



Cambridge O Level

CANDIDATE
NAME

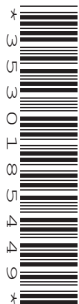
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CENTRE
NUMBER

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CANDIDATE
NUMBER

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COMMERCE

7100/22

Paper 2 Written

October/November 2022

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.

- 1 Nazif is an online retailer who sells t-shirts from his parents' house and garage. All the t-shirts are stored in the house and garage. He uses social media to advertise his t-shirts as shown in Fig. 1.1.

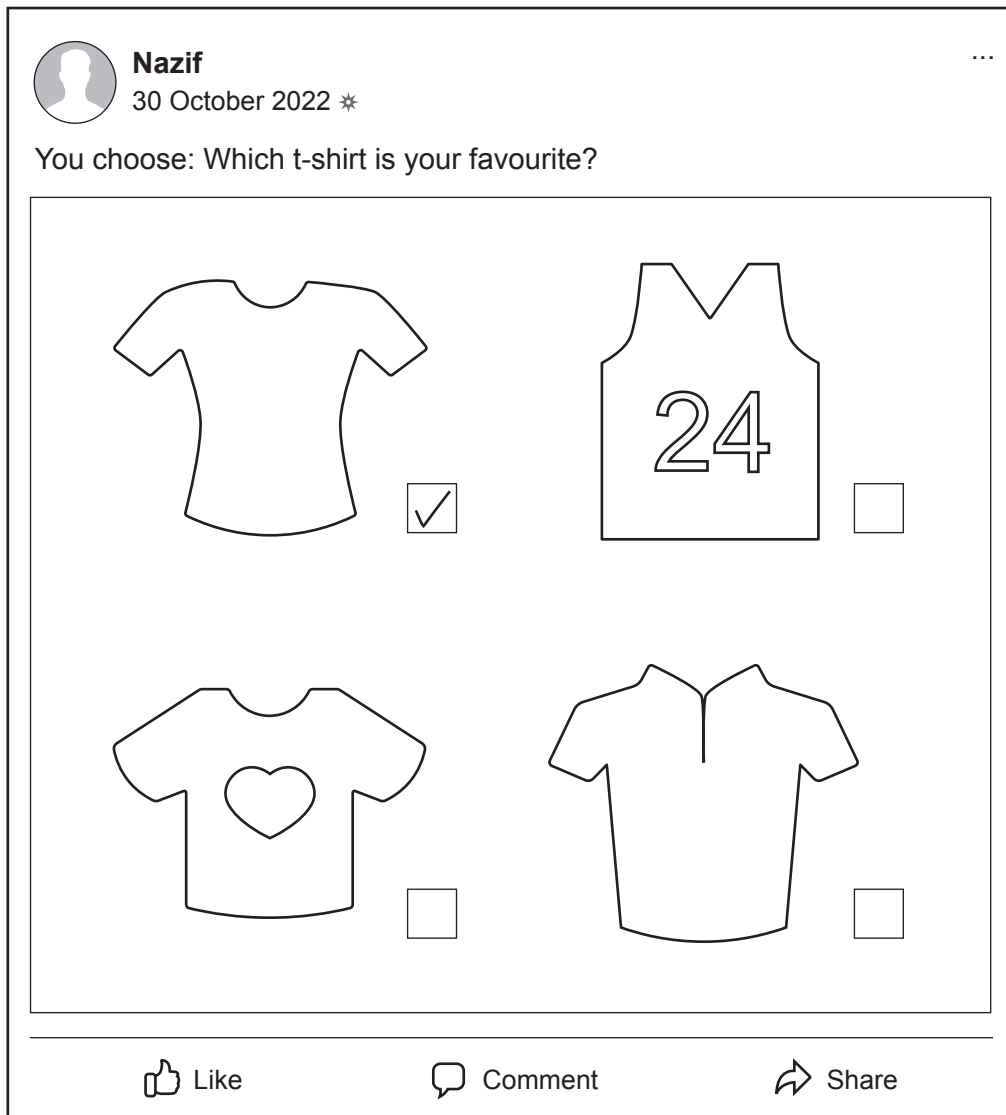


Fig. 1.1

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

- (a) Define *online retailer*.

