



Candidate Name

Candidate Number

Centre Name

Centre Number

Paper 2: Commerce

Sample Paper

1 Hour 45 minutes

It is necessary to respond on the answer sheets provided alongside this question paper. Additionally, you must have a soft pencil (preferably of type B or HB), a clean eraser and a dark blue or black pen.

INSTRUCTIONS:

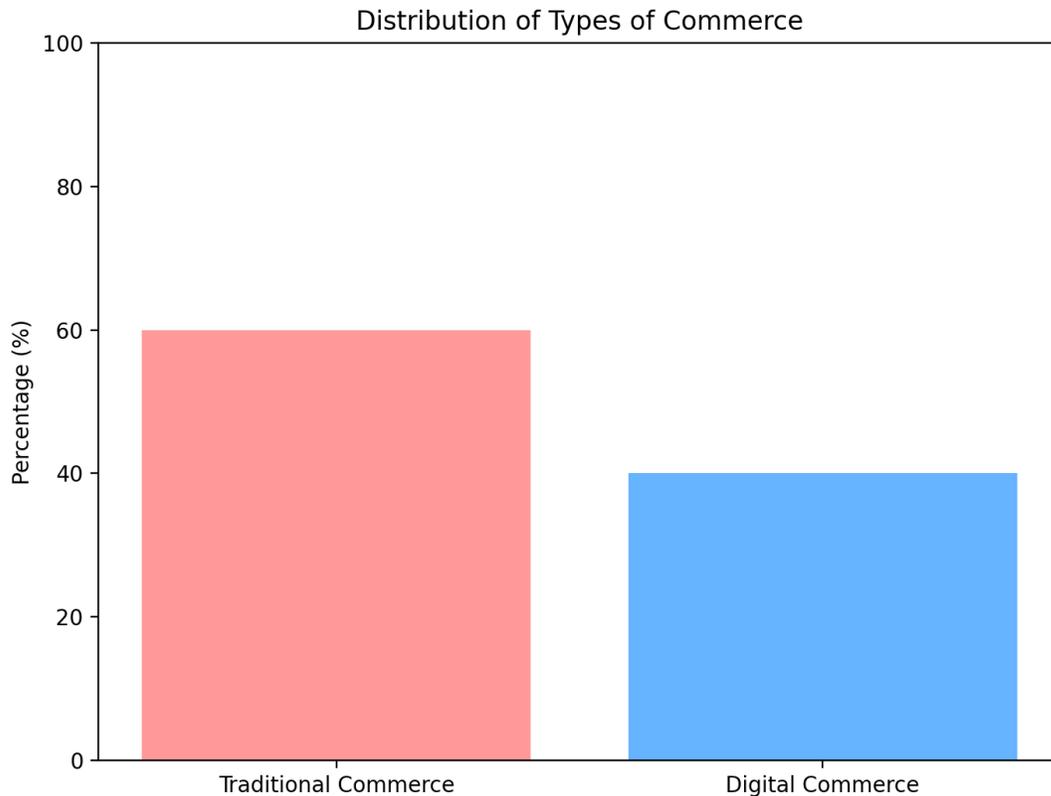
- You must write your name, candidate number, centre name and centre number on the answer sheets in the designated spaces.
- Attempt all the questions required using a dark blue or black pen.
- It is important to follow the instructions provided on the answer sheets.
- Do not use correction fluid.
- Avoid writing on any bar codes.

INFORMATION:

The number of marks assigned for every question or its parts is indicated within brackets []

Structured Questions:

Question 1. Consider the following figure:



Answer all the following questions after referring to the figure:

- A) Differentiate between traditional and digital commerce. [3 Marks]
- B) A business analyst is evaluating the market trends. Examine the implications of a 60% traditional commerce market share on business strategies. [5 Marks]
- C) A startup focuses solely on digital commerce. Explain how might the 40% share of digital commerce impact its growth potential compared to traditional businesses? [8 marks]
- D) A government policy aims to boost digital commerce. Summarise how increasing the digital commerce share from 40% to 60% could affect the overall economy and employment in traditional sectors. [10 Marks]

Question 2. Consider the following scenario:

SmartMart Ltd., a growing retail chain, is exploring different business strategies to expand its operations. The company is considering entering international markets, adopting franchising as a strategy, and collaborating with multinational companies (MNCs) to enhance its supply chain. To streamline operations, SmartMart is also evaluating the factors affecting business locations, including logistics, competition, and suppliers.

Answer all the following questions after referring to the scenario:

A) Write TRUE if the statement is correct and FALSE if it is incorrect. [8 Marks]

SmartMart Ltd. is an example of a public sector enterprise.	
Multinational companies (MNCs) can provide SmartMart access to global supply chains.	
Franchising always involves the franchisor owning all the franchise outlets	
Factors like logistics and competition are critical when choosing a business location.	
Private enterprises like SmartMart are operated for profit.	
A sole trader would be the best business structure for SmartMart's international expansion.	
The main purpose of public corporations is to generate maximum profit.	
Trading blocs can reduce trade barriers for SmartMart in international markets.	

B) Fill in the blanks: [8 Marks]

1. SmartMart Ltd. is a _____ enterprise that operates in the private sector.
2. Multinational companies are characterised by their operations across _____.
3. Franchising allows businesses like SmartMart to expand with reduced _____ risks.
4. Key factors affecting SmartMart's physical business location include _____, competition, and suppliers.
5. A _____ is a business structure owned and run by a single individual.
6. Public corporations are established to provide essential _____ to the public.
7. The _____ sector includes enterprises owned and managed by the government.
8. Collaborating with MNCs can help SmartMart benefit from _____ expertise.

C) Match the items in **Column A** with the correct statements in **Column B**: [4 Marks]

Column A	Column B
Multinational Companies (MNCs)	Includes profit-oriented enterprises like SmartMart Ltd.
Logistics	A critical factor in determining an efficient business location.
Private Sector	Allows businesses to expand with reduced financial risks.
Franchising	Operate in multiple countries and enhance global supply chains.

Question 3. Consider the following figure:

Product	Revenue (£)	Cost of Sale (£)	Gross Profit (£)	Expenses (£)	Net Profit (£)
Organic vegetables	12,000	7,000	(i)	3,000	(ii)
Packaged Snacks	18,000	(iii)	5,000	4,500	3,500

Fig. 3.1: Trading Data for AliHub.

Answer all the following questions after referring to the data:

- A) Calculate the missing values for (i), (ii), and (iii) in Fig. 3.1. [6 Marks]
- B) Define "gross profit" in commerce. [2 Marks]
- C) Explain two benefits of using wholesalers for sourcing Packaged Snacks in the supply chain. [6 Marks]
- D) AliHub is considering selling products online. Summarise two advantages and two disadvantages of adopting this digital trend. Recommend if this move would be beneficial. [10 Marks]