

P1032 & 1 Nov.
W.A.S.S.C.E. 2000
COMMERCE 2 & 1

2&1

3 $\frac{1}{2}$ hours

Name:.....

Identification Number:.....

THE WEST AFRICAN EXAMINATIONS COUNCIL

West African Senior School Certificate Examination

November 2000

COMMERCE 2 & 1

3 $\frac{1}{2}$ hours

Do not open this booklet until you are told to do so. While you are waiting, read the following instructions carefully.

Write your Name and Identification Number in the spaces provided at the top right-hand corner of this booklet.

This booklet consists of two papers. Answer Paper 2 which comes first, in your answer booklet and Paper 1 in your Objective Test answer sheet. Paper 2 will last for 2 $\frac{1}{2}$ hours after which the answer booklets will be collected. Do not start Paper 1 until you are told to do so. Paper 1 will last for 1 hour.

PAPER 2

2 $\frac{1}{2}$ hours

ESSAY

Answer five questions only.

1. (a) What is a discount ? Give two examples. [5 marks]
(b) Give five reasons why firms grant discounts. [15 marks]
2. Explain each of the following documents:
 - (i) Export invoice [4 marks]
 - (ii) Bill of lading [4 marks]
 - (iii) Certificate of Origin [4 marks]
 - (iv) Bill of exchange [4 marks]
 - (v) Consular invoice [4 marks]
3. State and explain five functions of commerce. [20 marks]
4. (a) What is a prospectus? [4 marks]
(b) Identify six items of information that are contained in a prospectus. [12 marks]
(c) Explain the purpose of a prospectus. [4 marks]
5. (a) Explain five functions of public relations in an organization. [10 marks]
(b) State five media of public relations [10 marks]

- (a) State five duties of a principal to an agent. [5 marks]
- (b) List and explain any five basic elements of a valid contract. [15 marks]
- (a) Classify means of payment under the following headings:
- (i) Legal tender [2 marks]
 - (ii) Banking system [5 marks]
 - (iii) Post Office [3 marks]
- (b) Explain any five of the means of payment identified in 7(a) above. [10 marks]
- (a) Outline six circumstances in which a company may adopt direct selling as a strategy. [12 marks]
- (b) State four reasons why a manufacturer may brand his products. [8 marks]
- A large-scale retail concern had the following balances in its books as at 31st December, 1998
- | | ₦ |
|---------------------------|---------|
| Stock 1st January, 1998 | 8,000 |
| Purchases during the year | 85,000 |
| Sales for the year | 120,000 |
| Stock 31st December, 1998 | 7,000 |
| Selling expenses | 10,000 |
- (a) You are required to calculate:
- (i) Cost of goods sold; [5 marks]
 - (ii) Net profit; [7 marks]
 - (iii) Rate of stock turnover [3 marks]

- (b) State five factors that may lead to an increase in the rate of stock turnover of a business. [5 marks]

10. (a) What is Nationalization ? [2 marks]
- (b) State four reasons for nationalization [8 marks]
- (c) Explain any five disadvantages of nationalization. [10 marks]

DO NOT TURN OVER THIS PAGE UNTIL YOU ARE TOLD TO DO SO.

YOU WILL BE PENALIZED SEVERELY IF YOU ARE
FOUND LOOKING AT THE NEXT PAGE BEFORE
YOU ARE TOLD TO DO SO.

WHILE YOU ARE WAITING, READ THE FOLLOWING
INSTRUCTIONS CAREFULLY.

PAPER 1

OBJECTIVE TEST

1 hour

1. Use HB pencil throughout.
2. If you have got a blank answer sheet, complete the top section of it as follows:
 - (a) In the space marked *Name*, write in capital letters your **surname** followed by your **other names**.
 - (b) In the spaces marked *Examination*, *Year*, *Subject* and *Paper*, write 'W.A.S.S.C.E.', '2000 NOVEMBER', 'COMMERCE' and '1', respectively.
 - (c) In the box marked *Identification Number*, write down your **identification number** vertically in the spaces on the left-hand side. There are numbered spaces in line with each digit. Shade carefully the space with the same number as each digit.
 - (d) In the box marked *Subject Code*, write down the digits **103112** in the spaces on the left-hand side. Shade the corresponding numbered spaces in the same way as for your identification number.
 - (e) In the box marked *Sex*, shade the space marked **M** if you are male, or **F** if you are female.
3. If you have got a pre-printed answer sheet, check that the details are correctly printed, as described in 2 above. In the boxes marked *Identification Number*, *Subject Code* and *Sex*, reshade each of the shaded spaces.
4. An example is given below. This is for a **male** candidate, whose **name** is Hamza Isa AUDU, whose **identification number** is 5251102068, and who is offering **Commerce 1**.

