Cambridge Assessment International Education

Cambridge O Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

2298425612

COMMERCE **7100/22**

Paper 2 Written **May/June 2022**

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 **16** pages. Any blank pages are indicated.

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[Turn over

1 Fig. 1.1 is a table of annual insurance premiums for motor cars based on occupation.

Occupation	**Annual premium**
Motor racing driver	$2000
Footballer	$1900
Student	$1300
Machinist	$1000
Farmer	$800
Lawyer	$600
Teacher	$400

Fig. 1.1

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

(a) (i) What is an insurance premium?

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..... [1]

(ii) Which occupation in Fig. 1.1 is in the secondary industry?

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..... [1]

(b) Explain **two** factors, apart from occupation, for the high premiums charged to students for motor car insurance.

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2. .....

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[4]

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(c) Should individuals specialise in particular occupations? Give reasons for your answer.

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..... [3]

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

An increased number of motor vehicles is a cause of

global trade **OR** global warming.

Imported car parts will often be stored in a

manufacturer's warehouse **OR** cold storage warehouse.

[2]

(e) Khalid, a student, could pay his motor car annual insurance premium either by monthly direct debit or the total in advance by credit card.

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

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[Total: 19]

2 An international cricket club uses a variety of communications in its operations. The club is making increased use of air transport to send equipment for matches.

(a) Explain **one** example of oral communication that might be used by the cricket club.

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..... [2]

(b) Explain why letters are used by the club when signing new players.

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..... [3]

(c) Do you think negative social media reviews from supporters are always bad for sports clubs? Give reasons for your answer.

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..... [3]

(d) Sports clubs need to consider several factors, such as the nature of the equipment to be carried, before deciding to send their equipment by air transport.

Evaluate **two other** factors sports clubs should consider before choosing air transport to send their equipment. Give reasons for your answer.

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[Total: 14]

3 Aisha opened a shop six months ago, selling homemade cakes and meat pies. She buys her meat pies from a wholesaler.

Fig. 3.1 shows Aisha's trading figures for the two products sold.

	Cakes ($)	Meat pies ($)
Revenue	15600	35400
Cost of sales	5000	**(ii)**
Gross profit	**(i)**	4200
Expenses	2600	1480
Net profit (profit for the year)	8000	**(iii)**

Fig. 3.1

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

(a) Do the calculations to complete the gaps at **(i), (ii) and (iii)** in the table in Fig. 3.1. [3]

(b) Define *revenue*.

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..... [1]

(c) Explain **two** possible disadvantages to Aisha of buying her meat pies from a wholesaler.

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2. .....

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[4]

(d) Aisha would like to increase her revenue.

Two possible solutions are:

- Offer a discount of 20% if customers buy 10 cakes. Each cake costs $3.
- Pay someone $600 to design a website to advertise her cakes and meat pies.

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

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[Total: 16]

4 Wasi is a self-employed photographer, working from home. He uses mobile banking for most of his payments.

(a) Identify a form of business organisation that Wasi could set up.

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..... [1]

(b) Explain **one** advantage and **one** disadvantage of using mobile banking to make payments.

Advantage .....

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Disadvantage .....

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[4]

(c) Wasi wants to work from a purpose-built studio in the garden of his home but he does not have enough finance from his own savings to buy the studio.

(i) Explain **one** reason why obtaining finance might be difficult for Wasi.

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..... [2]

(ii) Do you think a loan would be the most suitable source of finance for Wasi to choose? Justify your answer.

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[Total: 13]

5 Fig. 5.1 shows self-service checkouts that a supermarket chain has introduced into its stores. This is part of its new technology developments.



Fig. 5.1 Self-service checkouts

(a) State **two** characteristics of a supermarket, apart from self-service checkouts.

1. .....

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2. .....

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[2]

(b) Explain **two** advantages of self-service checkouts to supermarkets.

1. .....

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2. .....

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[4]

(c) Do you think introducing new technology into supermarkets benefits the customer? Give reasons for your answer.

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..... [3]

(d) Which of these statements about the location of retail units are true and which are false?

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

	TRUE	FALSE
Department stores locate in neighbourhood areas		
Shopping centres locate near to transport routes		
Hypermarkets locate where car parking is available		

[3]

(e) The supermarket imports much of its perishable stock from overseas suppliers.

Evaluate **two** difficulties faced by the supermarket when using this supply chain. Give reasons for your answer.

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..... [6]

[Total: 18]

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