



Cambridge O Level

CANDIDATE
NAME

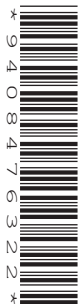
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CENTRE
NUMBER

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CANDIDATE
NUMBER

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COMMERCE

7100/22

Paper 2 Written

May/June 2020

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. Blank pages are indicated.

- 1 A multinational company owns the quarry shown in Fig. 1.1. The quarry employs 50 workers. The company uses machinery, transport and explosives to quarry stones and rocks. It has a warehouse that stores equipment and dynamite. The multinational company has taken out a number of insurance policies.

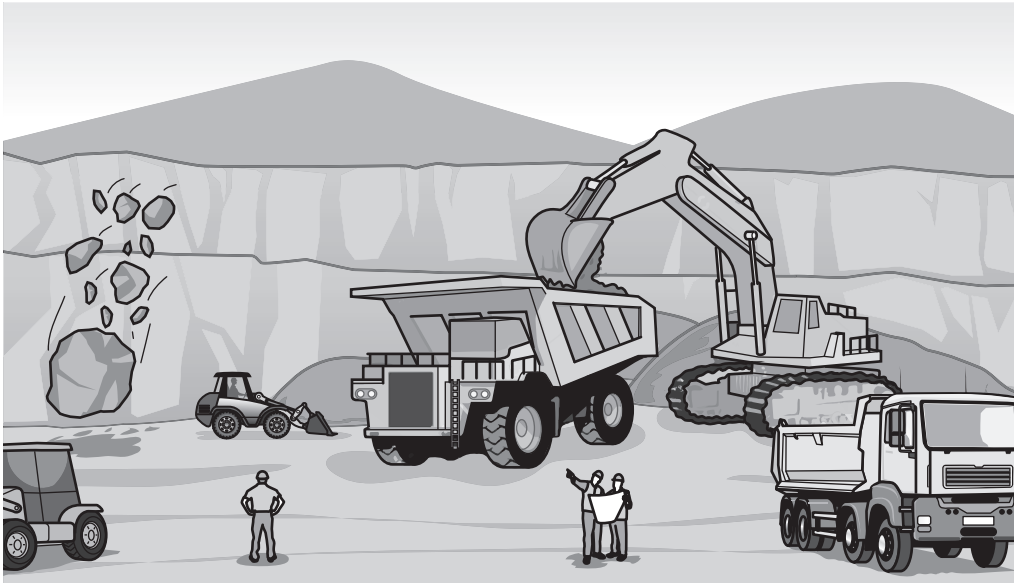


Fig. 1.1 Quarry

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

- (a) Define a *multinational company*.

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..... [2]

- (b) Explain **one** reason why quarrying is a primary industry.

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..... [2]

2 International trade involves the work of customs authorities.

(a) Identify **two** examples of trade statistics that customs authorities would keep.

- 1
- 2 [2]

(b) Explain the effect on imported goods of:

(i) imposing tariffs

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..... [2]

(ii) introducing quotas

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..... [2]

(c) Do you agree that there are more risks in international trade than in home trade? Give reasons for your answer.

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..... [3]

3 Fig. 3.1 shows types of credit used by consumers in 2019.

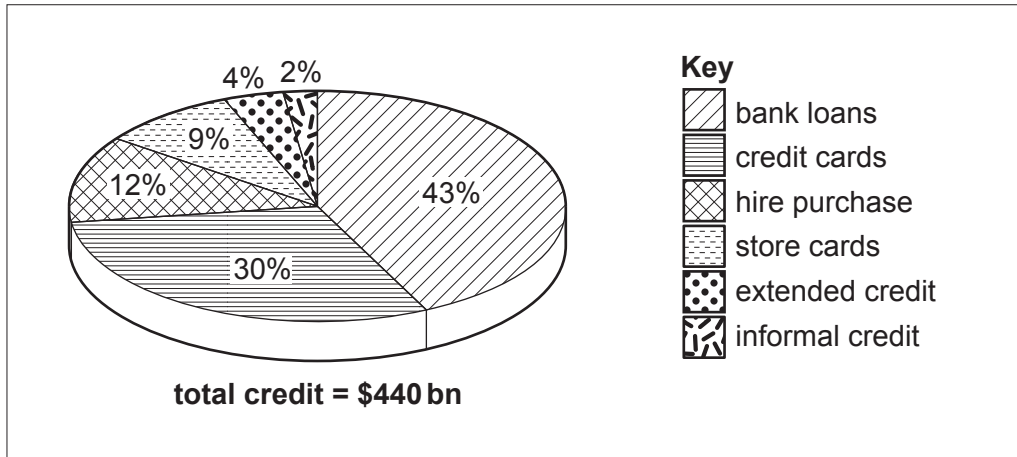


Fig. 3.1 Types of credit used by consumers in 2019

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

(a) (i) Calculate the total percentage of credit for store cards and hire purchase in 2019. Show your working.

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..... [2]

(ii) Calculate the amount of credit for credit cards in 2019. Show your working.

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..... [2]

(b) Explain **one** reason why many consumers prefer **not** to use informal credit.

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..... [2]

5 The sales promotion in Fig. 5.1 is advertised in a local newspaper.

FREE 100-night mattress trial



We deliver the mattress to your home and give you up to 100 nights to decide if it's right for you.
If you're not happy with the mattress, just phone us and we'll pick it up for free.

You will not find this offer in any retail store!

Fig. 5.1 Sales promotion

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

(a) The sales promotion mentions communication by phone. Describe **one other** method of communication that a customer could use.

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..... [2]

(b) Explain **one** reason why a manufacturer would choose this method of sales promotion.

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..... [2]

(c) Is a local newspaper the best place to advertise this sales promotion? Give reasons for your answer.

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..... [3]

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