THE WEST AFRICAN EXAMINATIONS COUNCIL

PRINT IN BLOCK LETTERS

Name: <u>AUDU HAMZA ISA</u>	Examination: <u>W.A.S.S.C.E.</u>	Year: <u>2000 NOV.</u>
Surname	Other Names	
Subject: <u>COMMERCE</u>		Paper: <u>1</u>

IDENTIFICATION NUMBER	
5	c0:c1:c2:c3:c4:c6:c7:c8:c9:
2	c0:c1:c3:c4:c5:c6:c7:c8:c9:
5	c0:c1:c2:c3:c4:c6:c7:c8:c9:
1	c0:c2:c3:c4:c5:c6:c7:c8:c9:
1	c0:c2:c3:c4:c5:c6:c7:c8:c9:
0	c1:c2:c3:c4:c5:c6:c7:c8:c9:
2	c0:c1:c3:c4:c5:c6:c7:c8:c9:
0	c1:c2:c3:c4:c5:c6:c7:c8:c9:
6	c0:c1:c2:c3:c4:c5:c6:c7:c8:c9:
8	c0:c1:c2:c3:c4:c5:c6:c7:c8:c9:

SUBJECT CODE	
1	c0:c1:c2:c3:c4:c5:c6:c7:c8:c9:
0	c1:c2:c3:c4:c5:c6:c7:c8:c9:
3	c0:c1:c2:c3:c4:c5:c6:c7:c8:c9:
1	c0:c2:c3:c4:c5:c6:c7:c8:c9:
1	c0:c2:c3:c4:c5:c6:c7:c8:c9:
2	c0:c1:c3:c4:c5:c6:c7:c8:c9:

SEX	
Indicate your sex by shading the space marked M (for Male) or F (for Female) in this box: M <input type="checkbox"/> F <input type="checkbox"/>	

INSTRUCTIONS TO CANDIDATES

1. Use grade HB pencil throughout.
2. Answer each question by choosing one letter and shading it like this: [A] [B] [C]
3. Erase completely any answers you wish to change.
4. Leave extra spaces blank if the answer spaces provided are more than you need.
5. Do not make any markings across the heavy black marks at the right hand edge of your answer sheet.

For Supervisors only.

If candidate is absent shade this space:

Answer all the questions.

Each question is followed by four options lettered A to D. Find out the correct option for each question and shade in pencil on your answer sheet the answer space which bears the same letter as the option you have chosen. Give only one answer to each question. An example is given below.

What is the name given to the type of post in which the Post Office promises extra security?

- A. Express
- B. Surface
- C. Air Mail
- D. Registered

The correct answer is Registered which is lettered D and therefore answer space D would be shaded.

[A]

[B]

[C]

[D]

Think carefully before you shade the answer spaces; erase completely any answers you wish to change.

Do all rough work on this question paper.

Now answer the following questions.

1. Which of the following is a feature of Sole Proprietorship ?

- A. Business name must be registered
- B. Liability of the owner is limited
- C. It is a legal entity
- D. Decisions are promptly made

2. Which of the following grants loan to members without stringent collateral security ?

- A. Commercial banks
- B. Mortgage banks
- C. Saving banks
- D. Thrift societies

3. An existing partnership is dissolved if it
- is registered under a trade name.
 - has been registered for over ten years.
 - has no limited partner.
 - admits a new partner.
4. Profits made by a co-operative society are referred to as
- gross profit.
 - bonus.
 - surplus.
 - dividend.
5. Which of the following has the distinctive feature of transferring shares freely?
- Sole Proprietorship
 - Partnership
 - Private Limited Liability Companies
 - Public Limited Liability Companies
6. Which of the following is the amount of capital a limited liability company must **not** exceed by law?
- Working capital
 - Nominal capital
 - Loan capital
 - Fixed capital
7. Furniture and fittings used in a business are classified as
- fixed asset.
 - circulating capital.
 - current asset.
 - working capital.

8. Capital plus Profit minus Drawings is equal to
- fixed capital.
 - liquid capital.
 - capital owned.
 - capital employed.
9. A voluntary organization of business executives, tradesmen and entrepreneurs in an area is called
- Trade Association.
 - Trade Union.
 - Cartel.
 - Chamber of Commerce.
10. A voluntary association of independent firms formed for the purpose of executing a large capital project is a
- merger.
 - consortium.
 - cartel.
 - trust.
11. The difference between a country's exports and imports is called
- terms of trade.
 - foreign exchange.
 - balance of trade.
 - balance of payment.
12. Which of the following does **not** accompany goods in international trade ?
- Consignment Note
 - Certificate of Origin
 - Insurance Certificate
 - Export Licence

13. Re-exporting goods which have been imported is known as

- A. visible trade.
- B. counter trade.
- C. invisible trade.
- D. entrepôt trade.

14. A bonded warehouse is used to store goods which are

- A. manufactured in a country.
- B. to be exported.
- C. awaiting payment of duties.
- D. seized as contrabands.

15. A retail outlet that has many stores under one roof is a

- A. department store.
- B. mobile shop.
- C. chain store.
- D. mail order business.

16. Which of the following provides harbours, berths and navigational aids to ships ?

- A. Export Promotion Council
- B. Shipping, Clearing and Forwarding Agents
- C. Ports Authority
- D. Customs and Excise Authority

17. When a buyer is to pay for the cost of transporting goods, the invoice is marked

- A. carriage forward.
- B. carriage paid.
- C. cost and freight
- D. cost, insurance and freight.

Use the following information to answer Questions 18 to 20.

**GPT PLC
GARU WARD
ENUGU**

Messrs Dodo & Co.
Chukwudi Avenue,
Oyo.

