



Cambridge O Level

CANDIDATE
NAME
CENTRE
NUMBER

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CANDIDATE
NUMBER

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COMMERCE

7100/21

Paper 2 Written

October/November 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 **12** pages. Any blank pages are indicated.

1 Fig. 1.1 shows the percentage output of different types of production for country A and country B.

Production	Country A % output	Country B % output
Primary	70	15
Secondary	20	25
Tertiary	10	60
Total value of output	\$800bn	\$900bn

Fig. 1.1

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

(a) (i) Define *secondary production*.

..... [1]

(ii) Calculate the total value of output for tertiary production in country B. Show your working.

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

(iii) Explain **one** possible reason for the differences in outputs shown in Fig. 1.1 for the two countries.

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

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

An effect of the exploitation of natural resources is

pollution **OR** sustainability.

Money spent by tourists benefits a country's

visible trade **OR** invisible trade.

[2]



(c) Many of country A's goods are imported through brokers and factors. Containerisation is used in the supply chain.

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

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.....

[2]

(ii) Discuss the importance of containerisation to importers in the supply chain. Give reasons for your answer.

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[6]

[Total: 15]



2 Ola sells building materials. She owns 45 shops and a regional distribution centre (RDC). Her shops are covered by public liability insurance, and she receives 90 days' trade credit from her main supplier.

(a) Define *regional distribution centre (RDC)*.

.....
.....

[1]

(b) Explain **one** reason why Ola has taken out public liability insurance.

.....
.....
.....
.....

[2]

(c) Explain **one** advantage to Ola of receiving 90 days' trade credit from her main supplier.

.....
.....
.....
.....

[2]

(d) Ola uses road transport to deliver the building materials to the regional distribution centre (RDC).

Should Ola use rail transport instead of road transport? Give reasons for your answer.

.....
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.....
.....

[3]



(e) Ola is planning to expand her business by opening more shops. She is considering two options:

Option 1: becoming a private limited company

Option 2: offering franchises.

Discuss both options. Which option would you recommend? Give reasons for your answer.

[8]

[Total: 16]



3 Fig. 3.1 shows the statement of financial position (balance sheet) for Sam's Garage. The garage sells petrol and second-hand cars and provides after-sales services. Sam uses leaflets to advertise the business.

**STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) FOR SAM'S GARAGE
AS AT 31 AUGUST 2024**

	\$	\$
Assets		
Fixed assets		45 000
Current assets:		
Inventory	8 750	
Debtors	15 450	
Cash	4 600	
Total current assets	(x)	
Liabilities		
Current liabilities	6 800	
Net current assets (working capital)		(y)
Total net assets employed	(z)	
Long-term liabilities	4 000	
Capital employed		112 000

Fig. 3.1

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

(a) (i) Complete the missing figures labelled (x), (y) and (z) in Fig. 3.1. [3]

(ii) Define assets.

.....

..... [1]

(iii) Give **one** example of a current liability.

.....

..... [1]

(b) Explain **one** reason why Sam's Garage does **not** accept payment in cash for petrol.

.....

.....

.....

..... [2]



1

2

[2]

(d) Do you agree that it is a good idea for Sam's Garage to use leaflets to advertise its after-sales services? Give reasons for your answer.

[3]

(e) Sam's Garage offers 5% discount on cars sold if payment is made within 7 days.

Evaluate whether Sam's Garage should offer discount for prompt payment. Give reasons for your answer.



4 Jonah is a student and has opened a deposit account and a current account at a local bank.

(a) State **two** features of a deposit account.

1

2

[2]

(b) Explain a current account service Jonah could use in each of the following situations:

(i) wanting to see details of his bank account.

.....
.....
.....
.....

[2]

(ii) withdrawing money when the bank is closed.

.....
.....
.....
.....

[2]

(c) Do you agree that the best way for Jonah to communicate with his bank is by mobile app? Give reasons for your answer.

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[3]



Option 1: store card

Option 2: bank loan.

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

[8]

[Total: 17]



5 Fig. 5.1 shows global ecommerce sales from 2017 to 2023.

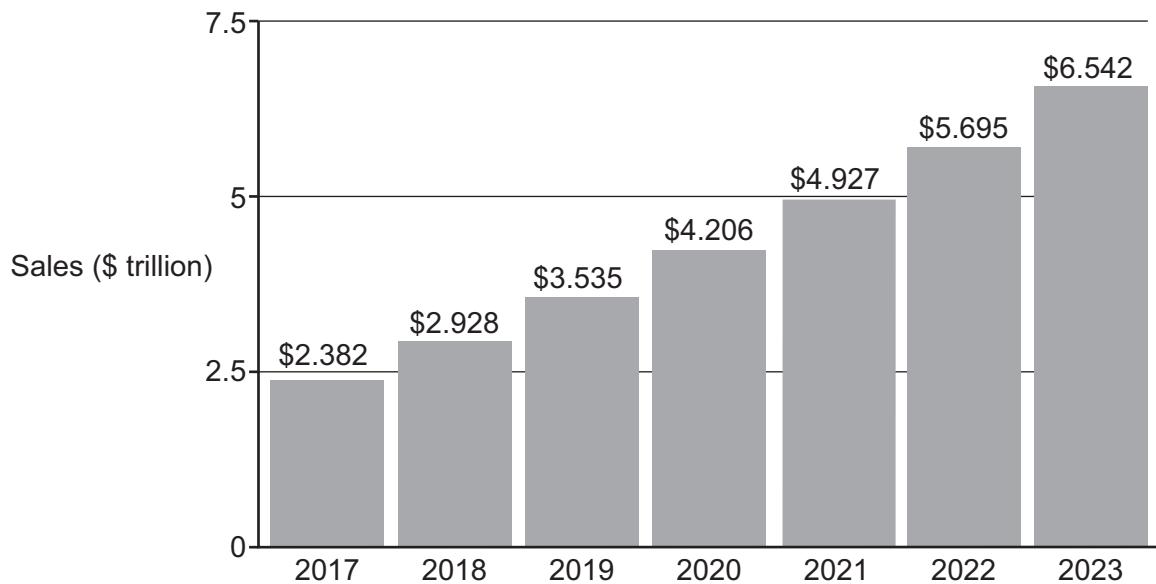


Fig. 5.1

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

(a) (i) Explain the term global ecommerce.

.....
.....
.....
.....

[2]

(ii) Calculate the increase in global ecommerce sales from 2017 to 2023.

.....
.....

[1]

(b) Explain **one** reason why it is important for an ecommerce business to have a goods return option on its website.

.....
.....
.....
.....

[2]



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

	TRUE	FALSE
Credit card companies charge online stores commission on sales.		
Digital receipts are sent directly to the customer's home address.		
Mobile wallets enable online purchases through a smartphone.		

[3]

(d) Evaluate **two** effects of the growth of ecommerce on traditional retailers. Give reasons for your answer.

[6]

[Total: 14]





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