Centre No.					Pape	er Refer	ence			Surname	Initial(s)
Candidate No.			4	3	4	0	/	2	H	Signature	

Paper Reference(s)

4340/2H

London Examinations IGCSE

Examiner's use only

Team Leader's use only

Question Number

1

2

3

Commerce

Paper 2H

Higher Tier

Friday 9 November 2007 – Morning

Time: 2 hours

Materials required for examination
Calculator

Items included with question papers
Nil

Instructions to Candidates

In the boxes above, write your centre number, candidate number, your surname, initials and signature. Check that you have the correct question paper.

Answer ALL the questions. Write your answers in the spaces provided in this question paper.

Information for Candidates

The marks for individual questions and the parts of questions are shown in round brackets: e.g. (2). There are 4 questions in this question paper. The total mark for this paper is 100. There are 16 pages in this question paper. Any blank pages are indicated. You may use a calculator.

Advice to Candidates

You will be assessed on your ability to organise and present information, ideas, descriptions and arguments clearly and logically, including your use of grammar, punctuation and spelling. You are advised to spend an equal amount of time, about 30 minutes, on each question.

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Total



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(2)

Answer ALL questions

Yasmin works as an assistant in a shop selling and repairing computers. Study the following information, which gives details of the weekly income and spending of Yasmin, and then answer the questions which follow.

£400

£150

Gross wage

LESS deductions Spending £180 (a) (i) Calculate Yasmin's net wage. **(2)** (ii) Calculate how much Yasmin saves weekly. **(2)** (iii) Yasmin keeps her money at home. Give two reasons why she should not keep her savings in this way. **(2)** (iv) What would be **two** possible deductions from Yasmin's income?



Leave blank

(i)	Why do you think Yasmin would prefer to work for herself?
	(4
(ii)	What problems might arise if the new business is run as a sole trader?
<i>(</i> iii	(5
(iii)	
(iii)) State two ways in which the bank could have helped Yasmin before sh
(iii)) State two ways in which the bank could have helped Yasmin before sh
(iii)) State two ways in which the bank could have helped Yasmin before sh

		he questions wh		
		2005	2006	
		£	£	
Sales		40000	50 000	
Less Cost of Goods So	old	30 000	40 000	
GROSS PROFIT		10 000	10 000	
Expenses		5 000	8 000	
NET PROFIT		5 000	2000	
c) (i) Calculate the C	Gross Profit Ratio for 20	005 and 2006.		
•••••		,		(2)
(ii) Suggest one re	eason for the change in t	the Gross Profit	t Ratio	
(11) 2488624 0116 14	• woon 101 and • mange in t			
				(1)
	Not Profit Potio for 200	6.		
(iii) Calculate the N	Net Florit Ratio for 2000			
(iii) Calculate the 1	Net Fiorit Ratio for 200			
(iii) Calculate the 1				
(iii) Calculate the N				(1)
			ia has fallan	(1)
	possible reasons why the	Net Profit Rati	io has fallen.	(1)
		Net Profit Rati	io has fallen.	(1)
		Net Profit Rati	io has fallen.	(1)
		Net Profit Rati	io has fallen.	(1)
		Net Profit Rati	io has fallen.	(1)





2.			Electronics is a company that makes electronic components. They are only sold by der to customers in the United Kingdom.
		nk V alogu	Williams, a customer, decided to purchase items from the Bright Electronics ie.
	(a)	(i)	List three documents that might be used between making the order and paying for the goods.
			(3)
		(ii)	Describe the purpose of each document listed in (a) (i).
			(3)
		(iii)	Explain why Bright Electronics only sells by catalogues.
			(3)

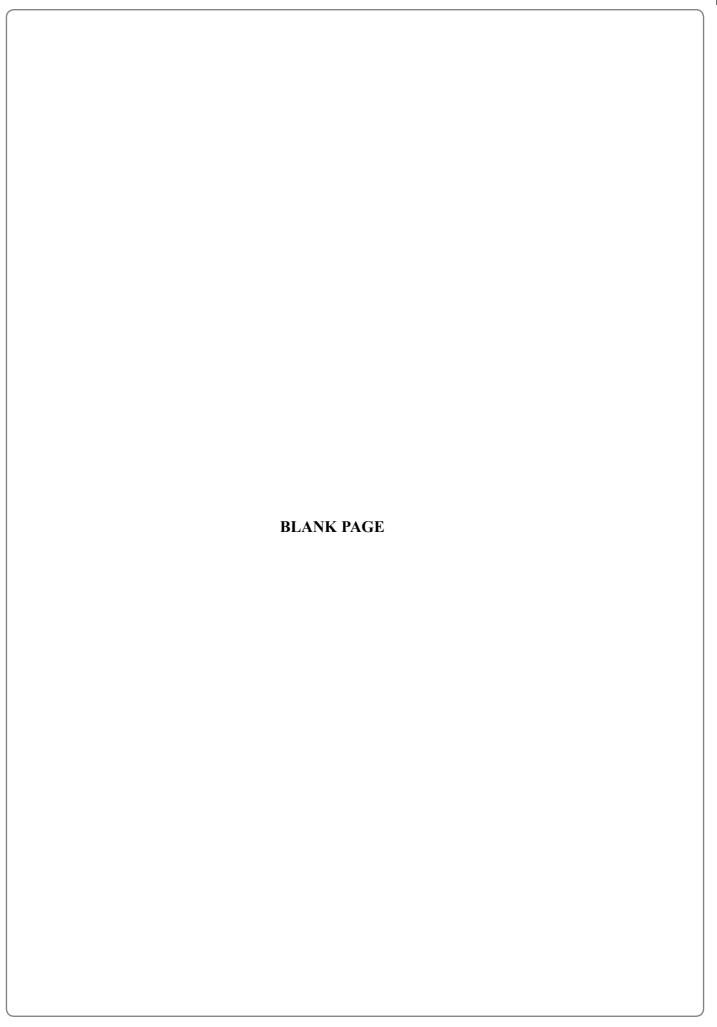
Leave blank

) E	xplain how Bright Electronics might respond to this complaint.
·	
fact	t Electronics is considering expanding into the export market, using the services or. Discuss whether the services of the factor might be useful to Bright Electronics.
fact	t Electronics is considering expanding into the export market, using the services or.
fact	t Electronics is considering expanding into the export market, using the services or.
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fact	t Electronics is considering expanding into the export market, using the services or. Discuss whether the services of the factor might be useful to Bright Electronics.
fact	t Electronics is considering expanding into the export market, using the services or.