Rulers
Pencils
40 leaves exercise books
60 leaves exercise books

No.: A/152
Date: As at today.
Your Order No.: L/2406

Unit Price

₦
7.50
3.20
9.50
14.30

Terms: 5% up to 100 units; $2\frac{1}{2}$ % of 30 days.

18. The above document is

- A. a receipt.
- B. an invoice.
- C. an order.
- D. a quotation.

19. GPT PLC is the

- A. banker.
- B. seller.
- C. buyer.
- D. carrier.

20. The term "5% up to 100 units" refers to

- A. percentage of profit.
- B. mark-up.
- C. cash discount.
- D. trade discount.

21. Which of the following institutions is a lender of last resort ?
- A. Commercial bank
 - B. Central bank
 - C. Merchant bank
 - D. Federal mortgage bank
22. A cheque is dishonoured if it bears
- A. current date.
 - B. altered figure without initials.
 - C. same amount in words and figures.
 - D. payee's name only.
23. A bank's guarantee to honour the exporter's invoice when presented for payment is called
- A. irrevocable letter of credit.
 - B. documentary credit.
 - C. unconfirmed credit.
 - D. letter of hypothecation.
24. Which of the following is not true of insurance?
- A. Insurance companies can invest money entrusted to them
 - B. A motorist must insure against third party risks
 - C. Changes in demand are insurable
 - D. Gambling is uninsurable
25. An insurance policy which provides for the beneficiary when the assured dies is
- A. pension scheme.
 - B. whole life assurance.
 - C. accident insurance.
 - D. endowment.
26. The insurance policy that covers a vessel for a specified journey is
- A. time policy.
 - B. voyage policy.
 - C. mixed policy.
 - D. term policy.

27. The market where existing securities are bought and sold is

- A. money market.
- B. mini-market.
- C. foreign exchange market.
- D. stock exchange market.

28. Government raises funds usually through the sale of

- A. bill of exchange.
- B. debentures.
- C. premium certificates.
- D. treasury bills.

29. Shares issued to existing shareholders in proportion to their shareholdings, without their paying for them are known as

- A. bonus issue.
- B. rights issue.
- C. preference shares.
- D. deferred shares.

30. Which of the following is **not** a service rendered by the Post Office ?

- A. Poste restante
- B. Telegrams
- C. Air mail service
- D. Recorded delivery service

31. The capacity to carry bulky goods and passengers is a distinctive advantage of transport by

- A. trains.
- B. trailers.
- C. luxury buses.
- D. lorries.

32. A freight ship which travels wherever it can find cargoes to carry is a

- A. liner.
- B. tramp.
- C. tanker.
- D. ferry.

33. The practice by which the Central Bank controls the money in circulation through the purchase and sale of government bonds is called
- open market operation.
 - moral suasion.
 - special directive.
 - bank rate.
34. The assignment of identifiable marks to goods is
- pre-packaging.
 - branding.
 - standardizing.
 - grading.
35. Which of the following will not influence the location of an industry?
- Transportation
 - Labour supply
 - Advertizing expenses
 - Large markets
36. Which of the following basic utilities is not created by marketing ?
- Ownership
 - Place
 - Possession
 - Product
37. The objective of good advertizing is to
- copy other competitors.
 - improve the quality of a product.
 - convince prospective buyers to buy.
 - increase competition among firms.
38. The distribution of free samples and gift items to consumers is termed
- sales promotion.
 - personal selling.
 - merchandizing.
 - consumer orientation.

39. Marketing activities start at the
- A. idea stage.
 - B. production stage.
 - C. commercialization stage.
 - D. point of sale stage.
40. The Federal Government of Nigeria increased the price of fuel per litre sometime ago. Who among the following bore the final burden of the increased price ?
- A. Fuel distributors
 - B. Fuel tanker drivers
 - C. Private car owners
 - D. Taxi drivers
41. A default after payment of one-third of the purchase price under the hire purchase agreement means that
- A. the seller can immediately repossess the goods.
 - B. the buyer has become the owner.
 - C. only the court can permit repossession.
 - D. the buyer has to return the goods.
42. Which of the following is **not** aimed at protecting the consumer ?
- A. Hire Purchase Act
 - B. Foods and Drugs Act
 - C. Company's Act
 - D. Sale of goods Act
43. Which of the following gives a music composer the exclusive control over the use of his artistic creation?
- A. Registration
 - B. Copyright
 - C. Trade mark
 - D. Patent right
44. Which of the following is **not** performed by the Airports Authority ?
- A. Providing loading facilities
 - B. Issuing travelling documents
 - C. Providing warehouses for cargo
 - D. Providing security for passengers

45. Which of the following is **not** a visible trade item?

- A. Petroleum
- B. Iron-ore
- C. Machinery
- D. Tourism

46. The people who undertake the setting up of a public limited company are

- A. promoters.
- B. arbitrators.
- C. speculators.
- D. trustees.

47. The sale of goods through coin-operated machine is known as

- A. branding.
- B. automatic vending.
- C. spot cash.
- D. self-service.

48. Which of the following is **not** an after-sales service ?

- A. Warranty
- B. Delivery
- C. Trade discount
- D. Installation

49. A document prepared by a shipmaster specifying the vessel, particulars of cargo and passengers on board is

- A. charter party.
- B. bill of lading.
- C. ship's manifest.
- D. customs declaration.

