Cambridge Assessment International Education

Cambridge O Level

CANDIDATE NAME

CENTRE NUMBER | | | | | |

CANDIDATE NUMBER | | | | |

5606854373

COMMERCE **7100/22**

Paper 2 Written **May/June 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. Any blank pages are indicated.

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1 Fig. 1.1 shows freight forwarders unloading cargo at a seaport.



Fig. 1.1

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

(a) **(i)** Identify the type of ship shown in Fig. 1.1.

.....

..... [1]

(ii) Give an example of mechanised equipment used to unload cargo.

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..... [1]

(b) Explain, using an example, the importance of effective communication between a seaport and a ship at sea.

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..... [2]

(c) Explain **one** action that consumers can take to reduce plastic pollution.

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..... [2]

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(d) Circle the correct answer to complete each of the following sentences.

The insurance of ships is called

marine **OR** travel.

Freight forwarders help with

logistics **OR** currencies.

[2]

(e) Customs authorities and bonded warehouses operate at seaports.

(i) Do you think customs authorities play a useful role in trade? Give reasons for your answer.

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..... [4]

(ii) Evaluate the importance of bonded warehouses in international trade.

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..... [6]

[Total: 18]

2 Tahir has been employed as a dentist for five years. He has recently been approached by Ayesha, a friend, who thought it would be a good idea for them to form a business partnership.

(a) Identify the type of industry in which this dental partnership would operate.

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..... [1]

(b) State **three** features of a partnership.

1. .....

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2. .....

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3. .....

..... [3]

(c) Do you think partnership is the best form of ownership for this business? Give reasons for your answer.

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..... [3]

(d) If Tahir and Ayesha decide to set up business together, they will have to purchase dental equipment needed to start trading. They could use either personal savings or a long-term loan.

Discuss each of these two options. Which would you recommend? Give reasons for your answer.

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..... [8]

[Total: 15]

3 Fig. 3.1 shows the percentage (%) of expenditure on different forms of advertising in a country in 2016 and 2020.

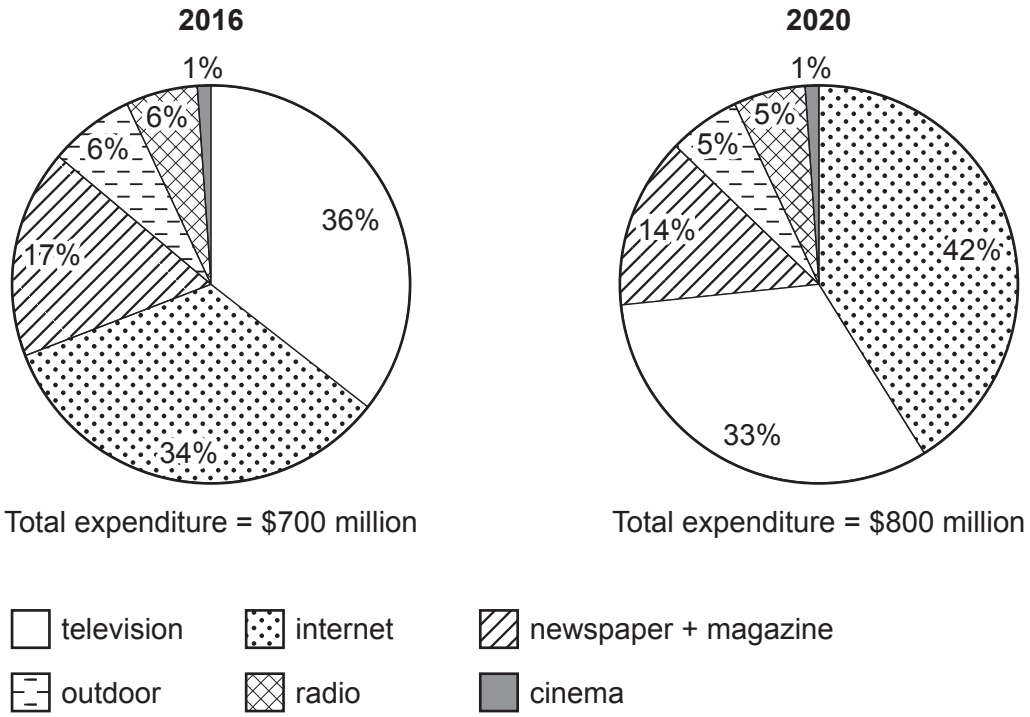


Fig. 3.1 Percentage (%) spent on advertising in a country in 2016 and 2020

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

(a) (i) What is the most popular form of advertising in 2016?

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..... [1]

(ii) Give an example of a method of advertising used outdoors.

.....

..... [1]

(iii) Calculate the total amount spent on newspaper and magazine advertising in 2020. Show your working.

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..... [2]

(b) Explain why cinema is not a popular form of advertising.

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..... [2]

(c) Explain **two** reasons for the growth of internet advertising. Give reasons for your answer.

1. .....

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2. .....

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..... [4]

(d) Discuss the negative effects of advertising on consumers when buying goods and services.

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..... [6]

[Total: 16]

4 Banks offer a number of electronic banking services to their customers, including ATMs and internet banking.

(a) (i) State **three** bank services a customer can access using an ATM.

1. .....

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2. .....

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3. .....

..... [3]

(ii) Explain **two** advantages of internet banking to a customer.

1. .....

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2. .....

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..... [4]

(b) Discuss whether moving towards a cashless society will benefit consumers when buying goods and services. Give reasons for your answer.

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..... [6]

[Total: 13]

5 WW Wholesalers supplies clothing. The commercial document in Fig. 5.1 has been sent to a customer.

(a) Complete **(i)–(iv)** on the document. [4]

(i) ..... Note

WW Wholesalers
Faisalabad
Pakistan

CC Clothing Retailers
Lahore
Pakistan

30 April 2021

Quantity	Code	Description	Unit price ($)	Total ($)
70	LJ179 GOODS DAMAGED IN TRANSIT	Ladies jacket	80	**(ii) .....**
			Trade discount 20%	**(iii) .....**
			Total	**(iv) .....**

Fig. 5.1 Commercial document

(b) Should trade discount be given to customers? Give reasons for your answer.

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..... [3]

(c) Which of these statements about the wholesale trade are TRUE and which are FALSE?

Tick (✓) TRUE or FALSE in the correct column.

	TRUE	FALSE
The wholesaler breaks bulk by buying in small quantities.		
Export merchants are rewarded by profit.		
Cash and carry wholesalers offer hire purchase to retailers.		

[3]

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(d) Many clothing retailers are finding it difficult to compete with online retailers.

Two possible solutions are:
- Develop a social media presence
- Provide a customer loyalty card programme

Discuss each of these solutions. Recommend a course of action. Give reasons for your answer.

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..... [8]

[Total: 18]

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