



Cambridge O Level

CANDIDATE
NAME
CENTRE
NUMBER

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COMMERCE**7100/23**

Paper 2 Written

May/June 2025**2 hours**

You must answer on the question paper.

No additional materials are needed.

INSTRUCTIONS

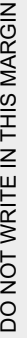
- Answer **all** questions.
- Use a black or dark blue pen.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- 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.

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- [1]

- [1]

- 1
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- 2
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-
-



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

Transport is described as

an aid to trade **OR** a direct service.

An example of a motor insurance risk is

contents insurance **OR** third-party insurance.

[2]

(d) This taxi company purchased 20 car mats at \$25 each from a wholesaler. The wholesaler offered 10 per cent trade discount. Terms were full payment within 30 days, or 5 per cent discount if paid within 15 days. This taxi company paid the amount in full within a week.

Calculate the amount received by the wholesaler.

.....

.....

.....

.....

.....

..... [3]



Option 2: Selling through an overseas agent.

[8]

[Total: 19]

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5

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- 2 Fatima buys her groceries from a supermarket which only has self-service checkouts. The supermarket only accepts payments by debit card.

(a) State **one** advantage of self-service checkouts to customers.

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

(b) Explain **one** reason why supermarkets are important in the chain of distribution.

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

(c) State **two** benefits to a retailer of using electronic invoices.

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

(d) Do you think customers prefer using debit cards rather than paying in cash? Give reasons for your answer.

.....
.....
.....
.....
..... [3]





..... [6

[Total: 14]

- 3 MN is a multinational company that has set up its operations in the Middle East to import and sell mobile devices. Fig. 3.1 shows the percentage share of the annual advertising media expenditure for MN.

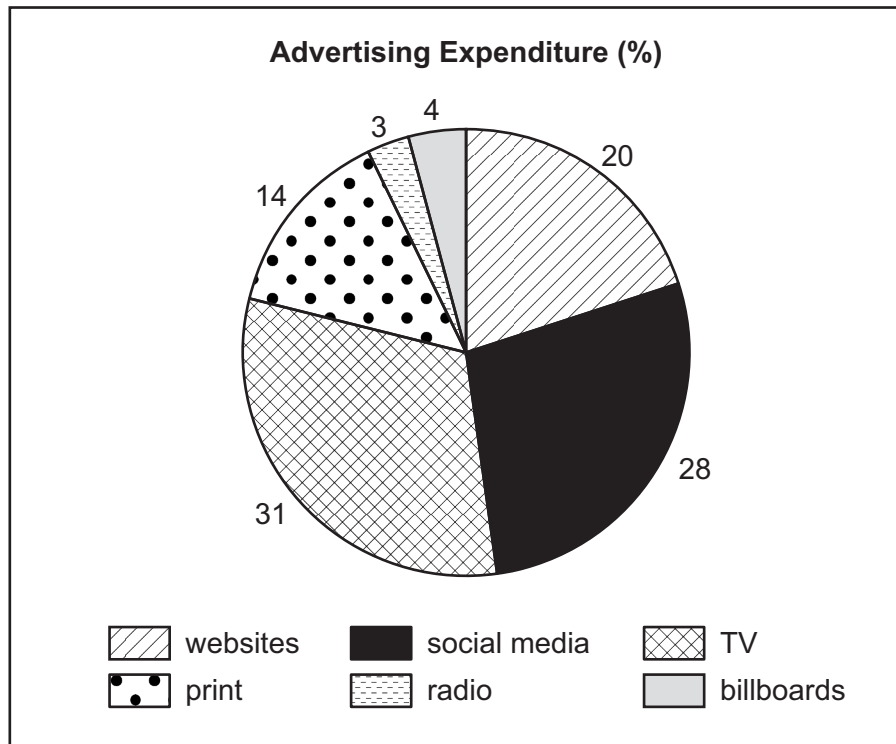


Fig. 3.1

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

- (a) (i) Identify the advertising medium which received one-fifth of the advertising expenditure in the pie chart.

.....
 [1]

- (ii) Give **two** examples of print media.

1

 2
 [2]

- (b) State **two** financial incentives that attract multinational companies to set up operations in a country.