50. Which of the following does **not** originate from the debtor as a means of payment ?

- A. Bank note
- B. Cheque
- C. Bill of exchange
- D. Promissory note

S711/1 June
S. S. C. E. 1995
COMMERCE 1
Objective Test
1½ hours

THE WEST AFRICAN EXAMINATIONS COUNCIL

NIGERIA

Senior School Certificate Examination

June 1995

COMMERCE 1

1½ hours

OBJECTIVE TEST

Do not open this booklet until you are told to do so. While you are waiting, read the following instructions carefully.

1. Use HB pencil throughout.
2. If you have got a blank answer sheet, complete the top section of it as follows.
 - (a) In the space marked *Name*, write in capital letters your *surname* followed by your *other names*.
 - (b) In the spaces marked *Examination*, *Year*, *Subject* and *Paper*, write 'S.S.C.E.', '1995 June', 'COMMERCE' and '1', respectively.
 - (c) In the box marked *Index Number*, write down your *index number* vertically in the spaces on the left-hand side. There are numbered spaces in line with each digit. Shade carefully the space with the same number as each digit.
 - (d) In the box marked *Subject Code*, write down the digits 711017 in the spaces on the left-hand side. Shade the corresponding numbered spaces in the same way as for your index number.
 - (e) In the box marked *Sex*, shade the space marked *M* if you are male, or *F* if you are female.
3. If you have got a pre-printed answer sheet, check that the details are correctly printed, as described in 2 above. In the boxes marked *Index Number*, *Subject Code* and *Sex*, reshade each of the shaded spaces.
4. An example is given below. This is for a *male* candidate, whose name is Kayode Olusola AKINDELE, whose *index number* is 41230068 and who is offering *Commerce 1*.

THE WEST AFRICAN EXAMINATIONS COUNCIL

PRINT IN BLOCK LETTERS

Name: AKINDELE KAYODE OLUSOLA Examination: SSCE Year: 1995 June
Surname: AKINDELE Other Names: KAYODE OLUSOLA
Subject: COMMERCE Paper: 1

INDEX NUMBER									
4	1	2	3	0	6	8	0	1	7
1	0	2	3	4	5	6	7	8	9
2	0	1	3	4	5	6	7	8	9
3	0	1	2	4	5	6	7	8	9
0	0	1	2	3	4	5	6	7	8
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8	0	1	2	3	4	5	6	7	9

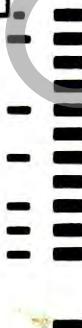
SUBJECT CODE									
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1	0	2	3	4	5	6	7	8	9
1	0	2	3	4	5	6	7	8	9
0	0	1	2	3	4	5	6	7	8
1	0	2	3	4	5	6	7	8	9
7	0	1	2	3	4	5	6	7	8

Indicate your sex by shading the space marked M (for Male) or F (for Female) in this box: M F

INSTRUCTIONS TO CANDIDATES

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For Supervisors only
If candidate is absent
shade this space:



Answer all the questions.

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- A. Express
- B. Surface
- C. Air mail
- D. Parcel
- E. Registered

The correct answer is registered, which is lettered E, and therefore answer space E would be shaded.

[A]

[B]

[C]

[D]

Think carefully before you shade the answer spaces; erase completely any answers you wish to change.

Do all rough work on this question paper.

Now answer the following questions.

1. Which of the following is not a branch of Commerce?

- A. Insurance
- B. Warehousing
- C. Trade
- D. Transport
- E. Computerisation

2. Which of the following is not a negotiable instrument?

- A. Share certificate
- B. Cheque
- C. Bill of Exchange
- D. Dividend warrant
- E. Debenture

3. Those involved in obtaining the gifts of nature from land and sea are engaged in

- A. Extractive occupations.
- B. Manufacturing occupations.
- C. Constructive occupations.
- D. Commercial occupations.
- E. Direct services.

4. When a company sells shares to existing shareholders at preferential rate, this is called
- A. Rights issue.
 - B. Bonus issue.
 - C. Private placing.
 - D. Sale by auction.
 - E. Issue by prospectus.
5. Which of the following must be included in the Articles of Association ?
- A. Voting rights of the shareholders
 - B. The objects of the business
 - C. The address of the registered office
 - D. Statement that liability is limited
 - E. List of types of shares
6. Which of the following enables production to take place ahead of demand ?
- A. Transporting
 - B. Advertising
 - C. Importing
 - D. Warehousing
 - E. Exporting
7. Called-up capital is the amount
- A. paid on allotment.
 - B. paid on first call.
 - C. paid on application.
 - D. demanded on shares issued.
 - E. paid-up on all shares.
8. Which of the following is true about cumulative preference shares ?
- A. Any unpaid dividend is carried forward
 - B. The shareholders can obtain a capital refund
 - C. They are entitled to further share in profit
 - D. Any unpaid dividend is forfeited
 - E. The dividend declared is accumulated in a reserve account
9. A public limited company has the rights and duties of an individual because it
- A. has a board of directors.
 - B. has a trading certificate.
 - C. has corporate status.
 - D. has a memorandum of association.
 - E. is so stated in the articles of association.

10. When firms producing similar commodities join together, this is

- A. vertical merger.
- B. holding company.
- C. horizontal merger.
- D. cartel.
- E. lateral merger.

