Cambridge
O Level

Cambridge Assessment International Education
Cambridge Ordinary Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

2230080770

COMMERCE **7100/22**

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 Fig. 1.1 shows the pattern of a trading bloc's exports and imports of mining production.

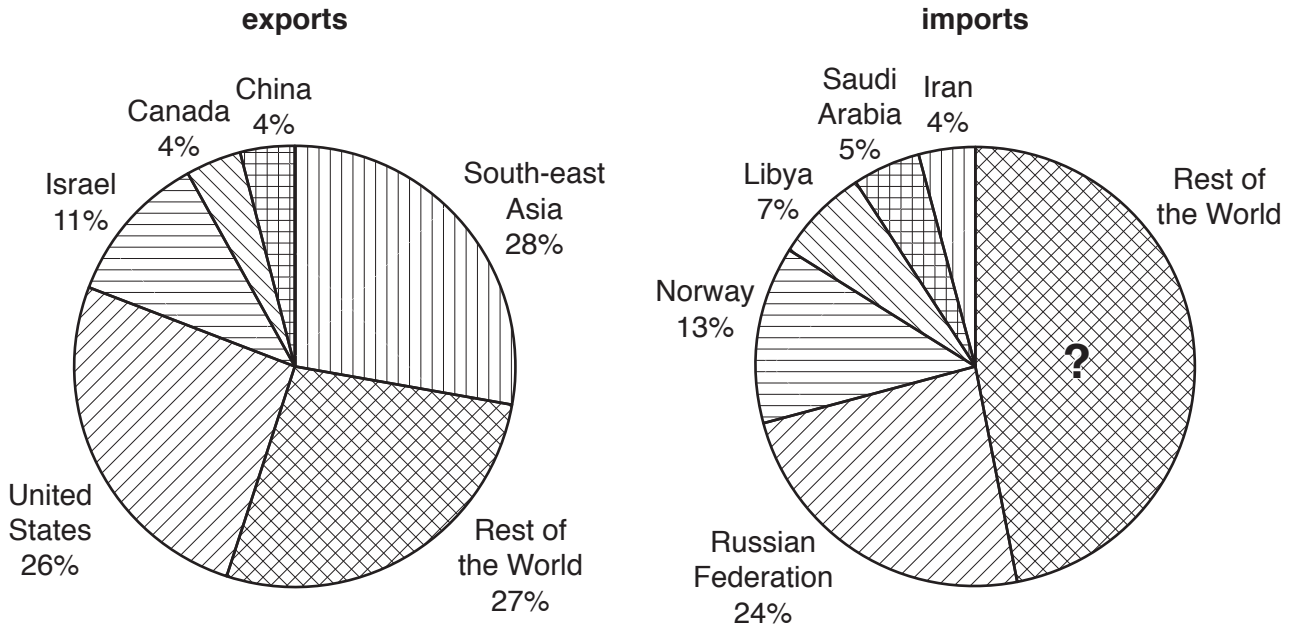


Fig. 1.1 exports and imports of mining production

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

(a) (i) In which type of industry would mining be classified?

.....

..... [1]

(ii) Identify the main area to which this trading bloc exports its mining production.

.....

..... [1]

(b) Calculate the percentage of mining goods imported from the Rest of the World in Fig. 1.1.

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..... [2]

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(c) Explain **two** advantages to a country of joining a trading bloc.

1 .....

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2 .....

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.....

[4]

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

A tariff is a tax on

exported goods **OR** imported goods.

A mass rapid transport system (MRT) is part of

rail transport **OR** road transport.

[2]

(e) Describe **one** method of electronic communication used in international trade.

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..... [2]

(f) Coal is often transported by ship. To what extent is this the **best** way of moving coal? Give reasons for your answer.

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..... [6]

[Total: 18]

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2 Zeena is a hairdresser who set up her own hairdressing and beauty salon as a sole trader two years ago. She advertises her business with leaflets. She employs two members of staff, Kyle and Cindy. Zeena is now looking for a new location to open a second salon.

(a) State **two** advantages of being a sole trader.

1 .....

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2 .....

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[2]

(b) Should Zeena advertise her business with leaflets? Give reasons for your answer.

