

GENERAL CERTIFICATE OF EDUCATION BOARD

General Certificate of Education Examination

0520 COMMERCE 1

JUNE 2022

ORDINARY LEVEL

Centre Number	
Centre Name	
Candidate Identification Number	
Candidate Name	

Mobile phones are NOT allowed in the examination room.

MULTIPLE CHOICE QUESTION PAPER

One and a half hours

INSTRUCTIONS TO CANDIDATES

Read the following instructions carefully before you start answering the questions in this paper. Make sure you have a soft HB pencil and an eraser for this examination.

1. USE A SOFT HB PENCIL THROUGHOUT THE EXAMINATION.
2. DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO.

Before the examination begins:

3. Check that this question booklet is headed "**ORDINARY LEVEL – 0520 COMMERCE 1**".
4. Fill in the information required in the spaces above.
5. Fill in the information required in the spaces provided on the answer sheet using your HB pencil:
Candidate Name, Exam Session, Subject Code and Candidate Identification Number.
Take care that you do not crease or fold the answer sheet or make any marks on it other than those asked for in these instructions.

How to answer the questions in this examination

6. Answer **ALL** the **50** questions in this Examination. All questions carry equal marks.
7. Non-programmable Calculators are allowed.
8. Each question has **FOUR** suggested answers: **A, B, C** and **D**. Decide which answer is appropriate. Find the number of the question on the Answer Sheet and draw a horizontal line across the letter to join the square brackets for the answer you have chosen.

For example, if **C** is your correct answer, mark **C** as shown below:

[A] [B] **[C]** [D]

9. Mark only one answer for each question. If you mark more than one answer, you will score a zero for that question. If you change your mind about an answer, erase the first mark carefully, then mark your new answer.
10. Avoid spending too much time on any one question. If you find a question difficult, move on to the next question. You can come back to this question later.
11. Do all your rough work in this booklet using the blank spaces in the question booklet.
12. **At the end of the examination, the invigilator shall collect the answer sheet first and then the question booklet. DO NOT ATTEMPT TO LEAVE THE EXAMINATION HALL WITH IT.**

1. Commerce is sub-divided into;
 - A Trade and banking.
 - B Transport and aids to trade.
 - C Aids to trade and trade.
 - D Aids to trade and insurance.

2. A dress maker can be classified under;
 - A Industry.
 - B Manufacturing.
 - C Tertiary production.
 - D Direct services.

3. A company with name ending "PLC" signifies;
 - A Public company.
 - B Public corporation.
 - C Private company.
 - D Private corporation.

4. The production process ends with;
 - A Retailer.
 - B Consumer.
 - C Wholesaler.
 - D Manufacturer.

5. An advert made by radio is known as;
 - A Indirect advertising.
 - B Mass advertising.
 - C Persuasive advertising.
 - D Competitive advertising.

6. Cash at bank, cash in hand and debtors can be classified as;
 - A Working capital.
 - B Fixed assets.
 - C Current assets.
 - D Fixed capital.

7. A document used to correct errors of an undercharged invoice is known as;
 - A Credit note.
 - B Debit note.
 - C Delivery note.
 - D Advice note.

8. Wholesalers perform the following functions to manufacturers EXCEPT;
 - A Bear part of the risks.
 - B Provides market information.
 - C Making prompt payments.
 - D Breaks bulk.

9. A document usually issued by a seller who doubts the credit ability of a new buyer is;
 - A Credit note.
 - B Pro forma invoice.
 - C Promissory note.
 - D Statement of account.

10. The use of coins-operated facility to sell goods is a form of;
 - A Arm-chair shopping.
 - B Mail order business.
 - C Automatic vending machine.
 - D Supermarket.

11. The main source of capital for a credit union is;
 - A Contributions from members.
 - B Loans from banks.
 - C Subvention from government.
 - D Savings from members.

12. A marketing method intended to maintain Public confidence is known as;
 - A Sales promotion.
 - B Advertising.
 - C Public relations.
 - D Personal selling.

13. The document that grants title to goods in international trade is called;
 - A Bill of lading.
 - B Certificate of origin.
 - C Bill at sight.
 - D Certificate of insurance.

14. Government assistance to infant industries is;
 - A Embargo.
 - B Customs duty.
 - C Quota.
 - D Subsidies.

15. Shops spread all over a town or country with identical buildings are called;
 - A Department stores.
 - B Multiple shops.
 - C Supermarkets.
 - D Hypermarkets.

16. Giving that opening stock is 50,000 CFAF, closing stock 20,000 CFAF and expenses 80,000CFAF. Calculate average stock.
 - A 70,000 CFAF.
 - B 30,000 CFAF.
 - C 35,000 CFAF.
 - D 10,000 CFAF.

17. Prompt payments for goods bought by customers will attract a;
 - A Cash discount.
 - B Rebate.
 - C Quantity discount.
 - D Trade discount.

