Cambridge Assessment International Education

Cambridge O Level

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER			

5127058275

COMMERCE **7100/23**

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.

© UCLES 2022

1 Keisha would like to buy a motorcycle and has seen a pop-up advertisement. The pop-up advertisement is shown in Fig. 1.1.

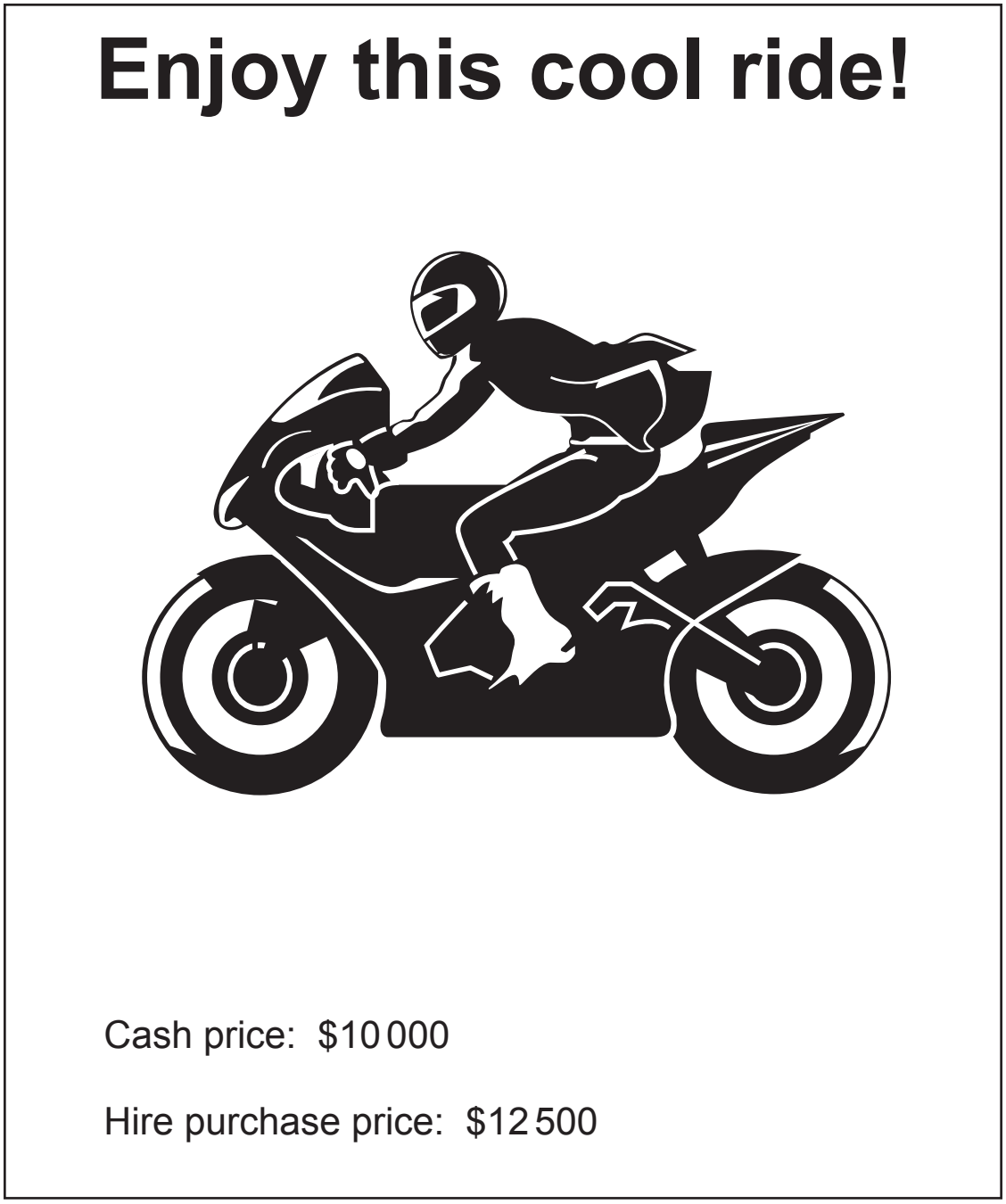


Fig. 1.1

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

(a) (i) Identify **one** form of advertising where pop-ups can be found.

.....

..... [1]

(ii) Which method of appeal is shown in Fig. 1.1?

.....

..... [1]

(b) Explain **two** reasons why taking out insurance will be important to Keisha.

1. .....

.....

.....

.....

2. .....

.....

.....

.....

[4]

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

A motorcycle is an example of a human

need **OR** want.

Major roads used to link cities are known as

express road routes **OR** mass rapid transport.

[2]

(d) Do you think using motorcycles to deliver packages is good for the environment? Give reasons for your answer.

.....

.....

.....

.....

.....

..... [3]

(e) Keisha could finance the motorcycle using cash or hire purchase.
Discuss both options. Which would you recommend? Give reasons for your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [8]

[Total: 19]

BLANK PAGE

2 Kafu is a large-scale retailer selling branded and own brand sunglasses. It has opened a store at an airport. The airport is in the public sector.

(a) State **two** reasons why retailers set up stores at airports.

1. .....

.....

2. .....

..... [2]

(b) State **one** characteristic of a public sector organisation.

.....

..... [1]

(c) Kafu buys branded sunglasses for $30 each and sells them at a 60% mark-up.

Calculate Kafu's selling price. Show your working.

.....

.....

.....