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..... [4]

(c) Cindy, who was having a bad day at work, accidentally failed to apply the wax properly to a customer's eyebrows causing a painful rash. State **four** actions that the injured customer might take.

1 .....

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2 .....

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3 .....

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4 .....

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[4]

(d) Explain **two** factors Zeena might need to consider when choosing a location for her second salon.

1 .....

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2 .....

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[4]

(e) Discuss whether Zeena should use hire purchase or leasing when financing equipment for the new salon. Which would you recommend? Give reasons for your answer.

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[8]

[Total: 22]

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3 Fig. 3.1 shows part of an internet banking statement for Sam Jacobs.

STATEMENT **Opening balance $1700.00** Make a payment

80-29-47 25749813 **Overdraft limit $50.00** Make a transfer

Date	Transaction	In ($)	Out ($)
2 October	Rent (SO)		400.00
3 October	Electricity (DD)		70.00
4 October	Cash	150.00	
25 October	Salary	1600.00	
28 October	Car Sales Ltd		3000.00
31 October	Closing balance −$20.00 OD		

Fig. 3.1 Internet banking statement

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

(a) What do the letters SO mean?

.....

..... [1]

(b) Explain the entry on 3 October.

.....

.....

.....

..... [2]

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(c) Do you think that an overdraft limit of $50 is helpful for Sam? Give reasons for your answer.

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..... [4]

(d) Sam needs to take out insurance for a car that he bought on 28 October. Discuss the importance to Sam of having adequate motor car insurance cover. Give reasons for your answer.

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..... [6]

[Total: 13]

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4 Nissa makes cheese which she sells to wholesalers. She has received a request to export some cheese to a buyer in Africa. She has read that there are many difficulties when exporting goods. Nissa is considering using an intermediary to help her to export her cheese.

(a) Apart from buying the cheese, explain **two** services that a wholesaler would provide to Nissa.

1 .....

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2 .....

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[4]

(b) Name **two** commercial documents used by a wholesaler.

1 .....

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2 .....

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[2]

(c) Nissa has decided to export her cheese to the buyer in Africa. Discuss whether Nissa should export the cheese herself rather than use an intermediary. Give reasons for your answer.

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..... [6]

[Total: 12]

5 Fig. 5.1 shows a convenience store in a petrol station. The petrol station owner has decided to install a drinks vending machine outside the convenience store.

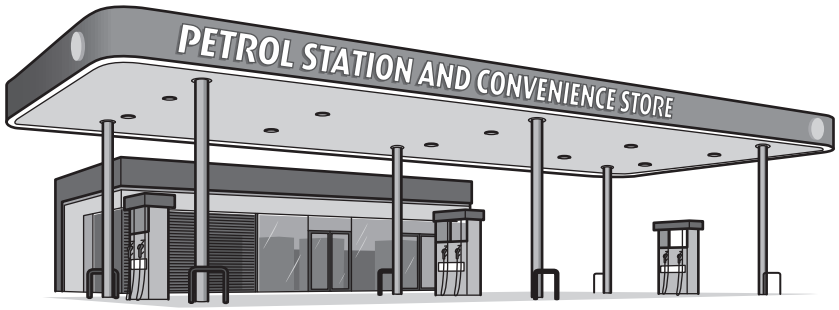


Fig. 5.1 Petrol station and convenience store

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

(a) State **two** features of a convenience store.

1 .....

.....

2 .....

.....

[2]

(b) Which of the following statements are true and which are false?
Tick (✓) TRUE or FALSE in the correct column.

	TRUE	FALSE
A cash and carry is a type of warehouse used by the owner of the convenience store.		
Customs authorities levy duty on petrol.		
Using more packaging is one way to deal with environmental pollution.		

[3]

(c) Do you think that it is a good idea to install a drinks vending machine outside the petrol station and convenience store? Explain your answer.

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..... [2]

(d) The owner of the petrol station would also like to sell car accessories such as car batteries and cleaning products. Discuss whether he should purchase these supplies online or from a cash and carry warehouse. Which do you recommend? Give reasons for your answer.

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..... [8]

[Total: 15]

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