

Cambridge O Level

CANDIDATE NAME					
CENTRE NUMBER			CANDIDATE NUMBER		

353018544

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.

DC (NF/CT) 303886/4 © UCLES 2022

[Turn over

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

© UCLES 2022 7100/22/O/N/22

(b)	Do you think Fig. 1.1 is an effective advertisement? Give reasons for your answer.	
		[3]
(c)	Explain two difficulties to Nazif of storing all his t-shirts in his parents' house and garage.	
	1	
	2	
		 [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]

must decide which chain of distribution to use. He has two options:

(e) Nazif's t-shirts have sold well and he now wants to sell his t-shirts in small retail stores. He

Option 1: supplying to small retailers directly Option 2: supplying through a wholesaler.
Discuss each of these two options. Which would you recommend? Give reasons for your answer.
[8]
[Total: 18]

© UCLES 2022 7100/22/O/N/22

	Ltd is a private limited company that manufactures running shoes to sell in the home market. It ploys over 70 workers who specialise in different parts of the production process.
(a)	State two features of a private limited company.
	1
	2
	[2]
(b)	
(10)	1
	2
	[4]
(c)	Do you agree that specialisation benefits AA Ltd? Give reasons for your answer.
	[3]

2

(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.
		[2]
	(ii)	Is a public limited company a better form of business ownership than a private limited company? Give reasons for your answer.
		[6]
		[Total: 17]

		s a toy manufacturer in Asia that is going to export for the first time to the European Union ling bloc.
(a)	Stat	e two features of a trading bloc.
	1	
	2	
		[2]
(b)	Ехр	lain one advantage to BB Ltd of exporting.
		[2]
ВВ	Ltd w	ould 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.
		[2]
	(ii)	Explain why buyers may not want to pay in advance.
		[2]

3

(d) Fig. 3.1 shows the estimated transit times and costs for the two methods of transport that BB Ltd could use to export the toys to the EU.

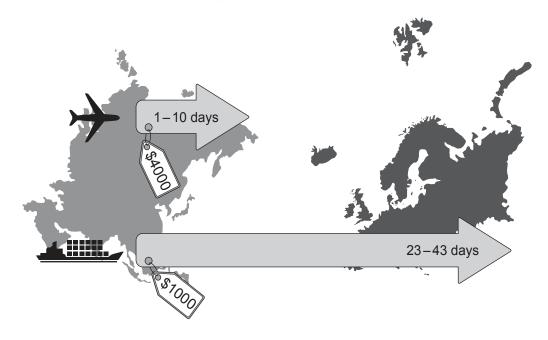


Fig. 3.1. Transport methods, times and costs from Asia to the EU

Evaluate which method of transport BB Ltd should use. Give reasons for your answer.
[6]

[Total: 14]

© UCLES 2022 7100/22/O/N/22

rece	Ali operates a convenience store. She provides informal credit to some customers and eives 30 days' credit from some suppliers.
(a)	A convenience store is a small-scale retailer.
	Give one other type of small-scale retailer.
	[1]
(b)	Do you think that Mrs Ali should offer informal credit to some customers? Give reasons for your answer.
	[3]
(c)	
(c)	Explain one advantage and one disadvantage to Mrs Ali of receiving 30 days' credit from
(c)	Explain one advantage and one disadvantage to Mrs Ali of receiving 30 days' credit from some suppliers.
(c)	Explain one advantage and one disadvantage to Mrs Ali of receiving 30 days' credit from some suppliers.
(c)	Explain one advantage and one disadvantage to Mrs Ali of receiving 30 days' credit from some suppliers. Advantage
(c)	Explain one advantage and one disadvantage to Mrs Ali of receiving 30 days' credit from some suppliers. Advantage
(c)	Explain one advantage and one disadvantage to Mrs Ali of receiving 30 days' credit from some suppliers. Advantage
(c)	Explain one advantage and one disadvantage to Mrs Ali of receiving 30 days' credit from some suppliers. Advantage

4

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

(c)	Hassan wants to buy three new go-karts for \$2800 each and make repairs to two other go-karts. The go-kart repairs will cost \$300 each.
	Analyse Hassan's decision to finance the purchase and repair by using an overdraft. Give reasons for your answer.
	[8]
	[8]

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (UCLES) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

[Total: 15]

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in the Cambridge Assessment International Education Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge Assessment International Education is part of Cambridge Assessment. Cambridge Assessment is the brand name of the University of Cambridge Local Examinations Syndicate (UCLES), which is a department of the University of Cambridge.