11. The total indebtedness of a business is the same as its

- A. liabilities.
- B. liquid capital.
- C. solvency.
- D. capital employed.
- E. working capital.

12. All activities involved in the distribution and exchange of goods and services are referred to as

- A. Trade.
- B. Market survey.
- C. Advertising.
- D. Commerce.
- E. Sales promotion.

13. Land as a factor of production comprises

- A. all resources provided by nature.
- B. the earth surface only.
- C. land surface and vegetation.
- D. efforts to exploit the earth.
- E. the oceans and rivers only.

14. Goods are usually classified into

- A. saleable and non saleable goods.
- B. inferior and superior goods.
- C. luxurious and essential goods.
- D. producer and consumer goods.
- E. home made and foreign made goods.

15. Del-credere commission is an

- A. allowance paid to a supplier.
- B. extra allowance paid for guaranteeing recovery of debts.
- C. allowance paid to all commission agents.
- D. allowance paid by the agent.
- E. allowance to ensure delivery of goods by commission agent.

16. Which of the following is classified as invisible item in the balance of payments ?

- A. Export of goods
- B. Import of machinery
- C. Gifts
- D. Sale of assets
- E. Salaries of expatriates

17. Which of the following is quoted when the buyer is responsible for the cost of loading the goods from the sellers warehouse up to his own warehouse ?

- A. LOCO
- B. F.O.R.
- C. F.A.S.
- D. C.I.F.
- E. C.F.

18. A trade in which many countries exchange goods and services is called

- A. bilateral trade.
- B. entrepot trade.
- C. economic union.
- D. multilateral trade.
- E. counter trade.

19. Which of the following is used to ascertain the correct value of imports for purposes of assessing customs duty ?

- A. Certificate of origin
- B. Open-indent
- C. Bill of lading
- D. Ships manifest
- E. Bill of entry

20. The best method of making payment to an overseas supplier is by

- A. bank draft.
- B. bill of exchange.
- C. travellers cheque.
- D. letter of credit.
- E. certified cheque.

21. A refund usually granted for goods imported and later re-exported is called

- A. commission.
- B. discount.
- C. customs drawback.
- D. dock due.
- E. demurrage.

22. Which of the following is a declaration by the captain of a ship as to the cargo on board ?
- Bill of lading
 - Mate's receipt
 - Ships Manifest
 - Bill of sight
 - Dock warrant
23. When the balance of trade is unfavourable which of the following conditions prevails ?
- Exports exceed imports
 - Imports exceed exports
 - Customs duty is high
 - Invisible exports exceed visible imports
 - The value of money falls
24. When a seller decides to sell his goods at a specific price for a specific period, he is making
- a sales promotion.
 - a bid.
 - an auction sale.
 - a firm offer.
 - an implied guarantee.
25. A retailer who receives a trade discount of $33\frac{1}{3}\%$ and a cash discount of 10% on goods worth ₦300 would pay
- ₦ 240.
 - ₦ 226.
 - ₦ 216.
 - ₦ 204.
 - ₦ 120.
26. Which of the following documents is used when goods are sent on approval ?
- Catalogue
 - Delivery note
 - Receipt
 - Advice note
 - Pro forma invoice.
27. Terms of trade refers to
- agreement between two trading countries.
 - conditions attached to specific trade transactions.
 - the relationship between export and import prices.
 - the difference between the value of imports and exports.
 - all payments made to other countries and receipts from them.

28. Another name for shares, stocks and debentures traded in the stock exchange is

- A. collaterals.
- B. securities.
- C. wares.
- D. participating preference shares.
- E. cumulative preference shares.

29. Which of the following belongs to the capital market ?

- A. Commercial bank
- B. Savings bank
- C. Stock exchange
- D. Bureau de exchange
- E. Clearing house

30. Which of the following is **not** true of insurance ?

- A. A large number of people face the same risk
- B. Possibility of making a profit out of an event.
- C. Only a small number will actually suffer the loss in any one year
- D. A large number makes a small contribution to a common pool
- E. Possibility of assessing the frequency of occurrence of the event.

31. Which of the following policies qualifies the holder to income tax relief ?

- A. Accident insurance
- B. Public liability insurance
- C. Comprehensive insurance
- D. Endowment assurance
- E. Fidelity guarantee insurance

32. Which of the following is **not** a feature of good banking security ? The

- A. asset must be easily converted into cash
- B. value of the asset must be easily ascertained
- C. ownership of the asset must not be in doubt
- D. value of the asset should be stable
- E. value of the asset must be less than the amount loaned

33. Selling a bill at less than the face value for immediate cash before the due date is to

- A. retire the bill.
- B. honour the bill.
- C. discount the bill.
- D. protest the bill.
- E. withdraw the bill.

34. Which of the following is a non indemnity insurance ?

- A. Marine
- B. Life
- C. Fire
- D. Bad debts
- E. Burglary

35. Which of the following regulates and controls the activities of the Nigerian Stock Exchange? The

- A. Central Bank
- B. Association of Commercial Banks
- C. Securities and Exchange Commission (SEC)
- D. Nigerian Association of Chambers of Commerce
- E. Brokers and Jobbers

36. A cheque drawn by a bank on itself is a

- A. credit transfer.
- B. direct debt.
- C. certified cheque.
- D. bank draft.
- E. standing order.

