



Cambridge O Level

CANDIDATE NAME



CENTRE NUMBER

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COMMERCE

7100/21

Paper 2 Written

October/November 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 **16** pages. Any blank pages are indicated.





1 Fig. 1.1 shows an online retailer's advertisement on their website.

SMARTPHONES FOR SALE AT \$960



FLASH SALE




**24 monthly payments on direct debit on phone contract.
20% deposit.
0% interest.**

Fig. 1.1

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

(a) (i) State what is meant by a flash sale.

.....

..... [1]

(ii) State **one** reason why 0% interest is offered.

.....

..... [1]

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(iii) Calculate the monthly payment if a customer pays by direct debit. Show your working.

.....

.....

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.....

.....

..... [4]

(b) Explain **one** advantage to a retailer of advertising smartphones on their website.

.....

.....

.....

..... [2]

(c) This online retailer offers delivery by drone.

Do you think delivering goods by drone is a good idea? Give reasons for your answer.

.....

.....

.....

.....

.....

.....

..... [3]

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

An important factor affecting the location of an online retailer is

availability of power **OR** public transport links.

A smartphone insurance policy is likely to cover

cracked screens **OR** lost photos.

[2]



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2 Fig. 2.1 shows stages of a chain of distribution for tea.

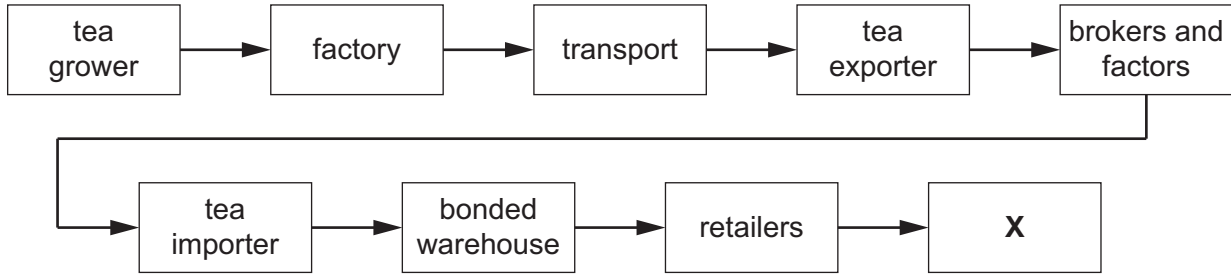


Fig. 2.1

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

(a) (i) Identify which stage is a primary industry activity.

..... [1]

(ii) Identify stage X.

..... [1]

(b) Explain **one** difference between a broker and a factor.

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

(c) State **two** features of a bonded warehouse.

1

.....

2

..... [2]

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3 Fig. 3.1 shows the Balance of Payments in three countries: country A, country B and country C.

Balance of Payments (\$m)

| | | Country A | Country B | Country C |
|-------------------------|---------|-----------|-----------|-----------|
| Visible Trade: | Exports | 9589 | 8912 | 4324 |
| | Imports | 8364 | 6327 | 5675 |
| Visible Trade Balance | | 1225 | 2585 | (1351) |
| Invisible Trade Balance | | 1245 | 512 | 3412 |

Fig. 3.1

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

(a) (i) Which country has the most income from selling goods abroad?

..... [1]

(ii) Which country has a visible trade deficit?

..... [1]

(iii) Define *invisible trade*.

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

(b) Explain the effects on imported goods if country C:

(i) introduces tariffs.

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

(ii) places embargoes on certain goods.

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

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4 MM Bank is a multinational bank that provides internet banking to its customers. It has over 400 bank branches.

(a) State **two** features of a multinational bank.

1

.....

2

.....

[2]

(b) Identify **two** types of bank account that MM Bank might provide for its customers.

1

.....

2

.....

[2]

(c) MM Bank wants to introduce a mobile banking app.

Should MM Bank send letters to inform its customers about this new banking service? Give reasons for your answer.

.....

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.....

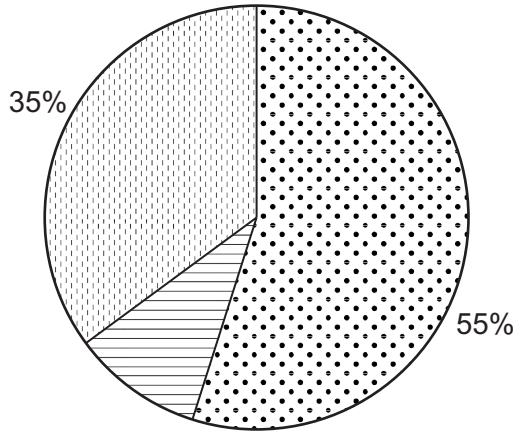
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5 Fig. 5.1 shows a country's employment figures in 2023. Its total working population is 24 million.




 Unemployed
  Public sector
  Private sector

Fig. 5.1

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

(a) Identify **one** characteristic of a public sector enterprise.

.....

..... [1]

(b) Calculate the total number of unemployed people in 2023. Show your working.

.....

.....

.....

..... [2]

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(c) Many wholesalers sell vegetables to retailers in the private sector.

Explain the role of wholesalers in:

(i) the breaking of bulk.

.....

.....

.....

..... [2]

(ii) risk-bearing.

.....

.....

.....

..... [2]

(d) Which of these statements about documents used between wholesalers and retailers are true and which are false?

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

| | TRUE | FALSE |
|--|------|-------|
| An order is sent by the wholesaler to the retailer. | | |
| An advice note tells the retailer that the goods have been despatched. | | |
| A credit note is sent when goods have been undercharged by the wholesaler. | | |

[3]

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