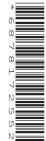


Cambridge O Level

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		



COMMERCE 7100/22

Paper 2 Written October/November 2021

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.

1 Fig. 1.1 shows an eshop shopping cart for a customer of an online shoe retailer.

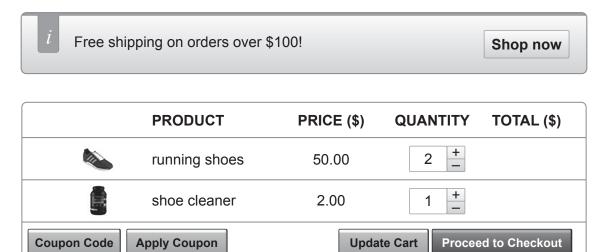


Fig. 1.1 Shopping cart

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

(a)	(i)	Calculate the total cost of this order. Show your working.
		[2]
	(ii)	Explain what is meant by <i>Proceed to Checkout</i> .
		[1]
(b)	Sho ans	uld this online retailer offer free shipping on orders over \$100? Give reasons for your wer.
		[3]

(c)	The customer pays for this order by credit card.	
	Explain two disadvantages to retailers of accepting credit card payments.	
	1	
	2	
		. [4]
(d)	Circle the correct answer to complete each of the following sentences.	
	Coupons are a type of	
	after-sales service OR sales promotion.	
	Expensive running shoes are an example of a human	
	need OR want.	
		[2]
(e)	Discuss the importance of branding to an online shoe retailer. Give reasons for your answer	wer.

[Total: 18]

		ar is a cash and carry wholesaler. She wishes to stock candles to sell in her out-of-town se and has received three quotations.
(a)	Stat	e two features of a cash and carry wholesaler.
	1	
	2	
		[2]
(b)	(i)	State the purpose of a <i>quotation</i> .
		[1]
	(ii)	Explain two factors that would help Mrs Kadar decide which quotation to accept.
		1
		2
		[4]
(c)		you agree that cash and carry warehouses are best located outside town centres? Give sons for your answer.
		[3]

(d)	Discuss the importance to small-scale retailers of cash and carry warehouses. Give reasons for your answer.
	[6]
	[Total: 16]

3 Kyle bought a small fitness studio (gym) one year ago. He also sells some fitness clothing and healthy drinks and snacks. Kyle receives most of his gym bookings through text messages from customers.

Fig. 3.1 shows a summary of his balance sheet.

	\$		\$
Capital	40 000	Premises	100 000
Mortgage	85000	Equipment	29000
Trade payables	3		
(Creditors)	5000	Inventory (stock)	2000
Overdraft	2000	Trade receivables	
		(Debtors)	<u>1000</u>
	132000		132000

Fig. 3.1

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

(a)	(i)	Define the term <i>mortgage</i> .	
	(ii)	Identify one item of short-term borrowing.	
(b)	(i)	Calculate the total amount of fixed (non-current) assets. Show your working.	. رי <u>ا</u>
			[2]

	(ii)	Calculate the working capital of the business. Show your working.	
(c)	Ехр	lain one reason why Kyle does not carry a large volume of inventory.	[~]
			[2]
(d)	Are	text messages a good way for Kyle to receive bookings? Give reasons for your answe	r.
			[3]

(e)	Kyle knows that he has made mistakes in his first year of trading but is keen to succeed. He is ambitious and has seen an advertisement to buy a fitness centre franchise.
	Do you think Kyle should buy a fitness centre franchise? Discuss the advantages and disadvantages to Kyle of becoming a franchisee. Give reasons for your answer.
	[8]
	[Total: 20]

4

An	onlin	e insurance company accepts payment for premiums by direct debit and debit card.
(a)	(i)	Explain what is meant by direct debit.
		[2]
	(ii)	State one reason why insurance companies accept debit card payments for premiums.
		[1]
(b)		plain, using examples, two reasons why people of the same age may be quoted different miums for life cover by the same insurance company.
	1	
	2	
		[4]

(c)	Assess the benefits and drawbacks of buying insurance from an online insurance company Give reasons for your answer.
	[6]

[Total: 13]

5 Fig. 5.1 shows country A's trading figures from 2000–2020.

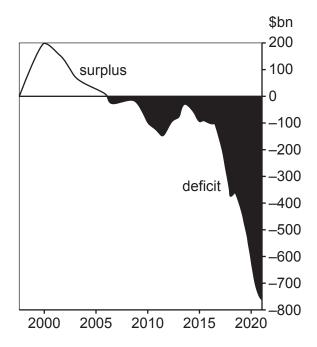


Fig. 5.1 Country A's trading figures 2000–2020

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

(a)	(i)	What is meant by a trade deficit?					
					[1]		
	(ii)	Which year has the largest trade surplus?					
					[1]		
(b)	Whi	ch of these statements about sea transport are true and v			[1]		
			TRUE	FALSE			
	A bi	Il of lading is used as a shipping document					
	Car	rgo liners operate on fixed routes and on fixed timetables					
	Cor	ntainer ships are suitable for carrying coal					
					[3]		

(c) The government of country A wants to reduce the trade deficit. It may use import quotas or

ask banks to provide loans to exporters.					
Discuss each of thanswer.	nese two options.	Which would	you recommend	? Give reasons	for your
				Γ	Total: 13]

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