QUESTION 2 CONTINUES ON NEXT PAGE



Evaluate the importance of bonded warehouses to an exporter of dutiable goods.
(8)
· · ·
(Total 25 marks)





(3)

3. The following diagram shows the pooling of risks in insurance. Use the diagram to help you answer the following questions.

1000
companies
pay premiums
of £8 000 each for
fire insurance to
an insurance
company

INSURANCE
POOL

Only 25
companies make
claims

(a) (i) Explain the benefits to the 1000 companies of the pooling of risks.

(ii) Calculate the total amount paid in premiums to the insurance company for fire insurance. Show your working.

(2)

(iii) State **two** other risks the owner of a company should insure against.

(2)

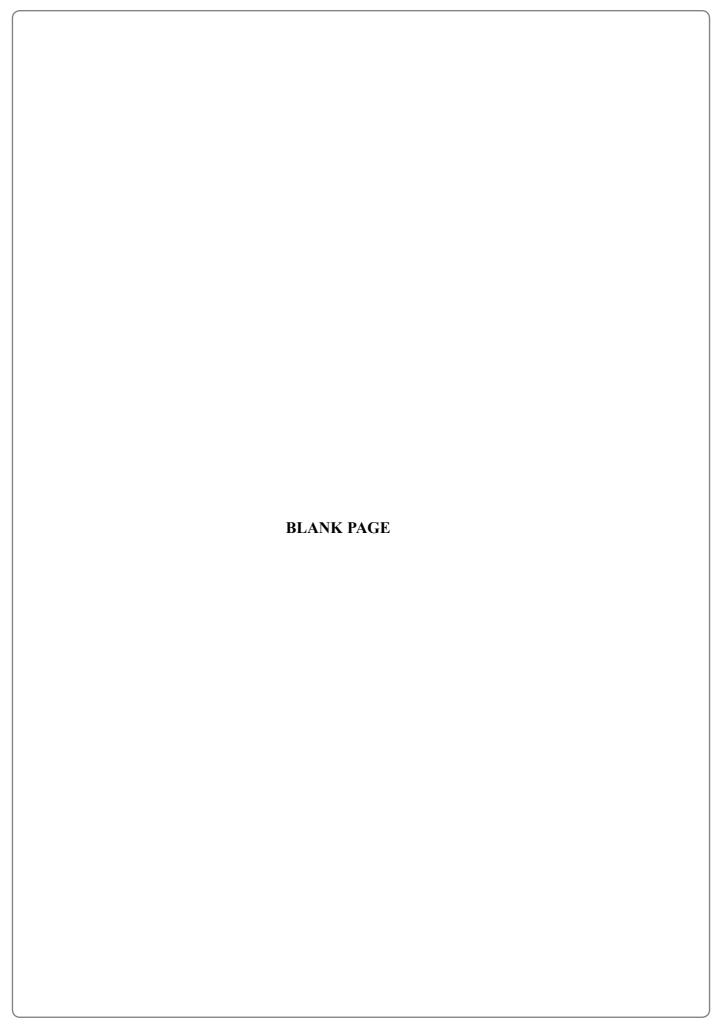
(iv) State **two** business risks which are uninsurable.

(2)

Leave blank (v) Explain why some business risks are uninsurable. **(3)** (b) Explain the process of taking out an insurance policy through Lloyds. **(5)**

QUESTION 3 CONTINUES ON NEXT PAGE

Discuss the importance to Fabrice of: (i) utmost good faith (ii) indemnity (4) (Total 25 marks)		has bought a second-hand car for £2500 and now needs to insure it.
(4) (ii) indemnity (4)	c) Dis	cuss the importance to Fabrice of:
(ii) indemnity	(i)	utmost good faith
(ii) indemnity		
(ii) indemnity		(4)
(4)		(4)
(4)	(ii)	indemnity
(4)		
(4)		
(4)		
(4)		
(4)		
(Total 25 marks)		(4)
(Total 23 marks)		(Total 25 marks)
		(Total 25 marks)





(a)	(i)	State four reasons why Edward prefers using road transport.
		(4)
((ii)	Define the term leasing.
		(2)
1.	<i>(</i> ')	
(b)	(i)	Discuss three reasons why small retailers find it better to trade with a wholesaler than with a manufacturer.
(b)	(i)	Discuss three reasons why small retailers find it better to trade with a wholesaler
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(b)	(i)	Discuss three reasons why small retailers find it better to trade with a wholesaler than with a manufacturer.

Leave blank (ii) Analyse the advantages that a retailer would gain if they traded directly with a manufacturer. **(5) QUESTION 4 CONTINUES ON NEXT PAGE**

Ia is aansidaring tova antisms	
Ie is considering two options:	
option 1: owning and running option 2: offering a cash and o	g his own fleet of delivery vans. carry service.
e) Evaluate one of the two o	options for Edward.
	(8)
	(Total 25 marks)
	TOTAL FOR PAPER: 100 MARKS
	END

