Please check the examination deta	ails bel	ow before ente	ring your candidate information
Candidate surname			Other names
Pearson Edexcel International GCSE (9–1)	Cen	tre Number	Candidate Number
Time 1 hour 30 minutes		Paper reference	4CM1/02
Commerce			
PAPER 2: Facilitating	com	nmercial	operations
Calculators may be used.			Total Marks

Instructions

- Use **black** ink or ball-point pen.
- **Fill in the boxes** at the top of this page with your name, centre number and candidate number.
- Answer all questions.
- Answer the questions in the spaces provided
 - there may be more space than you need.
- You must show all your working out with your answer clearly identified at the end of your solution.

Information

- The total mark for this paper is 80.
- The marks for **each** question are shown in brackets
 - use this as a guide as to how much time to spend on each question.

Advice

- Read each question carefully before you start to answer it.
- Try to answer every question.
- Check your answers if you have time at the end.
- Good luck with your examination.

Turn over ▶







SECTION A

Answer ALL questions. Write your answers in the spaces provided.

Some questions must be answered with a cross in a box \boxtimes . If you change your mind about an answer, put a line through the box \boxtimes and then mark your new answer with a cross \boxtimes .

	i	answe	r, pu	it a line through the box $oxtimes$ and then mark your new answer with a cr	oss 🗵.
1	(a)	Which	n on	e of the following is a source of long-term finance?	
		Select	t on	e answer.	(1)
		×	Α	Factoring	(1)
		\times	В	Trade credit	
		×	c	Mortgage	
		\times	D	Overdraft	
	(b)			e of the following is the most suitable way to transport a large quantity a long distance?	
		Select	t on	e answer.	(1)
		×	Α	A cargo plane	(1)
		\times	В	A pipeline	
		×	C	A ferry	
		×	D	A car	
	(c)	Define	e the	e term advice note .	(1)

(d) Define the term leasing .	(1)
(e) <i>H&M</i> , a fashion retailer, has almost 5,000 stores in different co	ountries around the world.
(i) State one benefit to <i>H&M</i> area managers of having the m between store managers.	inutes from a meeting (1)
(ii) State one way the <i>H&M</i> website could help promote its p where it does not have stores.	roducts in countries



Figure 1 shows financial information for *H&M* stores in Sweden.

	Year ending Nov 2018
Sales	210 400
Profit for the year	15 493

Figure 1

(iii) Calculate, to two decimal places, the profit for the year margin for 2018. You are advised to show your workings.

(2)

		%	
(f)	Explain one advantage for a customer of using a credit card to pay for products.	(3)	

increase sales.		(3)	

 WeChat is a free mobile messaging app with over one billion users in China. Users can chat to friends and play games. It has a WeChat Pay facility so that users can buy fashion items from retailers such as H&M. (h) Analyse why being able to pay for purchases using WeChat Pay on mobile phones could help fashion retailer H&M increase sales in China. 	(6)
	(- /
(Total for Question 1 = 20 ma	arks)
(10tai 101 Question 1 – 20 mil	

X

D A cash and carry warehouse

2	(a)	Whi a co		one of the following has the role of managing the money supply of cy?	
		Sele	ct o	ne answer.	(1)
		X	Α	Commercial Bank	
		×	В	Central Bank	
		×	C	Chamber of Commerce	
		×	D	Post Office	
	(b)	mak	ing	one of the following is the most suitable type of warehouse for a business ice-cream? ne answer.	(1)
		X	Α	A cold storage warehouse	,
		\times	В	A bonded warehouse	
		X	C	A regional warehouse	

(c) **Figure 2** identifies the different forms of transport used for freight in the European Union.

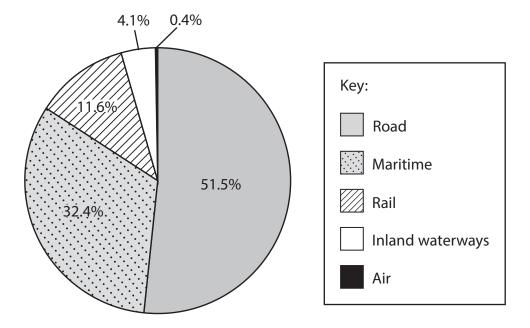


Figure 2

(i) Identify which form of transport is used the most.

