Cambridge Assessment International Education

Cambridge O Level

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER			

5161145078

COMMERCE **7100/22**

Paper 2 Written **May/June 2023**

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 the share of mobile retailing sales as a percentage (%) of all online sales in a country for 2017–2021.

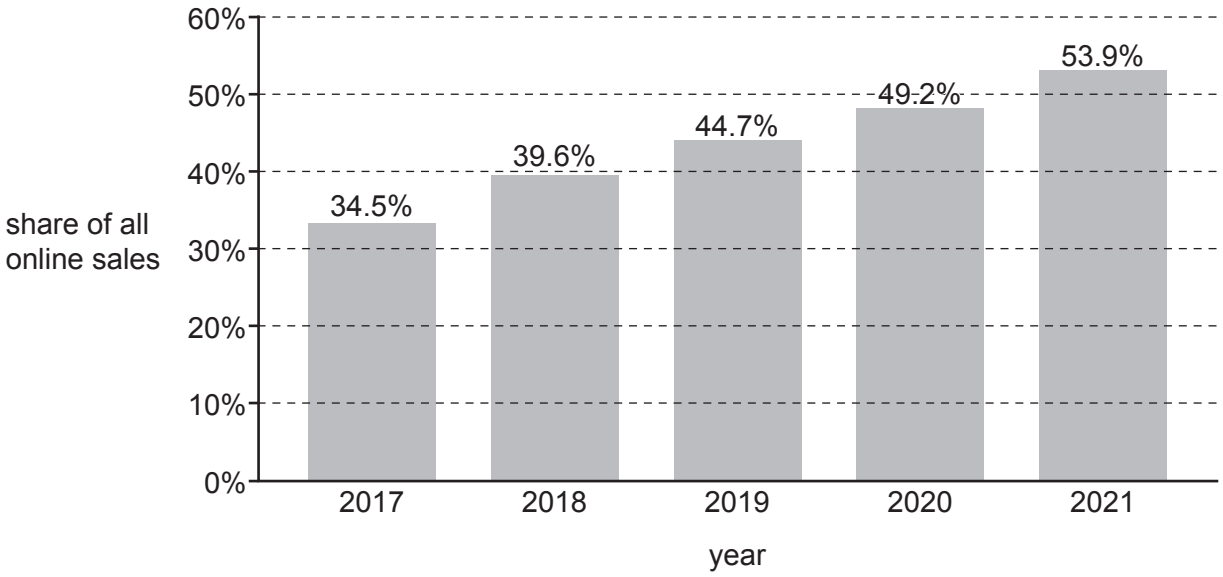


Fig. 1.1 Mobile retailing sales

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

(a) (i) Define *mobile retailing*.

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..... [2]

(ii) Calculate the increase in the share of mobile retailing sales from 2017 to 2021.

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..... [1]

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(b) Explain **two** methods of payment which customers use for online purchases.

1. .....

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2. .....

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[4]

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

As online sales increase, distribution costs

decrease **OR** increase.

Consumers are more likely to be attracted to a website by

order tracking **OR** free returns.

[2]

(d) Discuss the importance of warehouses to online retailers. Give reasons for your answer.

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..... [6]

[Total: 15]

2 Adam and Bella have set up a partnership to make and deliver boxes of ready meals. Adam will make the meals and Bella will deliver the meals in a van. They have drawn up a deed of partnership.

(a) Suggest **two** reasons Adam and Bella had for starting their business as a partnership.

1. .....

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2. .....

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[2]

(b) **(i)** State **one** item of information usually included in a deed of partnership.

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..... [1]

(ii) Explain **one** reason why it is important for Adam and Bella to draw up a deed of partnership.

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..... [3]

(c) Do you think it is a good idea for Adam and Bella to specialise their roles within the partnership? Give reasons for your answer.

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(d) Each box of ready meals costs $15 and there will be a mark-up of 40%.

Calculate the selling price of each box of ready meals. Show your working.

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(e) Discuss whether Adam and Bella should use local newspapers or the sides of their van to advertise. Which would you recommend? Give reasons for your answer.

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[Total: 20]

3 Kelvin Peng applied successfully for a VB Games store card six months ago, after considering the advantages offered by using the card. Fig. 3.1 shows a store card statement from VB Games to Kelvin Peng that he received in the post.

