CAMBRIDGE
International Education

Cambridge O Level

CANDIDATE NAME

CENTRE NUMBER

CANDIDATE NUMBER

COMMERCE **7100/23**

Paper 2 Written **May/June 2026**

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. 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 80.
- The number of marks for each question or part question is shown in brackets [ ].

This document has **16** pages. Any blank pages are indicated.

DC (WW/SW) 355343/1
© Cambridge University Press & Assessment 2026

PapaCambridge · papacambridge.com 7100/23 Question Paper June 2026

1 Figure 1.1 shows a simple supply chain for a large-scale online retailer of household appliances. The retailer offers installation of new appliances, free collection of old appliances and an extended warranty on every appliance.

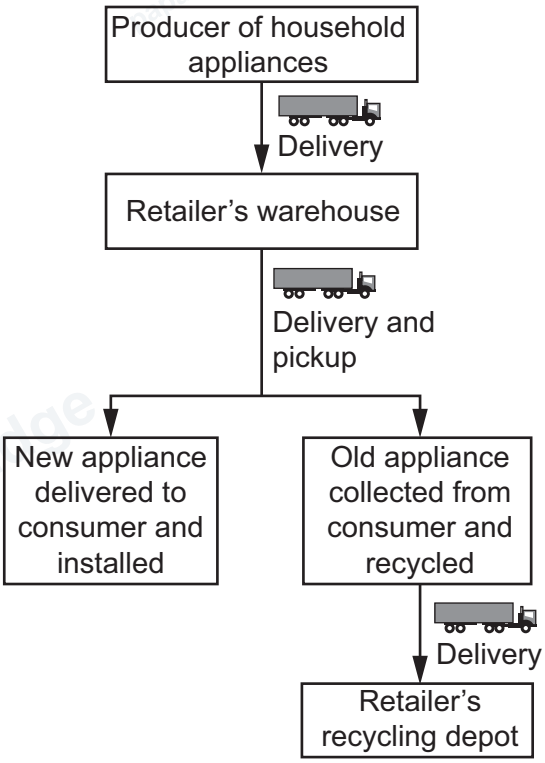

Figure 1.1

Use Figure 1.1 to help you answer the following questions.

(a) **(i)** Define 'consumer'.

.....

..... [2]

(ii) Do you think old household appliances should be recycled? Give reasons for your answer.

.....

.....

.....

.....

.....

..... [3]

© Cambridge University Press & Assessment 2026

DO NOT WRITE IN THIS MARGIN

PapaCambridge · papacambridge.com

(b) Complete the following sentences by inserting **one** word in each space.

(i) A warranty is a type of ..... protection. [1]

(ii) The buying and selling of goods is known as ..... . [1]

(c) Describe **two** functions of a warehouse to a large-scale retailer.

1 .....

.....

.....

.....

2 .....

.....

.....

.....

[4]

(d) Discuss the importance of electronic communication in commerce.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

[Total: 17]

DO NOT WRITE IN THIS MARGIN

PapaCambridge papacambridge.com

PapaCambridge · papacambridge.com 7100/23 Question Paper June 2026

2 Coal Power is a public corporation which generates and distributes electricity within a country. Most of the coal required for generating electricity is imported and then transported to its power plants using freight trains.

(a) Explain **one** reason why businesses import raw materials.

.....

.....

.....

..... [2]

(b) State **one** aid to trade used by a business, other than transport.

.....

..... [1]

(c) Explain **one** advantage and **one** disadvantage of transporting coal using freight trains.

advantage .....

.....

.....

.....

disadvantage .....

.....

.....

.....

[4]

© Cambridge University Press & Assessment 2026

DO NOT WRITE IN THIS MARGIN

PapaCambridge · papacambridge.com

(d) Evaluate whether or not a public corporation is the best type of enterprise to supply electricity.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [8]

[Total: 15]

DO NOT WRITE IN THIS MARGIN

PapaCambridge · papacambridge.com 7100/23 Question Paper June 2026

3 Figure 3.1 shows a national newspaper advertisement for the Rip-Roar amusement park. Entry tickets can only be bought digitally on the park's website or app. The park has a large food court with multiple franchised fast-food outlets.

