



# Cambridge O Level

CANDIDATE  
NAME

CENTRE  
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**COMMERCE**

**7100/23**

Paper 2 Written

**May/June 2024**

**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. Any blank pages are indicated.

1 Fig. 1.1 shows the logistics of sportswear from SW's factory in Bangladesh to a regional distribution centre (RDC) of a specialist multiple chain retailer in Germany.



Fig. 1.1

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

(a) (i) Define *logistics*.

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

(ii) Identify **one** method of sea transport that SW could use to deliver goods.

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

(b) SW is involved in secondary production.

Name **one** other type of production.

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

(c) Explain **two** reasons why businesses use road transport.

1 .....

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2 .....

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[4]



2 Jessica and Ahmed are partners in a business that manufactures plastic boxes in a factory located near a populated area. They employ 10 workers. Fig. 2.1 shows an extract of financial information for this business.

| Balances       | \$      |
|----------------|---------|
| Bank overdraft | 50 000  |
| Buildings      | 330 000 |
| Capital        | 600 000 |
| Cash           | 150 000 |
| Motor vehicles | 87 000  |
| Creditors      | 55 000  |
| Debtors        | 25 000  |

**Fig. 2.1**

Use Fig. 2.1 to help you answer the following questions.

(a) (i) Identify **one** item of short-term finance from Fig. 2.1.

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 ..... [1]

(ii) Identify **one** current asset from Fig. 2.1.

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 ..... [1]

(iii) Calculate the working capital of this business.

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

(b) Explain **one** reason why Jessica and Ahmed need to have employer’s liability insurance.

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

(c) Do you think a partnership is the best form of ownership for Jessica and Ahmed's business? Give reasons for your answer.

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..... [3]

(d) Discuss the environmental impacts of locating a factory near a populated area.

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..... [6]

[Total: 15]

3 Munira is a sole trader. She owns a pizza restaurant and accepts payments by credit card. She frequently advertises special offers to attract customers. She is considering becoming a franchisee of a well-known pizza company.

(a) (i) State **one** feature of a sole trader.

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

(ii) Identify **one** disadvantage to Munira of advertising special offers.

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

(b) State **two** reasons why businesses accept payments by credit card.

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

(c) Do you think Munira should buy her supplies from a cash-and-carry warehouse? Give reasons for your answer.

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..... [3]

(d) Explain **two** advantages to Munira if she decides to become a franchisee of a well-known pizza company.

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[4]

(e) Discuss whether Munira should use local newspapers or leaflets to advertise her pizza restaurant. Which would you recommend? Give reasons for your answer.

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[8]

[Total: 19]

**[Turn over**

4 Fig. 4.1 shows the exports and imports for Country M.

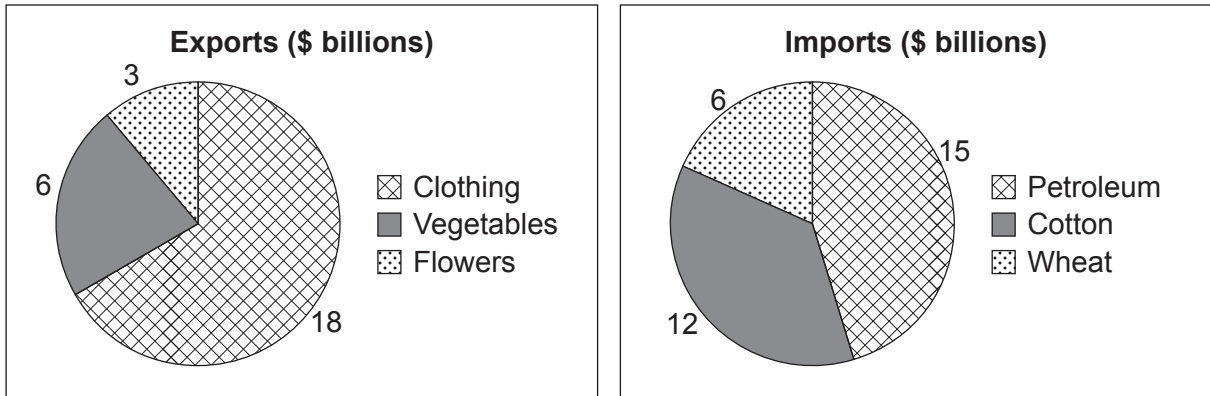


Fig. 4.1

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

(a) Which of these statements about Fig. 4.1 are TRUE and which are FALSE?

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

|  | TRUE | FALSE |
|--|------|-------|
| Country M's exports are greater than its imports.    |      |       |
| Country M has visible exports and invisible imports. |      |       |
| Country M has a deficit in its balance of trade.     |      |       |

[3]

(b) Explain **two** reasons why effective communication is important to exporters of flowers.

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[4]



- (c) Discuss whether or not Country M should introduce trade restrictions on the import of raw materials. Give reasons for your answer.

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[Total: 13]

5 Fig. 5.1 shows an online advertisement for an electronics retail company.



**Fig. 5.1**

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

(a) State **two** advantages, other than 24/7 trading, of being an online retailer.

1 .....

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2 .....

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[2]

(b) After seeing the online advertisement shown in Fig. 5.1, a new customer places her first order for a television priced at \$380 and a laptop priced at \$330.

Calculate the total amount paid by the customer. Show your working.

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[3]

(c) Do you think this retail company should offer free delivery on orders over \$100? Give reasons for your answer.

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..... [3]

(d) State **one** reason why an online retailer should have a secure ecommerce website.

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..... [1]

(e) This retail company is considering two options to finance a new warehouse.

Option 1: shares

Option 2: mortgage.

Discuss each of these two options. Which would you recommend? Give reasons for your answer.

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[Total: 17]

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