18. A price quotation for which the seller is responsible for cost of transportation is;
 A FAS.
 B EX-SHIP.
 C FOB.
 D FOR.
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19. Which is NOT an advantage of road transport?
 A Slow over long distances.
 B No transshipment.
 C Less labour intensive.
 D It is readily available and flexible.
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20. The transfer of a public enterprise from the state to the private sector is known as;
 A Nationalization.
 B Takeovers.
 C Para-statal.
 D Privatization.
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21. Money paid by the insured to cover a risk is;
 A Claim.
 B Indemnity.
 C Premium.
 D Surrender value.
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22. Which is the oldest function of commercial banks?
 A Granting loans.
 B Acting as agent for payments.
 C Accepting deposits.
 D Acting as an executor.
-
23. The business unit that requires a certificate of trading to start operations is called;
 A Public company.
 B Partnership.
 C Public corporation.
 D Private company.
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24. In a contract of transportation of goods, the consignor is;
 A Buyer.
 B Seller.
 C Transporter.
 D Receiver.
-
25. Containers are generally good for the transportation of goods because they;
 A Can be reused.
 B Are expensive.
 C Reduce pilfering.
 D Ensure maximum safety.
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26. The sharing of profits and losses in an unincorporated business is stated in;
 A Articles of association.
 B Memorandum of association.
 C Deed of partnership.
 D Certificate of incorporation.
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27. Holders of fixed deposits accounts are issued;
 A Cheque books.
 B Pass books.
 C Certificates of deposit.
 D Bank statements.
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28. Opening stock plus purchases minus closing stock is;
 A Rate of turnover.
 B Net sales.
 C Cost of goods sold.
 D Turnover.
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29. An agent in the commodity market who sells to the highest bidder is called;
 A Forwarding agent.
 B Factor agent.
 C Auctioneer.
 D Del credere agent.
-
30. The rate of exchange between a country's exports and her imports is known as;
 A Terms of trade.
 B Balance of trade.
 C Balance of payments.
 D Exchange rate.
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31. A document used for the carriage of goods using a hired means of transport is;
 A Bill of lading.
 B Airway bill.
 C Bill of exchange.
 D Consignment note.
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32. The first to receive benefits during profits sharing in a public company are;
 A Ordinary shareholders.
 B Preference shareholders.
 C Debenture holders.
 D Equity holders.
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33. An insurance agent who determines premiums of insurance policies is known as;
 A Assessor.
 B Adjuster.
 C Actuary.
 D Broker.
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34. A current account holder wishing to borrow for 3 weeks is advised to request for;
 A Bank draft.
 B Overdraft.
 C Bank loan.
 D Mortgage loan
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35. Which of the following is a deliberate loss in marine insurance?
 A Total loss.
 B Partial loss.
 C General average loss.
 D Particular average loss.
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36. The document that serves as a reply to a letter of enquiry is called;
 A Quotation.
 B Order.
 C Invoice.
 D Pro forma invoice.
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37. Which of the following is an advantage of advertising?
 A Increase sales of product.
 B Increase cost of production.
 C Increase unawareness of product.
 D Mislead customers.
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38. Net profits plus working expenses is;
 A Mark-up.
 B Gross Margin.
 C Profits.
 D Net profits margin.
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39. Cheques rejected for payments by banks on grounds of duration are;
 A Ordered cheques.
 B Crossed cheques.
 C Counter cheques.
 D Stale cheques.
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40. Selling Cameroon's cocoa cheaper in the Japanese market than in Cameroon is an example of;
 A Smuggling.
 B Price discrimination.
 C Dumping.
 D Price cutting.
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41. Which of these is NOT a monetary policy tool?
 A Funding.
 B Fixed Assets ratio.
 C Open market operation.
 D Special deposits.
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42. The main objective of a consumer protection law is to check;
 A On manufacturers' associations.
 B Consumers' association.
 C Against consumers' exploitation.
 D Substandard goods.
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43. A specialized ship for the transportation of perishables is called;
 A Refrigerator ship.
 B Coastal liners.
 C Tramps.
 D Passenger liners.
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44. Given that opening stock = 35,000 CFAF, purchases = 50,000 CFAF and closing stock = 15,000 CFAF; calculate cost of goods sold.
 A 85,000 CFAF.
 B 65,000 CFAF.
 C 50,000 CFAF.
 D 70,000 CFAF.
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45. A questionnaire to be filled before an insurance policy is known as;
 A Proposal form.
 B Cover note.
 C Insurance policy.
 D Claim form.
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46. The excess of the value of exports over the value of imports is known as;
 A Unfavourable terms of trade.
 B Favourable balance of trade.
 C Unfavourable balance of payment.
 D Favourable terms of trade.
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47. A government institution that ensures that consumers are not exploited with high prices is;
 A Price control.
 B Price control and weights department.
 C Price control, weights and measures department.
 D Price department.
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48. The following are the social responsibilities of an enterprise EXCEPT;
 A Provides recreational facilities.
 B Construct health facilities.
 C Payment of taxes to the state.
 D Provide social facility schemes.
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49. A reward to a man-made resource of an enterprise is;
 A Interest.
 B Profits.
 C Salary.
 D Rents.
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50. A bank facility that enables customers to withdraw money 24/7 is;
 A Night safe.
 B ATM.
 C Standing order.
 D Direct debit.
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GO BACK AND CHECK YOUR WORK