Content removed due to copyright restrictions.

Figure 3.1

Use Figure 3.1 to help you answer the following questions.

(a) Explain **one** advantage to Rip-Roar of:

(i) offering a loyalty programme.

.....

.....

.....

..... [2]

(ii) advertising in a national newspaper.

.....

.....

.....

..... [2]

DO NOT WRITE IN THIS MARGIN

PapaCambridge · papacambridge.com 7100/23 Question Paper June 2026

(b) Do you think it is appropriate for a business to only accept cashless payments? Give reasons for your answer.

.....

.....

.....

.....

.....

..... [3]

(c) Explain **two** advantages to a business of operating as a franchisee of a fast-food enterprise.

1 .....

.....

.....

.....

2 .....

.....

.....

.....

[4]

DO NOT WRITE IN THIS MARGIN

PapaCambridge · papacambridge.com 7100/23 Question Paper June 2026

(d) Discuss the importance of suppliers as a factor when deciding on a suitable location for a new amusement park.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

[Total: 17]

DO NOT WRITE IN THIS MARGIN

PapaCambridge · papacambridge.com 7100/23 Question Paper June 2026

DO NOT WRITE IN THIS MARGIN

Turn over

PapaCambridge · papacambridge.com 7100/23 Question Paper June 2026

4 BC uses in-house production to manufacture bicycles. Country X imports 75% of the bicycles that BC makes. The remaining 25% of the bicycles are sold by BC in the home market through a range of speciality shops.

(a) Define 'speciality shop'.

.....

.....

.....

..... [2]

(b) Explain **one** reason why BC should outsource its manufacturing.

.....

.....

.....

..... [2]

(c) Should countries, such as country X, increase tariffs on imports? Give reasons for your answer.

.....

.....

.....

.....

.....

..... [3]

(d) BC sells 1.5 million bicycles in the home market.

Calculate the total number of bicycles manufactured by BC.

.....

.....

.....

..... [2]

© Cambridge University Press & Assessment 2026

DO NOT WRITE IN THIS MARGIN

PapaCambridge · papacambridge.com

(e) BC needs to increase its working capital. It is considering two options:

Option 1: debt factoring

Option 2: overdraft

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

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [8]

[Total: 17]

© Cambridge University Press & Assessment 2026

DO NOT WRITE IN THIS MARGIN

PapaCambridge papacambridge.com

PapaCambridge · papacambridge.com 7100/23 Question Paper June 2026

5 Abdul owns a convenience store. He buys stock from a wholesaler. His monthly cash outflow includes two direct debit payments. One payment is for a mortgage and the other payment is for buildings insurance.

(a) State **one** feature of a mortgage.

.....

..... [1]

(b) Describe a banking service that Abdul might use in each of the following situations:

(i) depositing money when the bank is closed.

.....

.....

.....

..... [2]

(ii) making a verbal complaint about an error on his bank statement.

.....

.....

.....

..... [2]

© Cambridge University Press & Assessment 2026

DO NOT WRITE IN THIS MARGIN

PapaCambridge · papacambridge.com

(c) Table 5.1 gives information about an insurance claim made by Abdul last year after suffering a loss of stock due to flooding.

Table 5.1

actual value of stock at the time of flooding	$30 000
insured value	$24 000
stock damaged in flooding	40%
compensation paid to Abdul	?

Calculate the compensation paid to Abdul, using Table 5.1. Show your working.

.....

.....

.....

.....

.....

..... [3]

(d) Discuss the importance of wholesaling to a small-scale retailer.

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

..... [6]

[Total: 14]

© Cambridge University Press & Assessment 2026

DO NOT WRITE IN THIS MARGIN

PapaCambridge · papacambridge.com

BLANK PAGE

DO NOT WRITE IN THIS MARGIN

© Cambridge University Press & Assessment 2026

PapaCambridge · papacambridge.com

BLANK PAGE

DO NOT WRITE IN THIS MARGIN

© 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 7100/23/M/J/26

DO NOT WRITE IN THIS MARGIN