37. Which of the following is formed primarily to promote savings and loans among the members ?

- A. Consumer cooperative society
- B. Producer cooperative society
- C. Cooperative wholesale society
- D. Retail cooperative society
- E. Cooperative thrift and credit society

38. Mr. Ojo borrowed N 54,000 from a Commercial Bank and deposited his Life Assurance certificate with the bank. The certificate deposited serves as

- A. a Loan repayment.
- B. a Current asset.
- C. an Interest charged
- D. a Collateral security
- E. a Part payment

39. When an insurance policy is declared void because of a false declaration, the principle involved is

- A. indemnity.
- B. insurable interest
- C. proximate cause.
- D. utmost good faith.
- E. subrogation.

40. A mortgage bank is primarily concerned with financing the acquisition of
- A. motor vehicles.
 - B. research equipment.
 - C. computer machines.
 - D. dwelling houses.
 - E. factory sites.
41. An insurance policy which gives cover against claims made by employees who suffer injury at work is
- A. comprehensive insurance.
 - B. employers' liability insurance.
 - C. personal accident insurance.
 - D. consequential loss insurance.
 - E. fidelity guarantee insurance.
42. What is the working capital of KO Ltd. which has N 3,500 in fixed assets, cash balance of N 4,170, trade debtors N 1,150 and sundry creditors of N 1800 ?
- A. N 7,020.00
 - B. N 5,320.00
 - C. N 4,720.00
 - D. N 3,620.00
 - E. N 3,520.00
43. The nominal value of share of a public limited company is 50k and the market value is 65k. The company's share is selling
- A. above par value.
 - B. at par value.
 - C. below par value.
 - D. ex dividend.
 - E. cum dividend.
44. Turnover of a business is the same as the
- A. profit of the business.
 - B. liabilities of the business.
 - C. assets of the business.
 - D. purchases of the business.
 - E. sales of the business.

45. Opening stock plus purchases less closing stock gives

- A. the rate of turnover.
- B. cost of goods sold.
- C. working capital.
- D. net profit.
- E. gross profit.

46. That part of the assets of a business that is available as cash or near cash is called

- A. liquid capital.
- B. working capital.
- C. capital employed.
- D. reserved capital.
- E. equity.

47. Which of the following is not a source of capital to a public limited company ?

- A. Equipment leasing
- B. Debt factoring
- C. Debentures
- D. Trade credits
- E. Dividends

48. Which of the following enables goods to be available where they are needed ?

- A. Advertising
- B. Communication
- C. Warehousing
- D. Sales promotion
- E. Transporting

49. The provision and administration of air traffic controls at Benin airport is the function of

- A. Okada Airline.
- B. Nigerian Airways.
- C. Concord Airline.
- D. Nigerian Airports Authority.
- E. Nigerian Air Force.

50. Which of the following ensures regular transportation of gas and liquid products in all weather ?

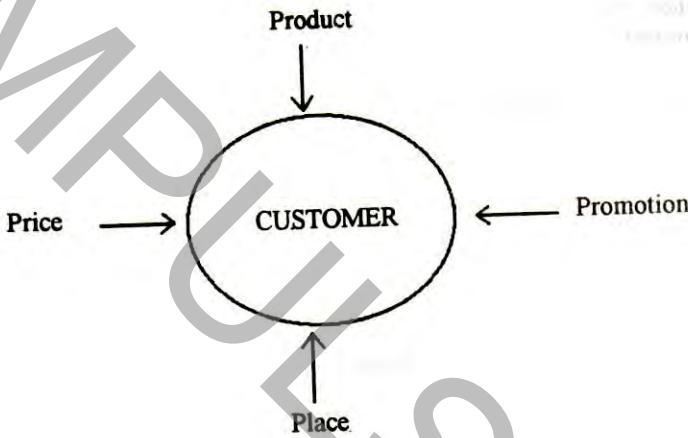
- A. Train
- B. Aeroplane
- C. Tanker
- D. Trailer
- E. Pipeline

51. Which of the following is a feature of ocean liners ?
- A. They do not follow any definite route
 - B. The rate charged depends on competition
 - C. They are usually small ships that carry only cargo
 - D. They belong to a particular shipping conference
 - E. They stick to the coastal lines of a country
52. Which of the following is a contract of carriage ?
- A. Advice Note
 - B. Charter party
 - C. Delivery note
 - D. Consignment note
 - E. Ships manifest
53. Which of the following is used to inform the addressee that he has a registered parcel for collection ?
- A. Counterfoil
 - B. Express label
 - C. Slip
 - D. Telephone
 - E. Telegram
54. Telephone, telegram and telex services in Nigeria are provided by
- A. NIPOST
 - B. NRC
 - C. DHL
 - D. NAA
 - E. NITEL
55. The cost of sending a message by telephone is determined by the
- A. number of words contained in the message.
 - B. time of the day the message was sent.
 - C. type of person or organisation sending the message.
 - D. time taken to send the message.
 - E. urgency of the message delivered.
56. A receipt for goods deposited in a public warehouse is called a
- A. warranty.
 - B. dock warrant.
 - C. bond.
 - D. bill of sight.
 - E. letter of hypothecation.

