Cambridge Assessment International Education

Cambridge O Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

9772174721

COMMERCE **7100/23**

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.

© UCLES 2021

1 Fig. 1.1 shows a production line at a tomato sauce (ketchup) factory.

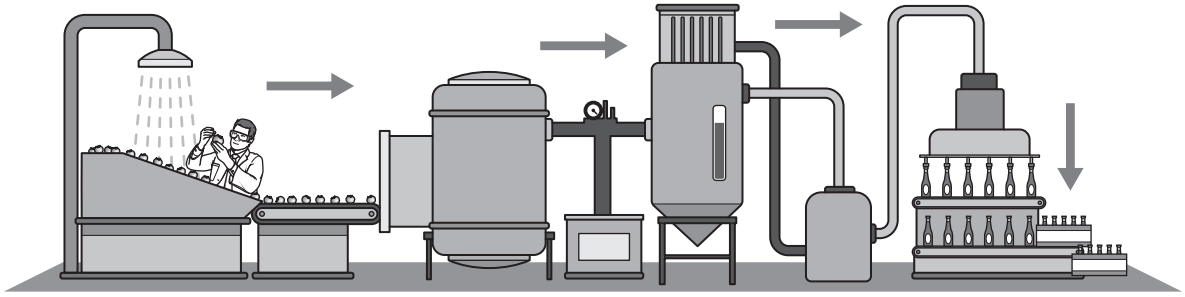


Fig. 1.1 Tomato sauce production line

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

(a) (i) Define *production*.

.....

.....

.....

..... [2]

(ii) Identify **one** production process in Fig. 1.1.

.....

..... [1]

(b) State **two** methods managers can use to communicate with their factory workers.

.....

.....

.....

..... [2]

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

Factory workers are insured against accidents in the workplace by

employer's liability insurance **OR** fidelity guarantee insurance.

A factory is more likely to be located near

competition **OR** power.

[2]

© UCLES 2021

(d) Tomato sauce can be packaged in glass bottles ready for distribution. Are glass bottles environmentally friendly? Give reasons for your answer.

.....

.....

.....

.....

.....

..... [3]

(e) Wholesalers distribute food products to retailers. Explain **two** other reasons why wholesalers are important to food manufacturers.

.....

.....

.....

.....

.....

.....

.....

..... [4]

(f) This tomato sauce producer is a multinational company (MNC). Evaluate the importance of MNCs in the global economy. Give reasons for your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

[Total: 20]

2 JJ Ltd is a jewellery retailer offering a wide range of jewellery, including diamonds and watches. JJ Ltd owns 80 jewellery stores.

(a) What does the abbreviation Ltd mean?

.....

..... [1]

(b) State **two** functions of a retailer.

.....

.....

.....

..... [2]

(c) Some customers apply for a JJ Ltd store card to purchase jewellery. Is paying by store card the best way to buy jewellery?

.....

.....

.....

.....

.....

.....

.....

..... [4]

(d) The head office of JJ Ltd bought watches with a total price of $75 000 and is allowed trade discount of 15%.

How much does JJ Ltd owe after trade discount? Show your working.

.....

.....

.....

.....

.....

..... [3]

(e) JJ Ltd may start to sell its jewellery by mail order. Discuss whether or not this will increase its profits. Give reasons for your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

[Total: 16]

3 BB Bakery plc wants to expand its business. It intends to open more stores and buy its own delivery vans to improve its logistics performance. Some of BB's recent trading figures are shown in Fig. 3.1.

	January $m	February $m	March $m
Total revenue	**(i)**	3.7	4.1
Total costs	1.1	**(ii)**	1.4
Profit	2.2	2.4	**(iii)** .....

Fig. 3.1 BB's total revenue, total costs and profit for the last three months

(a) Complete **(i), (ii)** and **(iii)** on Fig. 3.1. [3]

(b) Describe what is meant by *logistics*.

.....

.....

.....

..... [2]

(c) Are small vans the best method of transport for BB to deliver bread to its retail stores? Give reasons for your answer.

.....

.....

.....

.....

.....

..... [3]

(d) BB Bakery plc can use either a loan or sell assets to finance its expansion. Discuss both options. Which would you recommend? Give reasons for your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [8]

[Total: 16]

4 Banks provide a number of services to their customers.

(a) Describe the following bank services which a customer could use to:

(i) pay insurance premiums.

.....

.....

.....

..... [2]

(ii) obtain cash when a bank is closed.

.....

.....

.....

..... [2]

(b) Explain why bank statements are important to bank customers.

.....

.....

.....

.....

.....

..... [3]

© UCLES 2021

(c) Discuss whether a bank should use informative advertising or persuasive advertising to introduce a new savings account. Give reasons for your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [8]

[Total: 15]

5 Fig. 5.1 shows the Balance of Payments of four countries.

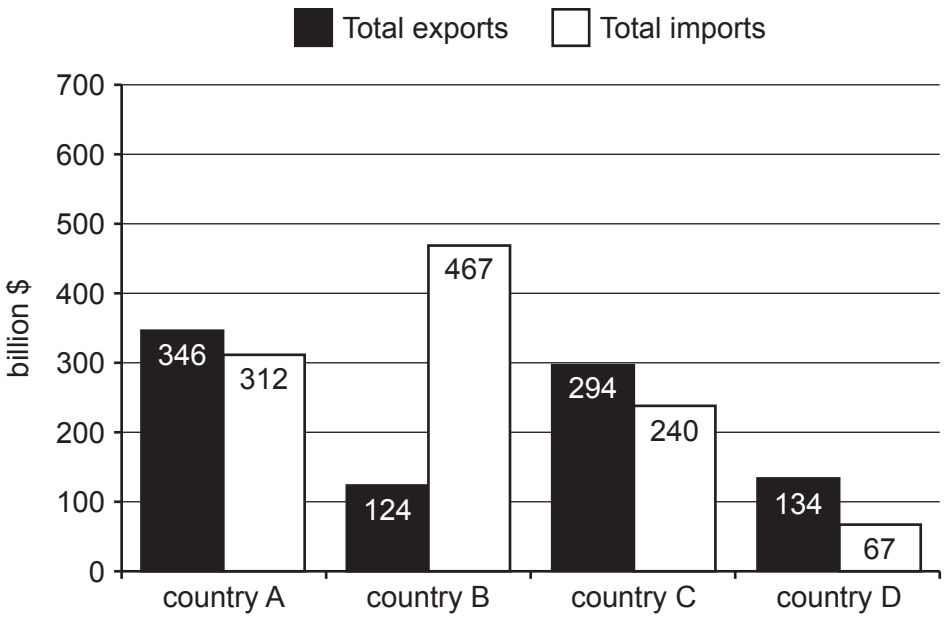


Fig. 5.1 Balance of Payments

(a) (i) Calculate the Balance of Payments for country A. Show your working.

.....

.....

.....

..... [2]

(ii) Does country B have a trade surplus or a trade deficit?

.....

..... [1]

(iii) Which country has the most favourable Balance of Payments?

.....

..... [1]

© UCLES 2021

(b) Which of these statements about customs authorities are TRUE and which are FALSE?

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

	TRUE	FALSE
Customs authorities keep records of exports and imports of a country.		
Customs authorities own bonded warehouses.		
Customs authorities are located at post offices.		

[3]

(c) Discuss the importance of communications in international trade.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

[Total: 13]

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of the Cambridge Assessment Group. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which itself is a department of the University of Cambridge.

© UCLES 2021