

Cambridge O Level

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		



COMMERCE 7100/22

Paper 2 Written May/June 2020

2 hours

You must answer on the question paper.

No additional materials are needed.

INSTRUCTIONS

- Answer all questions.
- Use a black or dark blue pen.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do not write on any bar codes.
- You may use a calculator.

INFORMATION

- The total mark for this paper is 80.
- The number of marks for each question or part question is shown in brackets [].

This document has 12 pages. Blank pages are indicated.

1 A multinational company owns the quarry shown in Fig. 1.1. The quarry employs 50 workers. The company uses machinery, transport and explosives to quarry stones and rocks. It has a warehouse that stores equipment and dynamite. The multinational company has taken out a number of insurance policies.

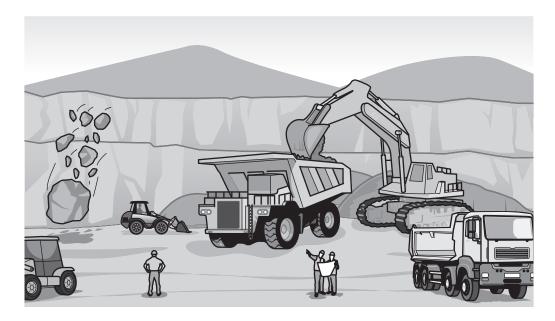


Fig. 1.1 Quarry

Use Fig. 1.1 to help you answer the following questions.

(a)	Define a multinational company.
	[2]
(b)	Explain one reason why quarrying is a primary industry.
	[2]

(c)	Explain two examples of insurance policies that the multinational company should have for the quarry.
	1
	2
	[4]
(d)	Circle the correct answer to complete each of the following sentences.
	A warehouse is an example of
	an aid to trade OR a type of trade
	Employment is classified in PEST as
	an economic factor OR a social factor [2]
(e)	Stones and rocks from the quarry are transported by road. Would it be better to move them by rail? Give reasons for your answer.
	[6]

[Total: 16]

2

Inte	rnatio	onal trade involves the work of customs authorities.
(a)	lder	ntify two examples of trade statistics that customs authorities would keep.
	1	
	2	[2]
(b)	Ехр	lain the effect on imported goods of:
	(i)	imposing tariffs
		[2]
	(ii)	introducing quotas
		[2]
(c)		you agree that there are more risks in international trade than in home trade? Give sons for your answer.
	Touc	sons for your answer.
		ro
		[3]

(d)	Countries have become interdependent due to expanding global markets and internationa trade. To what extent is this statement true? Give reasons for your answer.
	[6]

[Total: 15]

3 Fig. 3.1 shows types of credit used by consumers in 2019.

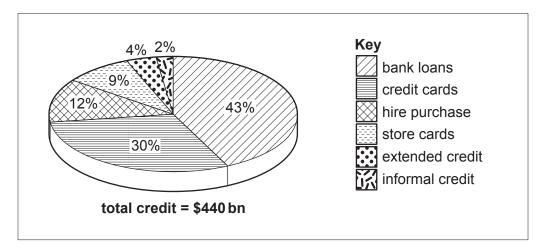


Fig. 3.1 Types of credit used by consumers in 2019

Use Fig. 3.1 to help you answer the following questions.

(a)	(i)	Calculate the total percentage of credit for store cards and hire purchase in 2019. Show your working.
		[2]
	(ii)	Calculate the amount of credit for credit cards in 2019. Show your working.
		[2]
(b)	Ехр	lain one reason why many consumers prefer not to use informal credit.

(c)	A consumer wants to buy a car. She is considering using a credit card or a bank loan to pay for the car. Discuss both options. Which would you recommend? Give reasons for your answer.
	[8]

[Total: 14]

4

	plc is a national wholesaler that imports large quantities of electrical goods from other countries. lans to build a new head office. EE will require a large amount of finance for the build.
(a)	Describe what is meant by a wholesaler.
	[2]
(b)	State two items of information that are contained in an invoice sent from a wholesaler to a retailer.
	1
	2 [2]
(c)	Explain two reasons why retailers might buy electrical goods from a wholesaler such as EE plc.
	1
	2
	[4]
(d)	Should wholesalers act as retailers? Give reasons for your answer.
	[3]

(e)	The directors of EE plc can use either a new share issue or retained earnings (profits) to finance the new head office. Discuss both options. Which would you recommend? Give reasons for your answer.
	[8]

5 The sales promotion in Fig. 5.1 is advertised in a local newspaper.



Fig. 5.1 Sales promotion

Use Fig. 5.1 to help you answer the following questions.

(a)	The sales promotion mentions communication by phone. Describe one other method of communication that a customer could use.
	[2]
(b)	Explain one reason why a manufacturer would choose this method of sales promotion.
	[2]
(c)	Is a local newspaper the best place to advertise this sales promotion? Give reasons for your
(0)	answer.

(d) Which of these statements about eshops are TRUE and which are FALSE?

Tick (\checkmark) TRUE or FALSE in the correct column.

	TRUE	FALSE
Customers can only make payment by credit card and debit card.		
Customers can remove items from their shopping cart before checkout.		
Customers can make negative product reviews.		

[3]

(e)	Many people now use internet shopping.
	Discuss the implications for a retailer who wants to start an eshop. Give reasons for you answer.
	a)

[Total: 16]

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