1

 2



2

(d) Which of these statements about international trade is TRUE and which is FALSE?

FALSE

Multinational companies always operate within a trading bloc.		
Quotas decrease revenue for the importing country's government.		
A freeport is a type of seaport.		

Evaluate the implications to a business of offering free gifts. Give reasons for your answer.

.....

.....

.....

..... [6]



- 4 CCW is a cash and carry warehouse operated as a partnership by Javed and Farid. They have many expenses, including insurance premiums.

(a) State **one** feature of a cash and carry warehouse.

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

- (b) CCW paid a \$6000 annual insurance premium last year. This year, CCW will be awarded a no claims discount of 20%.

Calculate the premium that CCW will pay this year.

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

- (c) Javed and Farid are considering changing CCW's form of business organisation to a private limited company.

Do you think it would be better for CCW to operate as a private limited company? Give reasons for your answer.

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..... [3]





[8]

[Total: 14]



- 5 Fig. 5.1 shows banking services used by a small manufacturer. The manufacturer is considering different sources of finance to buy equipment for recycling waste.

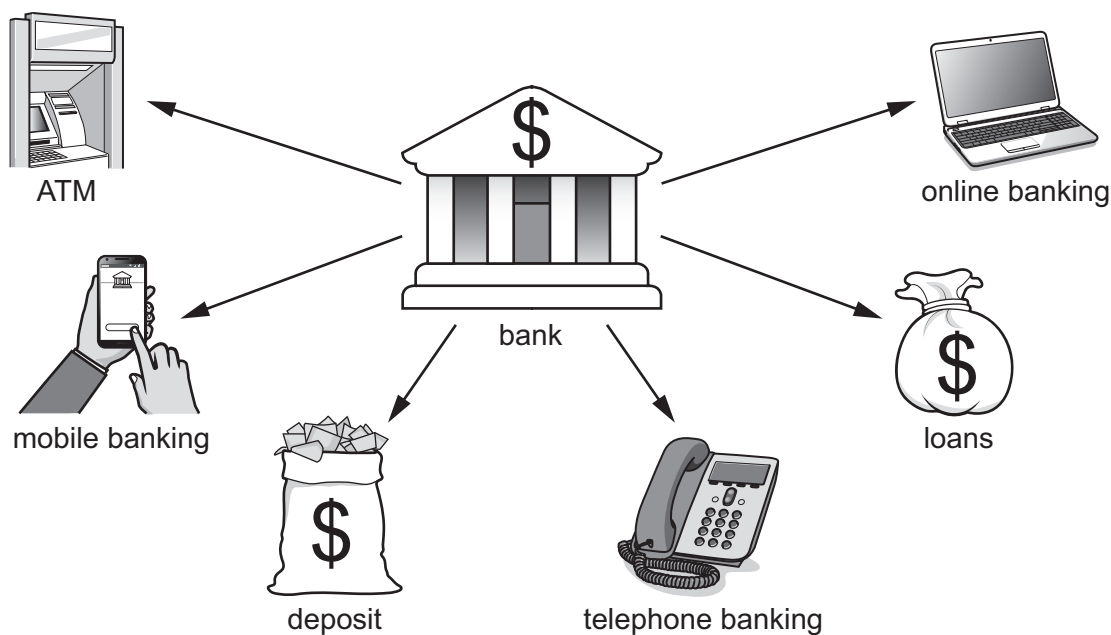


Fig. 5.1

- (a) Identify the banking service in Fig. 5.1 that the manufacturer could use to:

- (i) withdraw cash.

.....
 [1]

- (ii) earn interest.

.....
 [1]

- (b) In which sector of production are delivery services provided by a manufacturer to its customers?

.....
 [1]





(c) Explain **two** benefits of mobile banking to a manufacturer.

1

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.....

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2

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.....

[4]

(d) Explain **one** difficulty for a manufacturer when recycling waste.

.....

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..... [2]

(e) This manufacturer is considering using retained profits to buy the recycling equipment. Discuss whether or not this is a suitable source of finance. Give reasons for your answer.

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..... [6]

[Total: 15]









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