CAMBRIDGE
International Education

Cambridge O Level

COMMERCE **7100/13**

Paper 1 Multiple Choice **May/June 2026**

1 hour

You must answer on the multiple choice answer sheet.

You will need: Multiple choice answer sheet
Soft clean eraser
Soft pencil (type B or HB is recommended)

5120523255

INSTRUCTIONS

- There are **forty** questions on this paper. Answer **all** questions.
- For each question there are four possible answers **A**, **B**, **C** and **D**. Choose the **one** you consider correct and record your choice in soft pencil on the multiple choice answer sheet.
- Follow the instructions on the multiple choice answer sheet.
- Write in soft pencil.
- Write your name, centre number and candidate number on the multiple choice answer sheet in the spaces provided unless this has been done for you.
- Do **not** use correction fluid or tape.
- Do **not** write on any bar codes.
- You may use a calculator.

INFORMATION

- The total mark for this paper is 40.
- Each correct answer will score one mark.
- Any rough working should be done on this question paper.

This document has **12** pages. Any blank pages are indicated.

06_7100_13_2026_1.5_R
© Cambridge University Press & Assessment 2026

[Turn over

1 The table shows the sectors of production and examples of industries within these sectors.

What is the correct example?

	sector of production	example
A	primary	construction
B	secondary	research and development
C	tertiary	processing
D	quaternary	digital technology

2 What is the transformation of raw materials into finished goods called?

A commerce

B distribution

C specialisation

D production

3 Why are commercial services essential to a motorcycle manufacturer?

A They help the manufacturer get the motorcycles to the consumer.

B They control the quality of the motorcycles produced.

C They organise workers needed in the motorcycle factory.

D They produce the raw materials necessary for making motorcycles.

4 What is a benefit of outsourced production to a computer manufacturer?

A better control over quality of monitors

B focus on core business activities

C increased employee wage costs

D protection of software designs

5 Which statement describes in-house production?

A delegating production to third party businesses

B hiring an external supplier to provide services

C manufacturing products using internal resources

D using digital technology in the production process

© Cambridge University Press & Assessment 2026

PapaCambridge · papacambridge.com

6 Which term describes a network of businesses which supports the production and the delivery of a product to a consumer?

A electronic data interchange

B supply chain

C multiple chain

D voluntary chain

7 A construction business in Singapore imports timber worth $750 000 from Norway and pays 20% customs duty.

How much customs duty was paid by the business?

A $37 000 **B** $150 000 **C** $3 750 000 **D** $15 000 000

8 What is an advantage of using robots in production?

A to enable better quality work

B to motivate employees

C to reduce capital investment

D to take all decisions

9 What is a reason for the public sector ownership of a rail transport network?

A The rail network can be owned by many partners.

B The government wants to make large profits.

C The government can reduce employment.

D The rail network can offer low prices to consumers.

10 Who is responsible for losses in a public corporation?

A directors

B employees

C shareholders

D taxpayers

© Cambridge University Press & Assessment 2026

PapaCambridge · papacambridge.com 7100/13 Question Paper June 2026

11 What is **not** a feature of an airline eticket?

A ticket can be emailed to a customer as a pdf file

B ticket contains a customer's name and seat number

C costs more than a paper ticket

D stored in an online ticketing system

12 What is a commercial effect of ecommerce?

A increase in use of cash

B increase in use of couriers

C decrease in returned goods

D decrease in supplied goods

13 Which type of retailer sells a limited range of products and uses national advertising?

A department store

B hypermarket

C speciality shop

D supermarket

14 Which payment method is **not** accepted at a self-service checkout?

A cheque

B credit card

C debit card

D cash

15 What is the **most** important benefit of a mobile phone app to a small business?

A improving customer engagement

B offering a new good or service

C providing online discount coupons

D targeting younger customers

© Cambridge University Press & Assessment 2026

PapaCambridge · papacambridge.com

16 Which document of trade lists unpaid amounts from past purchases?

A customer enquiry

B credit note

C sales invoice

D statement of account

17 Which statement explains the benefits of international trade to a country?

A It allows the country to obtain a wider choice of goods.

B It enables the country to compare prices.

C It allows the country to export low quality goods.

D It makes the country dependent on other countries.

18 Which statement shows a Balance of Trade surplus?

A export values are greater than import values

B import values are greater than export values

C import values equal export values

D receipts are less than payments

19 A government imposes a restriction of 100 000 cars to be imported into the country in a year.

What is this restriction called?

