



Cambridge O Level

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COMMERCE**7100/22**

Paper 2 Written

October/November 2025**2 hours**

You must answer on the question paper.

No additional materials are needed.

INSTRUCTIONS

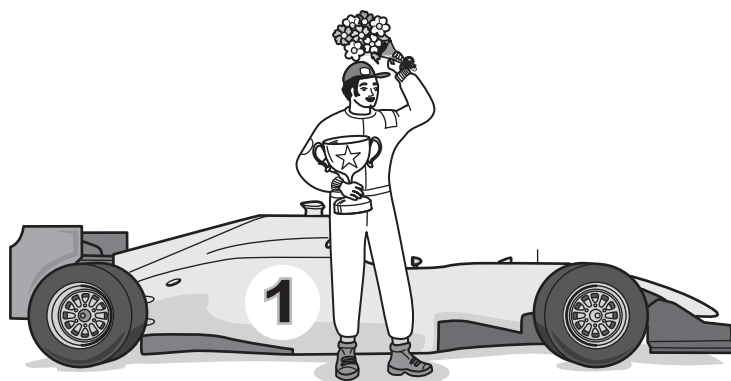
- Answer **all** questions.
- Use a black or dark blue pen.
- Write your name, centre number and candidate number in the boxes at the top of the page.
- Write your answer to each question in the space provided.
- Do **not** use an erasable pen or correction fluid.
- Do **not** write on any bar codes.
- 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 AZ Motor Racing is seeking sponsorship for its motor racing team. Fig. 1.1 shows its advertisement for sponsorship with their international sports star.



**Race away and sponsor the AZ
Motor Racing team**

Fig. 1.1

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

- (a) (i) Which method of appeal is shown in Fig. 1.1?

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

- (ii) State **one** reason why advertisements often feature international sports stars.

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

- (b) Explain **two** reasons why companies sponsor sporting events.

1
.....
.....
.....
2
.....
.....
.....

[4]





- (c)** Do you think AZ Motor Racing should use social media to attract sponsorship? Give reasons for your answer.

[3]

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

A racing car mechanic is an occupation in

primary production **OR** secondary production.

Digital billboards are used around motor racing tracks to advertise

sponsors **OR** logistics.

[2]

- (e) AZ Motor Racing needs to consider the nature of goods to be carried when choosing a method of transport.

Evaluate **two other** factors that AZ Motor Racing needs to consider when transporting its cars to international motorsport events. Give reasons for your answer.

..... [6]



- 2 Celine and Lee are partners in a hairdressing business. They have agreed that profits should be shared in the same proportion as their capital invested. They use window displays to advertise their hair salon.

(a) State **two** features of a business partnership, apart from sharing of profits.

- 1
- 2
- [2]

- (b) Celine invested twice as much capital in the partnership as Lee. The profits for last year were \$195 000.

Calculate how much profit Celine received. Show your working.

-
-
-
- [2]

- (c) Do you think window displays are an effective method of advertising? Give reasons for your answer.

-
-
-
-
-
- [3]

- (d) While using a faulty hairdryer, Lee accidentally burnt a customer's head.

State **three** actions that the customer could take.

- 1
- 2
- 3
-

[3]





- (e) Celine and Lee want to expand their business by offering skincare services. This will involve the purchase of new expensive equipment. They are considering two options for buying the equipment:

Option 1: own savings

Option 2: hire purchase.

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

[8]

[Total: 18]



3 Fig. 3.1 shows the value of a country's total imports and exports for 2023–2024.

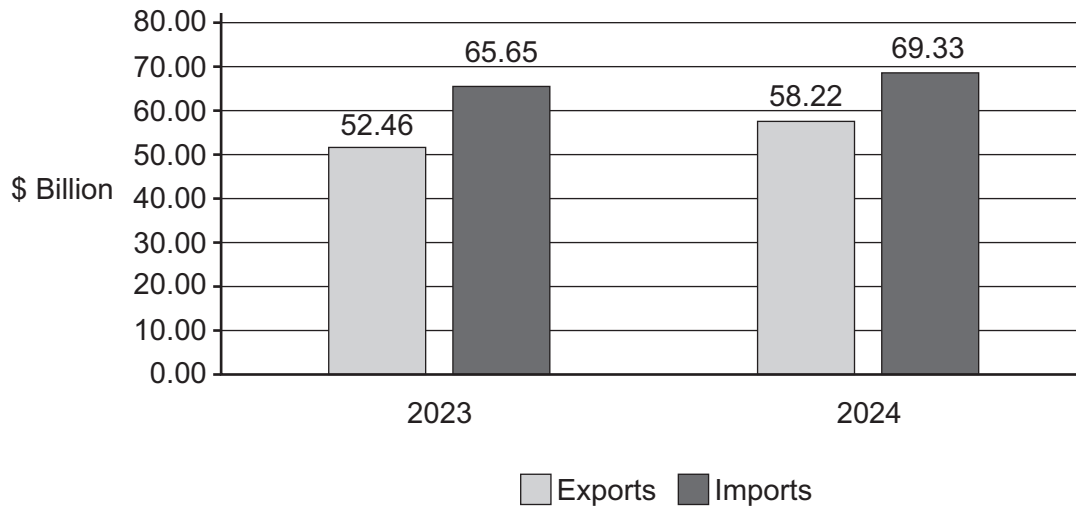


Fig. 3.1

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

(a) (i) Identify **one** trend in Fig. 3.1.

.....
 [1]

(ii) Calculate the Balance of Payments for 2023. Show your working.

.....

 [2]

(b) Do you agree that exports are more important to a country than imports? Give reasons for your answer.

.....

 [3]





(c) Describe the role of export merchants in international trade.

..... [2]

(d) Evaluate the importance of rapid communication in international trade.

[6]

[Total: 14]





4 Many countries have seen the growth of shopping centres and the decline of independent small-scale retailers.

(a) State **two** features of a shopping centre.

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

(b) Explain **two** reasons for the growth of shopping centres.

- 1
.....
.....
.....
- 2
.....
.....
.....
- [4]

(c) Explain **one** reason why independent small-scale retailers:

- (i) place a mark-up on their cost prices.
.....
.....
.....
..... [2]
- (ii) offer informal credit to their customers.
.....
.....
.....
..... [2]





(d) Evaluate **two** ways that wholesalers help to ensure the survival of independent small-scale retailers. Give reasons for your answer.

[6]

[Total: 16]



- 5 Companies take out insurance for many purposes. Fig. 5.1 shows the pooling of risk for fire insurance. Some of the insurance claims were for warehouse fires.



Fig. 5.1

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

- (a) (i) State **two** purposes of insurance.

1

.....

2

.....

[2]

- (ii) Calculate the profit to the insurance company, before administrative costs, from the pooling of risk shown in Fig. 5.1. Show your working.

.....

.....

.....

.....

[2]

- (b) Which of these statements about warehouses are true and which are false?

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

	TRUE	FALSE
Businesses can manufacture goods in bonded warehouses.		
Cold storage warehouses store perishable items.		
Robots in warehouses reduce errors in the supply chain.		

[3]





- (c)** Insurance companies could accept cheques or direct debits to collect premiums. Recommend which method of payment is more suitable for collecting premiums. Justify why you have selected this payment method and rejected the other.

[8]

[Total: 15]





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