	(1)
(ii) Identify the percentage of freight moved by inland waterways.	(1)
(d) Define the term inventory turnover .	
(d) Define the term inventory turnover.	(1)

e) Explain one reason why a customer may be issued with a credit note	. (3)
Explain one reason why businesses in different countries might use	idooconforancing
	/laeoconierencina
as a method of communication.	(3)
as a method of communication.	
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as a method of communication.	(3)
as a method of communication.	(3)
as a method of communication.	(3)
as a method of communication.	(3)
as a method of communication.	(3)
as a method of communication.	(3)



Center Parcs offers short-break holidays. Its holiday villages are set in various natural forest locations in the UK. Each village has heated, luxury self-catering wooden lodges. Facilities on the sites include a swimming pool, restaurants, shops and play areas for children. All are maintained to an extremely high standard.

The average price per night for each lodge is £190. The mark-up for each lodge is 25%. It is an expensive short-break holiday. However, although 97% of lodges are fully booked, 3% of lodges still remain available in some weeks.

Center Parcs wants to increase its profit and is considering two options:

Option 1: increase the price per night for each lodge

Option 2: provide additional facilities to attract more guests.

(g) Justify which one of the two options <i>Center Parcs</i> should choose.	(9)



(Total for Question 2 = 20 marks)
(Total for Question 2 – 20 marks)
TOTAL FOR SECTION A 40 MARKS
TOTAL FOR SECTION A = 40 MARKS

SECTION B

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

IAC is a wholesaler based in Karachi selling fresh fruit and vegetables all over Pakistan. It is also a major worldwide exporter. It is planning further expansion in Europe.

It is paid in a variety of currencies such as pounds, dollars and rupees depending on where it is trading.

IAC is a member of the trade association *All Pakistan Fruit and Vegetable Exporters, Importers and Merchants Association (PFVA)*, which is supported by the government of Pakistan.

IAC had a stall at a recent trade exhibition in Berlin, Germany.

3 (a) Which **one** of the following is a document that lists items to be discussed during a business meeting?

Select **one** answer.

(1)

- **A** A quotation
- B An email
- C A letter
- **D** An agenda
- (b) Which **one** of the following may be a reason why *IAC* keeps inventory in its warehouse?

Select **one** answer.

(1)

- A To feed the produce to its staff
- **B** To meet seasonal demand as the growing seasons change
- C To display on its shelves in an attractive way
- **D** To price at the lowest possible cost



(c)	(c) State one way in which a bank could support <i>IAC</i> when receiving payments from the UK.						
		(1)					

(d) Complete the Statement of Account to show the missing amounts.

(2)

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Frutti Tutti Wholesalers

To: Mr Johnson Grocery Store	From: Frutti Tutti Wholesalers
New York	New York
USA	USA

29 August 2020 Ref 150

Date	Ref	Amount	Credit	Amount Due
04.08.2020	S1 1002	\$250		\$250
11.08.2020	S11 10016	\$400		\$400
20.08.2020	CR 20560		\$50.00	(\$50)
			Subtotal	(i)
	\$1 050			
			Total due	(ii)

Payment due by: 30 September 2020

Please make payments to Fruitti Tutti Wholesalers

Figure 3



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IAC has opened its own shop, Go4Fresh. The shop will sell high quality fresh fruit and vegetables directly to the public. The shop will be in Karachi, Pakistan's largest city. This shop must be successful before IAC opens more shops in Pakistan. A proportion of IAC's promotional budget will be spent on the Karachi shop to raise awareness of this new development. It is considering the following two options: **Option 1:** offering free gifts and samples Option 2: advertising in local cinemas. (f) Justify which **one** of these two options *Go4Fresh* should choose. (9)



(Total for Question 3 = 20 marks)
(10tal for Question 5 – 20 marks)

TOTAL FOR SECTION B = 20 MARKS

SECTION C

Answer ALL questions.

Read the following extract before answering the questions.

Write your answers in the spaces provided.

Aztec Diamond Equestrian (ADE) sells high quality riding clothes including leggings and riding jacket from a UK website. DHL delivers the clothes to customers in the Middle East, Asia and Northern Africa.

DHL was founded in 1969 and is now an experienced international delivery service with a product reputation. DHL uses a combination of air, rail and mail to deliver ADE packages.

4	(a)	Outline one reason why <i>ADE</i> may use email to communicate with its customers.	(2)



(b) Analyse why <i>ADE</i> use	ŕ		(6)

Jordan McCabe spent her childhood riding horses in competitions. She founded <i>ADE</i> after inheriting a small sum of money from her grandmother. This allowed her to use only this money to launch the horse riders fashion brand that she had dreamed about. The business now has over £1m in sales.						
(c) Evaluate how the use of her own capital to launch her business has helped Jordan McCabe to become so successful. You should use the information provided and						
your own knowledge of commerce.	(12)					