A embargo on imports

B import duty

C import tariff

D quota on imports

20 Which action should a country take to increase the import of some raw materials that it does **not** produce itself?

A hold a trade fair

B increase tariffs

C reduce customs duties

D use a quota system

© Cambridge University Press & Assessment 2026

PapaCambridge · papacambridge.com 7100/13 Question Paper June 2026

21 Which commercial activity is required to move goods through the global supply chain?

A communication

B logistics

C manufacturing

D retailing

22 Which global supply chain would be used by a smartphone manufacturer?

A raw materials supplier → manufacturer → retailer → agent → customer

B raw materials supplier → manufacturer → agent → retailer → customer

C wholesaler → raw materials supplier → retailer → manufacturer → customer

D wholesaler → raw materials supplier → manufacturer → retailer → customer

23 What is an example of a political risk to global supply chains?

A cyber attacks

B extreme weather events

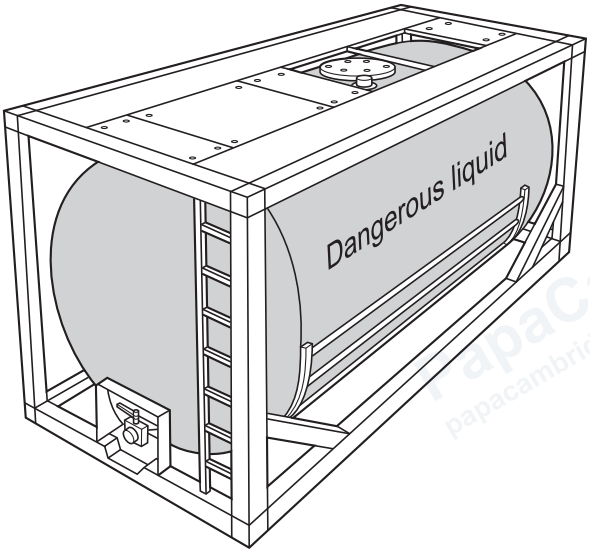
C poor communication networks

D tariffs on imported goods

© Cambridge University Press & Assessment 2026

PapaCambridge · papacambridge.com

24 The diagram shows a container.



Which good will be transported in the container shown in the diagram?

A fish

B fruit

C milk

D petrol

25 What is **not** a feature of containerisation?

A containers have standard size dimensions

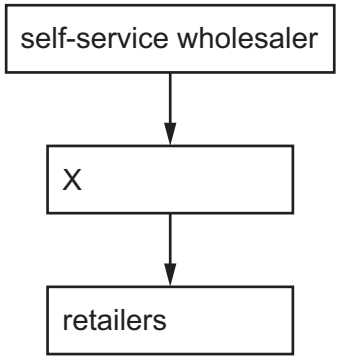
B containers are fitted with locks

C high unit cost of transportation

D used for transporting goods on ships

PapaCambridge · papacambridge.com 7100/13 Question Paper June 2026

26 Which type of warehouse does X represent in the diagram?



A bonded

B regional distribution centre

C government

D cash and carry

27 What is the difference between a cold storage warehouse and a regional distribution centre?

	cold storage warehouse	regional distribution centre
A	main use is stocking of goods	main use is on flow of goods
B	fast turnover of stock	slow turnover of stock
C	stores a wide variety of products	stores a limited variety of products
D	usually large scale	usually small scale