..... [2]

(d) Do you think it is better for consumers to buy their sunglasses at Kafu's airport store or online? Give reasons for your answer.

.....

.....

.....

.....

.....

..... [3]

© UCLES 2022

(e) Discuss the importance to retailers of selling own brand goods. Give reasons for your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

[Total: 14]

3 Fig. 3.1 shows the average rate of inventory turnover for goods sold by wholesalers last year.

Type of goods sold	Rate of inventory turnover
Electrical	7.2
Fashion	6.6
Furniture	3.1
Music	7.8
Paper	9.7
Shoes	5.4

Fig. 3.1 Rate of inventory turnover for goods sold

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

(a) Which type of goods has the second highest rate of inventory turnover?

.....

..... [1]

(b) A furniture wholesaler has opening stock of $20 000, closing stock of $14 000 and cost of goods sold of $85 000.

Calculate the rate of inventory turnover. Show your working.

.....

.....

.....

.....

.....

..... [3]

(c) Do you agree that a wholesaler should make sure that the warehouse is always fully stocked? Give reasons for your answer.

.....

.....

.....

.....

.....

..... [3]

(d) A wholesaler could increase its sales turnover by offering discounts or improving delivery. Discuss both options. Which would you recommend? Give reasons for your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [8]

[Total: 15]

4 Both free trade and bonded warehouses can be beneficial to an importer in the global market.

(a) Define *global market*.

.....

..... [2]

(b) Explain **one** benefit to an importer of free trade.

.....

..... [2]

(c) Explain **two** reasons why governments impose tariffs on goods.

1. .....

.....

.....

.....

2. .....

.....

.....

.....

[4]

(d) Evaluate the importance of bonded warehouses to importers in the global market.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

[Total: 14]

5 Fig. 5.1 shows a survey of banking communication channels used by customers in two countries.

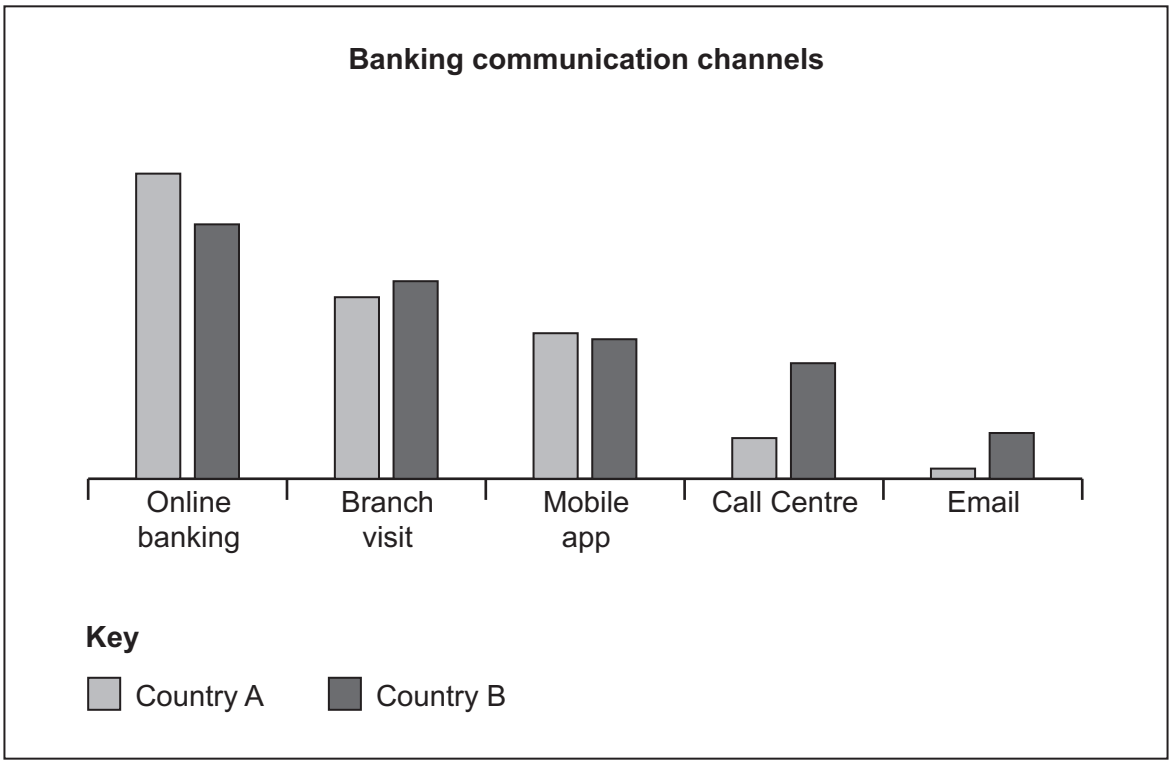


Fig. 5.1

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

(a) (i) Identify **two** trends in Fig. 5.1.

1. .....

.....

2. .....

.....

[2]

(ii) Which country's customers prefer to use call centres?

.....

..... [1]

(b) Describe a mobile app.

.....

.....

.....

..... [2]

(c) Explain **two** reasons why using email is not a popular choice.

1. .....

.....

.....

.....

2. .....

.....

.....

.....

[4]

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

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

	TRUE	FALSE
Cheques are not legal tender.		
Credit transfers allow direct payment from one account to another.		
Debit cards offer credit.		

[3]

(e) Many bank customers now prefer to use online banking rather than visit a branch.

Evaluate the implications of this change for banks. Give reasons for your answer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

[Total: 18]

BLANK PAGE

© UCLES 2022

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 Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.

© UCLES 2022