its turnover, improve its commercial performance and issue more types of shares.

(a) What is meant by 'turnover'?

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(2)

(b) Demonstrate how each of the following is calculated.

(i) average stock

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(3)



(ii) stockturn (rate of turnover)

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(3)

(c) Discuss **two** actions that a company could take to improve its commercial performance.

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(d) Explain why companies issue different types of shares to investors.

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Q4

(Total 20 marks)

TOTAL FOR SECTION B: 40 MARKS

END