28 How does a business that is involved in sponsorship attract publicity?

A by creating a window display

B by paying to be linked with an event

C by providing a point of sale display

D by sending advertisements to consumers

29 What is an example of an electronic advertising display?

A digital billboards

B leaflets

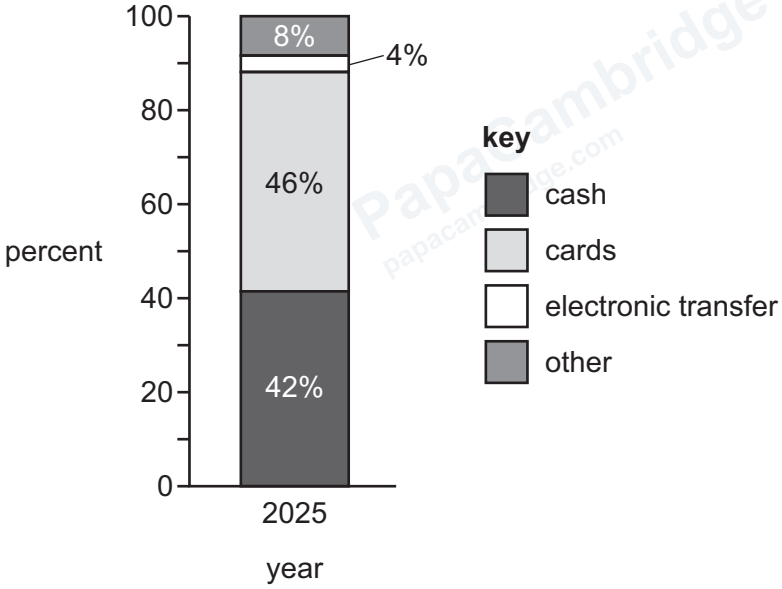
C posters

D email marketing

© Cambridge University Press & Assessment 2026

PapaCambridge · papacambridge.com

30 The diagram shows the percentage of transactions using different methods of payment for a business for one day of trading. The total value of transactions was $18 000.



What was the value of transactions in 2025 using electronic transfer as a method of payment?

A $72 **B** $720 **C** $1440 **D** $2160

31 What is an insurance premium?

A consequential loss insurance

B compensation for an insurance claim

C payment for insurance cover

D profit earned by an insurance company

32 Which person is **most** likely to be charged the highest premium for motor insurance?

A 18-year-old new driver

B 25-year-old driver

C 50-year-old driver

D 65-year-old senior citizen

33 On 1st April, Lisa's opening inventory shows $700 worth of stock. On 25th April, Lisa makes purchases of $2200. At the end of April, Lisa is left with an inventory worth $500.

What is Lisa's cost of sales for April?

A $1200 **B** $2400 **C** $2900 **D** $3400

© Cambridge University Press & Assessment 2026

PapaCambridge · papacambridge.com 7100/13 Question Paper June 2026

34 TK Ltd purchases pyjamas at $40 and sells them for $60.

What is the mark-up on each sale of pyjamas?

A 20% **B** 40% **C** 50% **D** 60%

35 What is the formula for gross profit?

A fixed capital + liquid capital

B fixed capital + working capital

C revenue – cost of sales

D revenue – expenses

36 Which action will make ecommerce more eco-friendly?

A decrease in energy use from computers

B less development of sustainable transport

C more lighting used in large retail stores

D increased use of transport for deliveries

37 The following headline appeared in a newspaper.

> **Online shopping is polluting the planet**
> - demand for home delivery is expected to grow 78% in the next ten years, leading to 36% more delivery vehicles and greater vehicle emissions

What would be the **best** way to deal with this environmental impact?

A change the width of the roads

B change to electric vehicles

C increase the number of car parking spaces

D increase the number of petrol stations

© Cambridge University Press & Assessment 2026

PapaCambridge · papacambridge.com

38 Which action can a clothing retailer take to improve sustainability in its stores?

A provide cheaper items

B provide greater consumer choice

C provide electronic receipts for purchases

D provide single use plastic carrier bags

39 Cocoa farmers in Ghana have signed a fair trade agreement with chocolate producers in the European Union.

What is the role of this fair trade agreement?

A keep prices low for consumers of chocolate in Europe

B help cocoa famers in Ghana to earn a higher income

C reduce the customs duty for cocoa farmers

D increase the profits of chocolate producers

40 Maya bought an oven from an online retailer. The oven that was delivered to her by a courier was not the same model she ordered on the retailer's website.

Which consumer protection action should Maya take to get the oven replaced?

A complain to the head office of the courier company

B contact the local newspaper about the retailer's website

C telephone the customer service team of the online retailer

D write a letter to the manufacturer of the oven

© Cambridge University Press & Assessment 2026

PapaCambridge · papacambridge.com

BLANK PAGE

Permission to reproduce items where third-party owned material protected by copyright is included has been sought and cleared where possible. Every reasonable effort has been made by the publisher (Cambridge University Press & Assessment) to trace copyright holders, but if any items requiring clearance have unwittingly been included, the publisher will be pleased to make amends at the earliest possible opportunity.

To avoid the issue of disclosure of answer-related information to candidates, all copyright acknowledgements are reproduced online in our Copyright Acknowledgements Booklet. This is produced for each series of examinations and is freely available to download at www.cambridgeinternational.org after the live examination series.

Cambridge International Education is the name of our awarding body and a part of Cambridge University Press & Assessment, which is a department of the University of Cambridge.

© Cambridge University Press & Assessment 2026 06_7100_13_2026_1.5_R