Cambridge Assessment International Education

Cambridge O Level

CANDIDATE NAME									
CENTRE NUMBER						CANDIDATE NUMBER				

2399643505

COMMERCE **7100/21**

Paper 2 Written **October/November 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 **16** pages. Any blank pages are indicated.

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1 The pie chart in Fig. 1.1 shows the costs of global logistics by activity. The stacked bar chart in Fig. 1.1 shows the costs of global logistics by methods of transport.

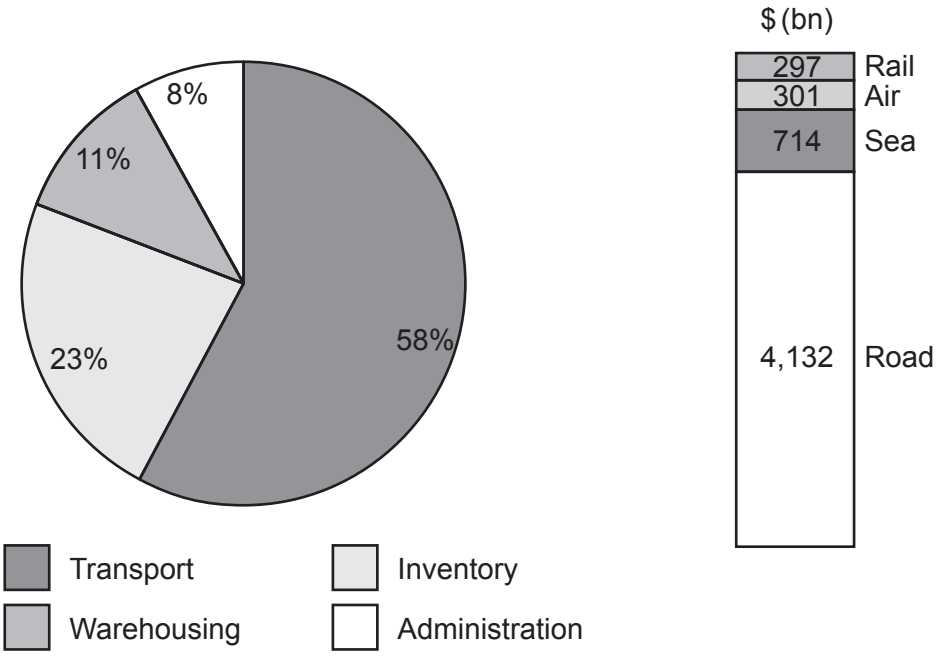


Fig. 1.1 Global logistics costs by activity and by methods of transport

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

(a) (i) Identify **one** example in Fig. 1.1, apart from transport, of an aid to trade.

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..... [1]

(ii) Define *inventory*.

.....

..... [1]

(iii) Calculate the total logistics costs for land transport. Show your working.

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..... [2]

(b) Explain **two** advantages of using rail transport to deliver raw materials to manufacturers.

1. .....

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2. .....

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[4]

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

Global logistics is the process of moving goods

internationally **OR** nationally.

Robots are used in warehouses to pick out goods to complete

invoices **OR** orders.

[2]

(d) Discuss whether or not overseas agents are important when exporting goods. Give reasons for your answer.

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..... [6]

[Total: 16]

2 A convenience store is an example of a small-scale retailer.

(a) State **two** other examples of small-scale retailers.

1. .....

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2. .....

.....

[2]

(b) Do you think it is beneficial to convenience stores to offer informal credit? Give reasons for your answer.

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..... [3]

(c) Explain **two** reasons why small-scale retailers are usually owned by sole traders.

1. .....

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2. .....

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[4]

(d) Discuss **two** ways that small-scale retailers can survive competition from large-scale retailers. Do you think small-scale retailers have a future? Give reasons for your answer.

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[Total: 15]

3 Fig. 3.1 shows some Balance of Payments data for country A in 2022. Country A's main exports are copper, oil and tourism. Its main imports are clothing, insurance and plastic waste.

	Total exports ($m)	Total imports ($m)
Visible trade	750	850
Invisible trade	435	580

Fig. 3.1 Extract from country A's Balance of Payments

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

(a) Using examples from country A, state the difference between visible and invisible trade.

Visible trade .....

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Invisible trade .....

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[4]

(b) **(i)** Calculate the Balance of Payments in 2022 for country A. Show your working.

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..... [3]

(ii) Explain **one** reason why the government of country A might be concerned with this Balance of Payments.

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..... [2]

(c) Explain **one** negative effect on country A of importing plastic waste.

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..... [2]

(d) Country A's importers use the following two methods of communication:

1. email
2. videoconference.

Discuss both methods. Recommend which method of communication is the more effective for country A's importers. Give reasons for your answer.

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[Total: 19]

4 Zane is buying an apartment and has opened a bank account. The bank account allows him to make payments, including direct debits.

(a) What type of bank account does Zane have?

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..... [1]

(b) Give **one** example of a direct debit payment that Zane might have.

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..... [1]

(c) Explain **one** advantage to Zane of making payments by direct debit.

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..... [2]

Fig. 4.1 shows an online targeted advertisement used by the bank to attract more customers to bank online.



Fig. 4.1

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

(d) (i) Explain what is meant by a targeted online advertisement.

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..... [2]

(ii) Do you think this advertisement is effective? Give reasons for your answer.

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..... [3]

(e) Discuss **two** implications for banks of more customers banking online.
Give reasons for your answer.

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[Total: 15]

5 Louis owns a coffee shop. He has asked an architect to design a hand car wash facility to be installed next to the coffee shop. Fig. 5.1 shows the architect's design.



Fig. 5.1

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

(a) Which type of tertiary activity does the architect provide to Louis?

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..... [1]

(b) Do you think it is a good idea to have a hand car wash next to the coffee shop?
Give reasons for your answer.

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..... [3]

(c) Louis's insurance cover will change by installing a car wash. Which of these statements about insurance are true and which are false?

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

	TRUE	FALSE
Louis would complete a proposal form to receive an insurance quote.		
The premium for the car wash would be calculated by a broker.		
A car owner can make an insurance claim against Louis for damage caused by the car wash.		

[3]

(d) Louis needs $100 000 to finance the hand car wash facility.

Discuss whether he should use retained earnings (retained profits) or obtain a bank loan. Which would you recommend? Give reasons for your answer.

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[Total: 15]

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