57. A firm that emphasizes the satisfaction of the consumers, is applying the principle of

- A. consumerism
- B. selling concept.
- C. marketing mix.
- D. marketing concept.
- E. salesmanship.

Use the diagram below to answer questions 58 & 59.



58. The diagram above illustrates the marketing concept of

- A. pricing policy.
- B. competitive promotion.
- C. consumer sovereignty.
- D. distribution channel
- E. product policy.

59. The diagram contains the four elements of

- A. product mix.
- B. promotion mix.
- C. market segmentation.
- D. marketing mix.
- E. pricing policy.

60. Which of the following is not a method employed by a firm to promote public relations ?
- A. Bill boards
 - B. Features articles
 - C. Public campaigns
 - D. Free gifts and samples
 - E. Donations and scholarship awards
61. The use of name, symbol, letter or any combination of these by a company to distinguish its product is called
- A. product mix.
 - B. marketing mix.
 - C. slogan.
 - D. trade mark.
 - E. product differentiation.
62. The collection of information on the taste of consumers and the extent of demand for a product is called
- A. consumer orientation.
 - B. advertising.
 - C. market research.
 - D. marketing mix.
 - E. market segmentation.
63. Mr. Orji contracted to sell 10 colour TV sets to Mr. Ede. Unknown to both of them the TV sets were stolen in transit. The contract may be terminated on the grounds of
- A. breach of contract.
 - B. performance.
 - C. bankruptcy.
 - D. frustration.
 - E. capacity.
64. In a hire purchase contract the customer becomes the legal owner of the goods by
- A. taking possession of goods.
 - B. paying the first instalment.
 - C. paying the last instalment.
 - D. paying monthly hire charges.
 - E. paying half the purchase price.

65. Which of the following makes it an offence for a dealer to give misleading information about goods to consumers ?
- A. Food and Drugs Act
 - B. Restrictive Trade Practices Act
 - C. Consumer Credit Act
 - D. Trade Description Act
 - E. Hire Purchase Act
66. Which of the following gives an exclusive right to an inventor?
- A. Brand name
 - B. Trade Mark
 - C. Patent
 - D. Copy Right
 - E. Label
67. A modern trend in retailing which enables customers to purchase all the items needed in a shop is called
- A. automatic vending.
 - B. impulse buying.
 - C. one-stop shopping.
 - D. self service.
 - E. cash and carry.
68. Who bears the greatest risk in a business ? The
- A. employees
 - B. preference shareholders
 - C. entrepreneurs
 - D. debenture holders
 - E. trade creditors.
69. Dividend paid by public limited companies
- A. is based on patronage.
 - B. depends on the price of the shares.
 - C. is based on stock exchange rating.
 - D. depends on profit declared.
 - E. depends on rate of turnover.
70. Commercial banks meet to exchange cheques drawn on one another and settle the differences between them at the
- A. money market.
 - B. stock exchange market,
 - C. discount house.
 - D. clearing house.
 - E. banking hall.

71. Which of the following is likely to record a high rate of turnover ?
- A. Furniture
 - B. Gold and trinkets
 - C. Motor vehicles
 - D. Newspapers
 - E. Carvings
72. Restricting the quantity of goods which may be imported into a country is achieved through
- A. dumping.
 - B. tariffs.
 - C. terms of payment.
 - D. terms of trade.
 - E. quotas.
73. A cheque is cleared
- A. when it has been accepted by the drawer.
 - B. when the amount specified has been credited to the payee.
 - C. when it is deposited.
 - D. if the alterations are signed.
 - E. when it has been taken away for safe keeping.
74. A group of retailing shops with standard shop fronts and centralised buying is known as
- A. department stores.
 - B. unit shops.
 - C. mobile shops.
 - D. supermarket.
 - E. multiple stores.
75. Master Ojo is 14 years old. He entered into contract with Ade for the supply of 20 T shirts. Ojo received the T shirts but has refused to pay. Ade's lawyer said that the contract is void because it lacked one of the basic elements of a valid contract which is
- A. offer and acceptance.
 - B. consideration.
 - C. intention to create legal relations
 - D. capacity.
 - E. legality.
76. Goods sold under a distinctive trade mark are known as
- A. industrial goods.
 - B. commercial goods.
 - C. consumer goods.
 - D. branded goods.
 - E. speciality goods.

77. Actions by organized body of consumers to express dissatisfaction with the quality, price and quantity of goods available to them is called
- A. consumer behaviour.
 - B. consumer sovereignty.
 - C. consumerism.
 - D. consumer orientation.
 - E. consumer education.
78. Any act that is aimed at making manufacturers meet some required standards is to
- A. prevent competition.
 - B. control price.
 - C. protect the consumer.
 - D. discourage dumping.
 - E. facilitate advertisement.
79. Which of the following makes for a valid contract ?
- A. Discharge and performance
 - B. Offer and acceptance
 - C. Age and maturity
 - D. Promise and capacity
 - E. Consideration and frustration
80. A voluntary association which consists of people who represent a cross section of business interests in a town is the
- A. chamber of commerce.
 - B. voluntary agency.
 - C. trade association.
 - D. business association.
 - E. trade union.
81. Which of the following is specifically formed to finance projects that are too large for a single firm to undertake ?
- A. Trusts
 - B. Merger
 - C. Holding company
 - D. Cartels
 - E. Consortium

