

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

Thursday 14 May 2009 – 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 Paper 7100/1A is 60 and the total mark for Paper 7100/1B is 40.

Paper 7100/1A carries 60% of the total marks and Paper 7100/1B carries 40%.

There are 12 pages in this question paper. Any blank pages are indicated.

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 market can be local, regional, or international. (1)
- (b) are very large shops usually located on the outskirts of towns. (1)
- (c) Wholesalers buy in from manufacturers and sell in small quantities to retailers. (1)
- (d) Advertising can be either informative or (1)

(Total 4 marks)

Q1

2. A small business has the following financial information:

Sales revenue	£100 000
Expenses	£66 000
Gross profit	£80 000

Calculate the net profit margin for this business.

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(Total 2 marks)

Q2



Leave
blank

3. Define the term overdraft.

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Q3

(Total 2 marks)

4. Give **two** functions of a central bank.

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Q4

(Total 2 marks)



5. Some products are sold to producers, and some are sold to consumers.

Match each of the following products to producer goods or consumer goods by placing a cross (☒) in the correct box against each product.

Product	Producer	Consumer
Combine harvester	☒	☒
Lorry	☒	☒
Shoes	☒	☒
Television	☒	☒

(Total 4 marks)

Q5

6. What is meant by branding?

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(Total 2 marks)

Q6



7. Give **two** examples of commercial documents that are used in home trade.

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Q7

(Total 2 marks)

8. Outline **one** purpose of a bill of lading.

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Q8

(Total 2 marks)



9. Romania joined the European Union (EU) on 1 January 2007. Many businesses in Romania were very pleased about becoming members of the EU.

The EU is a free trade area and this means Romania will change its tariffs.

(a) (i) What is meant by a free trade area?

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(2)

(ii) What is meant by a tariff?

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(2)

(b) Why might Romanian businesses that export goods be pleased they are now members of the EU?

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(4)



When importing goods from other countries, Romanian businesses need to make sure that these goods meet the consumer protection laws of Romania.

(e) Why do Romanian businesses need to make sure that the goods they import meet their consumer protection laws?

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(4)

(Total 20 marks)

Q9

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10. Coca-Cola has many brands of drinks that are produced and sold all over the world. They have factories which produce and bottle drinks in several different countries. The Head Office of Coca-Cola is located in the USA.

Communication between the factories in different countries and the Head Office in the USA is very important. A form of communication used to transfer information is email.

(a) (i) What is email?

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(2)

(ii) What will be **two** benefits to Coca-Cola of using email to communicate between the Head Office and its factories in different countries?

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(4)



The Director of Marketing in the USA will want to talk to managers of Coca-Cola factories around the world.

(b) Examine the possible advantages to the Director of Marketing of using the telephone rather than email.

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(4)

Video conferencing is one method of telecommunication.

(c) State **four** features of video conferencing.

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(4)



