

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

Wednesday 13 January 2010 – 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	
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 4 questions in this question paper. The total mark for Paper 7100/1A is 60 and the total mark for this Paper 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.
 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 B

Answer TWO questions only 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. Pepsi-Cola is a large multinational company. The company uses video conferencing as a method of communication.

(a) State **two** pieces of equipment used when video conferencing.

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(2)



(b) What would be the advantages to Pepsi-Cola of using video conferencing?

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(6)



Pepsi-Cola uses many methods of communication in its multinational business.

(c) Analyse why Pepsi-Cola would send a letter rather than make a telephone call.

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(6)



The fax machine was a main method of communication used by Pepsi-Cola between its factories in different countries.

(d) Evaluate why the use of the fax machine has decreased in recent years.

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(6)

Q1

(Total 20 marks)

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Chosen Question Number: **Question 2**

2. Kassie Toys is a small retail business selling children’s toys. The business is a private limited company. The owner, Sharma, buys the stock direct from the manufacturer.

(a) What is meant by a private limited company?

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(2)

(b) What are the advantages to Sharma of buying direct from the manufacturer?

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(6)



Sharma is experiencing increased competition from a large toy shop in the same town.

(c) Discuss why customers often prefer to buy from a large toy shop rather than a small toy shop.

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(6)



Consumers are protected by law.

(d) Why do governments pass laws to protect consumers?

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(6)

Q2

(Total 20 marks)

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Chosen Question Number: **Question 3**

3. Abis plc is introducing a new soft drink into the market. Before doing this Abis will carry out primary market research.

(a) What is meant by primary market research?

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(2)

(b) Why would Abis plc want to carry out primary market research before launching the new soft drink?

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(c) How might the market research results affect the advertising campaign Abis plc decides to use?

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(6)

The new soft drink is going to be launched onto the market. Abis plc is going to create a brand image for the new soft drink.

(d) Explain why creating a brand image is important for the successful launch of the new soft drink.

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(6)

Q3

(Total 20 marks)

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Chosen Question Number: **Question 4**

4. Bibao Ltd is a new business which will manufacture cosmetics for women. Sam owns the business and realises he needs to take out insurance for the company. He needs to take out several different types of insurance and pay an insurance premium.

(a) What is an insurance premium?

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(2)

(b) How does an insurance company decide what the premium is going to be?

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(c) Analyse why Sam should take out employer liability and public liability insurance.

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(6)

(d) Why might Sam also be advised to take out consequential loss insurance?

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(6)

Q4

(Total 20 marks)

TOTAL FOR SECTION B: 40 MARKS

END

