

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

Wednesday 13 January 2010 – 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

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

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 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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Turn over

SECTION A

You must attempt all TEN questions in this section.

Write your answers in the spaces provided.

1. Complete the following sentences by inserting **one** word in each.
- (a) Interviews are an example of market research. **(1)**
 - (b) Gross Profit minus expenses will calculate Profit. **(1)**
 - (c) Transport is an example of an Aid to **(1)**
 - (d) Businesses owned by the government are corporations. **(1)**
- (Total 4 marks)**

Q1

2. Dobson Ltd, a small business, has recorded the following financial information:

Opening stock	£20 000
Closing stock	£24 000
Stock purchased	£120 000
Total sales	£240 000

Calculate the gross profit.

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(Total 2 marks)

Q2



3. What is meant by the term division of labour?

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Q3

(Total 2 marks)

4. Give **two** advantages of the use of road transport by businesses.

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Q4

(Total 2 marks)

5. Bank loans and overdrafts are two sources of finance used by business.

Using the table below, place a cross (☒) in the correct box to show the most likely source of finance for each item.

Item	Bank Loan	Overdraft
Purchase stocks	<input type="checkbox"/>	<input type="checkbox"/>
Purchase new machinery	<input type="checkbox"/>	<input type="checkbox"/>
Pay wages	<input type="checkbox"/>	<input type="checkbox"/>
Purchase new lorries	<input type="checkbox"/>	<input type="checkbox"/>

Q5

(Total 4 marks)



6. Describe what is meant by informative advertising.

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Q6

(Total 2 marks)

7. State **two** disadvantages of barter.

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Q7

(Total 2 marks)

8. Give **two** methods of telecommunications.

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Q8

(Total 2 marks)



9. Speedy Shoes Ltd manufactures sports shoes that it only sells in the home market. The Managing Director wants the business to start exporting.

(a) What is meant by exporting?

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(2)

To export, Speedy Shoes Ltd will have to use different documents to those used for home trade.

(b) Identify **two** pieces of information shown on a bill of lading.

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(2)

(c) What is the purpose of a certificate of origin?

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(2)



(d) Outline why different documents are used in international trade compared with home trade.

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(4)

Some governments protect their markets by imposing tariffs and quotas on imports.

(e) What would be **two** effects on imported goods of:

(i) tariffs

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(2)

(ii) quotas?

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(2)



The methods of payments used for international trade are different to those used for home trade.

- (f) (i) Discuss why the finance department might not accept a cheque from purchasers in a different country.

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(3)

- (ii) Discuss why a bill of exchange from a purchaser in another country would be acceptable to a finance department.

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(3)

Q9

(Total 20 marks)

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10. Mr Patel owns a small shop which sells food. He is a sole trader but he is thinking of taking on a partner and forming a partnership.

(a) List **two** features of a sole trader.

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(2)

(b) What would be **two** advantages to Mr Patel of taking on a partner?

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(4)



Mr Patel buys stock for his small shop from a wholesaler.

(c) Why does Mr Patel use a wholesaler?

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(4)

Mr Patel's shop is near a hypermarket.

(d) (i) What is meant by the term hypermarket?

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(2)



(ii) Identify **four** reasons why hypermarkets have become more popular in recent years.

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(4)

Mr Patel’s shop uses self-service.

(e) What advantages would customers in Mr Patel’s shop gain from self-service?

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(4)

Q10

(Total 20 marks)

TOTAL FOR SECTION A: 60 MARKS

END



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