VB GAMES STORE CARD STATEMENT

Kelvin Peng

CREDIT LIMIT **$700.00**

Purchases and Payments	$	$
10/03/2023 VB Games, Klang store	24.40	
12/03/2023 VB Games, Ipoh store	56.30	
15/03/2023 VB Games, Padawan store	143.30	
18/03/2023 Payment at Klang store		212.00
Present balance		**(i)** .....
Available to spend		**(ii)** .....
Minimum payment due by 30/04/2023		5.00

Fig. 3.1 Store card statement

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

(a) Complete **(i)** and **(ii)** in Fig. 3.1. [2]

(b) Explain how Kelvin will be affected if he does not pay the minimum payment on time.

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..... [2]

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(c) Is the postal service the best method for Kelvin to receive store card statements from VB Games? Give reasons for your answer.

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..... [3]

(d) Kelvin wants to buy an expensive guitar. He can use a loan or an overdraft to pay for the guitar. Discuss both options. Which would you recommend? Give reasons for your answer.

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[Total: 15]

4 Freya is interested in exporting recycled laptops. She attended a trade fair to find out about the commercial opportunities and risks experienced by exporters.

(a) Define *exports*.

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..... [2]

(b) Do you think exporting recycled laptops is a good commercial opportunity for Freya? Give reasons for your answer.

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(c) Explain **two** ways that customs authorities can affect Freya's trade.

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2. .....

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[4]

(d) Discuss how important insurance will be for Freya if she exports laptops. Give reasons for your answer.

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[Total: 15]

5 Fig. 5.1 shows the supply chain for a car manufacturer that receives vehicle components into its factory from international component suppliers.

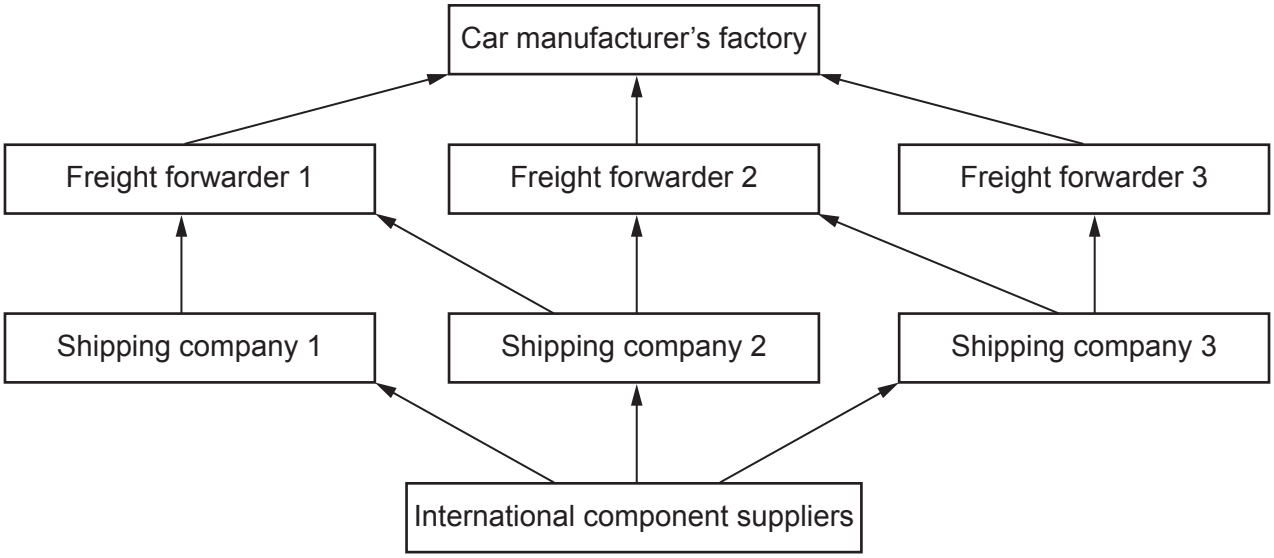


Fig. 5.1 supply chain for a car manufacturer

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

(a) Explain what is meant by a factory.

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..... [2]

(b) State **two** services provided by freight forwarders.

1. .....

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2. .....

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[2]

(c) Explain **one** reason why shipping companies often use more than one freight forwarder.

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..... [2]

(d) Which of these statements about transport documents are true and which are false?

Tick (✓) true or false in the correct column.

	TRUE	FALSE
A bill of lading is a receipt for goods shipped.		
An air waybill is a document of title.		
A consignment note is a delivery note used by freight forwarders.		

[3]

(e) Evaluate the importance to manufacturers of selling through wholesalers. Give reasons for your answer.

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[Total: 15]

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