.....

..... [1]

(b) Do you think Fig. 1.1 is an effective advertisement? Give reasons for your answer.

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..... [3]

(c) Explain **two** difficulties to Nazif of storing all his t-shirts in his parents' house and garage.

1.

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..... [4]

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

A person who can persuade others to buy goods on social media is a/an
influencer **OR** specialist.

One way to reduce the impact of fashion on the environment is to buy
fewer clothes **OR** new clothes.

[2]

2 AA Ltd is a private limited company that manufactures running shoes to sell in the home market. It employs over 70 workers who specialise in different parts of the production process.

(a) State **two** features of a private limited company.

1.
.....
2.
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[2]

(b) Describe **two** differences between home trade and overseas trade.

1.
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2.
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[4]

(c) Do you agree that specialisation benefits AA Ltd? Give reasons for your answer.

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[3]

(d) AA Ltd wants to start selling overseas and become a public limited company.

(i) Explain **one** reason why customs officers might inspect the running shoes that AA Ltd transports overseas.

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..... [2]

(ii) Is a public limited company a better form of business ownership than a private limited company? Give reasons for your answer.

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..... [6]

[Total: 17]

3 BB Ltd is a toy manufacturer in Asia that is going to export for the first time to the European Union (EU) trading bloc.

(a) State **two** features of a trading bloc.

- 1.
.....
 - 2.
.....
- [2]

(b) Explain **one** advantage to BB Ltd of exporting.

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[2]

BB Ltd would like to receive payment by electronic transfer.

(c) (i) Explain **one** reason why BB Ltd would prefer to receive electronic payment before transporting toys to export customers.

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[2]

(ii) Explain why buyers may **not** want to pay in advance.

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[2]

4 Mrs Ali operates a convenience store. She provides informal credit to some customers and receives 30 days' credit from some suppliers.

(a) A convenience store is a small-scale retailer.

Give **one other** type of small-scale retailer.

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..... [1]

(b) Do you think that Mrs Ali should offer informal credit to some customers? Give reasons for your answer.

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..... [3]

(c) Explain **one** advantage and **one** disadvantage to Mrs Ali of receiving 30 days' credit from some suppliers.

Advantage

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Disadvantage

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[4]

(d) Mrs Ali requires buildings insurance.

(i) Evaluate the role of an insurance broker in arranging buildings insurance for Mrs Ali.

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..... [6]

(ii) An insurance company charges Mrs Ali \$21 per \$10 000 insured for buildings insurance. Calculate the cost to Mrs Ali of insuring her store for \$170 000. Show your working.

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..... [2]

[Total: 16]

- 5 Hassan offers customers the chance to experience driving a go-kart around a racetrack. He sells packages to individual customers and for group bookings. The go-kart experience package price list is shown in Fig. 5.1.

THE HASSAN GO-KART EXPERIENCE	
PACKAGE PRICE LIST	
•	Package A: \$15 for 2 laps of the racetrack
•	Package B: \$50 for 10 laps of the racetrack
•	Each extra lap charged at \$5
•	Helmet headcam to record your experience \$20
•	10% discount for online booking at www.hassango-kart.com

Fig. 5.1

- (a) Using the information given in Fig. 5.1, complete (i)–(iv) on the invoice below. [4]

THE HASSAN GO-KART EXPERIENCE			
INVOICE			
Customer name – Waleed Tarkan		15 October 2022	
Description	Quantity	Cost (\$)	Total (\$)
Package B	1	50	50
Extra laps	6	(i).....	30
Helmet headcam	1	20	20
		Total	(ii).....
Discount for online booking			(iii).....
		Total to pay	(iv).....

Fig. 5.2

- (b) Hassan requires finance to improve his business.

Which of these statements about finance are true and which are false?

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

	TRUE	FALSE
A go-kart helmet is a fixed asset.		
Working capital is important for paying Hassan's bills.		
Creditors are suppliers who owe money to Hassan.		

[3]

