Cambridge
O Level

Cambridge Assessment International Education
Cambridge Ordinary Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

7925135721

COMMERCE **7100/21**

Paper 2 Written **October/November 2019**

2 hours

Candidates answer on the Question Paper.

No Additional Materials are required.

READ THESE INSTRUCTIONS FIRST

Write your centre number, candidate number and name in the spaces at the top of this page.
Write in dark blue or black pen.
You may use an HB pencil for any diagrams or graphs.
Do not use staples, paper clips, glue or correction fluid.
DO **NOT** WRITE IN ANY BARCODES.

Answer **all** questions.
The businesses described in this question paper are entirely fictitious.

The number of marks is given in brackets [ ] at the end of each question or part question.

This document consists of **12** printed pages.

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Cambridge Assessment International Education

1 The chart in Fig. 1.1 shows the percentage of carbon emissions produced by various methods of transport in a country.

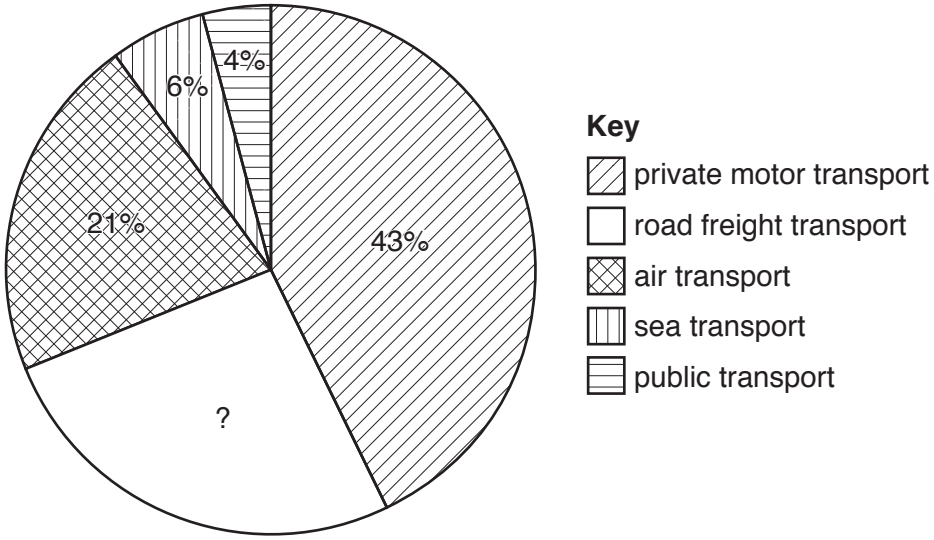


Fig. 1.1 Percentage of transport carbon emissions

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

(a) (i) Identify **one other** method of transport not shown in Fig. 1.1.

.....

..... [1]

(ii) Name **two** types of sea transport.

1 .....

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2 .....

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[2]

(iii) Calculate the percentage of carbon emissions for road freight transport shown in Fig. 1.1. Show your working.

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..... [2]

(b) Explain **one** reason why increased use of public transport might reduce vehicle emissions.

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..... [2]

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

A delivery note would be used in

home trade **OR** international trade.

A document providing temporary motor insurance is known as a

cover note **OR** policy.

[2]

(d) Is private motor transport a human need or a human want? Give reasons for your answer.

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..... [3]

(e) Discuss how important air transport is in the chain of distribution. Give reasons for your answer.

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..... [6]

[Total: 18]

2 Street markets continue to attract crowds of shoppers at a time when customer requirements and expectations are changing.

(a) State **two** features of a street market.

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2 .....

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[2]

(b) Do you think street markets are a good place to buy goods? Give reasons for your answer.

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..... [3]

(c) Explain **one** reason why street market traders usually require customers to pay in cash.

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..... [3]

(d) Busi wants to buy a cheap computer game from a city store. Discuss whether Busi should pay with a credit card or with cash. Which would you recommend? Give reasons for your answer.

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..... [8]

[Total: 16]

3 ZZ plc owns two hotels in the same city centre. The directors of ZZ plc located both hotels in the city centre as they think location is the most important factor for the success of their business.

ZZ plc is concerned about the most recent information on its sales revenue, gross profit and profit for the year (net profit). Some comparisons to the previous year are shown in Fig. 3.1.

SALES REVENUE	down 13%
GROSS PROFIT	down 9%
NET PROFIT	down 11%

Fig. 3.1

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

(a) State who receives the profits of a public limited company.

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..... [1]

(b) Explain what is meant by gross profit.

.....

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..... [2]

(c) The sales revenue of one of the hotels was $900 000. The gross profit was $315 000. Calculate the gross profit margin.

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..... [2]

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(d) Explain **two** sales promotion methods that ZZ plc could use to improve its sales revenue.

1 .....

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2 .....

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[4]

(e) Do you agree that location is the **most** important factor for the success of ZZ plc?
Give reasons for your answer.

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..... [6]

[Total: 15]

4 Fig. 4.1 is an email replying to an enquiry sent by Kito who manufactures greeting cards.

From:	**Export Advice Centre**
To:	**Kito@af.com**
Subject:	**Exporting greeting cards in the global market**

Dear Kito

Thank you for your email enquiry about exporting your greeting cards to other countries.

Please can you give me a little bit more information? Are you planning to make greeting cards for a number of different countries? Or focus your exports to one specific country?

Remember that exporting is not easy, as there are many difficulties to overcome.

There are many good websites that offer help and advice country by country.

Best regards
Kayla
Trade Advisor

Fig. 4.1 email

Use Fig. 4.1 to help you answer the following questions.

(a) Define *global market*.

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..... [2]

(b) Do you think email was the best method of communication for Kito's enquiry? Give reasons for your answer.

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..... [3]

(c) State **two** features of a good website.

1 .....

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2 .....

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[2]

(d) Explain **two** difficulties that Kito might face when exporting his greeting cards.

1 .....

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2 .....

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[4]

(e) Discuss how important warehousing will be to Kito. Give reasons for your answer.

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[Total: 17]

5 Jemila owns a small business selling garden tools. She finds it difficult to obtain finance. She always needs to know if she has enough working capital.

(a) What would be the working capital of Jemila's business if the current assets were valued at $30 000 and the current liabilities at $27 000? Show your working.

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..... [2]

(b) State **one** reason why small businesses find it difficult to obtain finance.

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..... [1]

(c) Which of the following statements about banking are true and which are false?

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

	TRUE	FALSE
A paying-in slip is used to deposit money in a savings account.		
A debit card is used to postpone payment.		
Internet banking has led to bank branches closing.		

[3]

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(d) Jemila wants to buy a small piece of land next to her business to provide parking for her customers. Should she apply for a bank loan or a bank overdraft to pay for the land? Discuss both options. Which would you recommend? Give reasons for your answer.

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[Total: 14]

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