82. A voluntary body formed by people in the same line of business for the purpose of protecting their interest is
- A. business association.
 - B. trade association.
 - C. trade union.
 - D. chamber of commerce.
 - E. trading partners.
83. A holding company exercises control over its subsidiaries by
- A. changing the administration completely.
 - B. becoming the principal customer.
 - C. increasing the number of workers.
 - D. owning majority of the shares.
 - E. paying off the debts.
84. An organisation that aims at restricting supply in order to keep up price is known as
- A. cartel.
 - B. price ring.
 - C. GATT.
 - D. ECOWAS.
 - E. Customs Union.
85. A document of title to goods which also serves as a contract between the seller and the shipping company is known as
- A. bill of lading.
 - B. bill of exchange.
 - C. ship's manifest
 - D. bill of entry.
 - E. letter of hypothecation.
86. A diagram showing the formal lines of authority in any establishment is known as
- A. a map of the organisation.
 - B. span of control.
 - C. an organisation chart.
 - D. channel of distribution.
 - E. unity of command.
87. Which of the following is responsible for preparing the balance sheet of a public limited company ?
- A. Public Relations Department
 - B. Personnel Department
 - C. Administration Department
 - D. Research Department
 - E. Finance Department

88. A structure of direct vertical relationships connecting the positions at each level in an organization is called
- A. staff organisation.
 - B. lateral organisation.
 - C. line organisation.
 - D. functional organisation.
 - E. line and staff organisation.
89. The process of transferring decision making to lower levels of the organisation hierarchy is called
- A. span of control.
 - B. delegation of authority.
 - C. management by objectives.
 - D. centralisation of authority.
 - E. unity of command.
90. The process by which the structure and allocation of jobs are determined is a management function of
- A. staffing.
 - B. motivating.
 - C. controlling.
 - D. organising.
 - E. directing.
91. The process of establishing objectives for the organisation and determining the best ways to achieve them is a management function of
- A. Communicating.
 - B. Organising.
 - C. Planning.
 - D. Controlling.
 - E. Motivating.
92. The number of subordinates that one person can supervise effectively in an organisation is referred to as
- A. unity of command.
 - B. chain of command.
 - C. organisation hierarchy.
 - D. delegation of authority.
 - E. span of control.

93. Measuring performance against the set objectives in an organisation is a management function that relates to
- A. staffing.
 - B. planning.
 - C. organising.
 - D. departmentalization.
 - E. controlling.
94. When a company contributes to the welfare of the immediate community, it is performing a
- A. political responsibility.
 - B. economic responsibility.
 - C. social responsibility.
 - D. legal responsibility.
 - E. technological responsibility.
95. Which of the following is not related to imports ?
- A. Customs duties
 - B. Excise duties
 - C. Certificate of origin
 - D. Bill of lading
 - E. Ship's manifest
96. Which of the following is not true of the stock exchange ?
- A. It is a commodity market
 - B. It is a market for stock and shares
 - C. It draws up rules to guide share dealing
 - D. Government and companies raise funds through it
 - E. Prices for shares are determined by it
97. In nationalised industries, losses are borne by
- A. ministers.
 - B. directors.
 - C. tax payers.
 - D. shareholders.
 - E. debenture holders.
98. Life assurance premium is determined by the
- A. educational standard of the assured.
 - B. reputation of the assured.
 - C. number of the assured's children
 - D. age of the assured.
 - E. sex of the assured.

99. Which of the following accurately describes the basis for international trade?

- A. Terms of trade
- B. Absolute cost advantage
- C. Comparative cost advantage
- D. Division of labour
- E. Specialization

100. Which of the following countries is not a member of the Lake Chad Basin Commission ?

- A. Nigeria
- B. Chad
- C. Niger
- D. Gabon
- E. Cameroon

S712 June

S.S.C.E. 1993

COMMERCE 2

2½ hours

2

WEST AFRICAN EXAMINATIONS COUNCIL

NIGERIA

Senior School Certificate Examination

June 1993

COMMERCE 2

2½ hours

EXAM PULSE.CO.NG

Answer five questions.

Candidates would be rewarded for clarity of expression and orderly presentation of material.

1. (a) Describe any four features of a multiple shop. [8 marks]
(b) Give any four reasons why small scale retailing is common in Nigeria. [12 marks]
2. (a) State any four sources of capital for a public limited company. [4 marks]
(b) Explain any four advantages and disadvantages respectively of converting a business into a public limited company. [16 marks]
3. Write short notes on the following, showing their main uses in foreign trade:
(a) Shipping notes; [4 marks]
(b) Ship's manifest; [4 marks]
(c) Bill of sight; [4 marks]
(d) Dock warrant; [4 marks]
(e) Bill of entry. [4 marks]
4. (a) Describe the functions of the Stock Exchange. [15 marks]
(b) State the types of securities traded in the Stock Exchange. [5 marks]
5. (a) What are *Thrift Societies*? [5 marks]
(b) Describe five services rendered by Thrift Societies to their members. [15 marks]

- 6 . (a) Explain **five** problems of using rail transport in Nigeria. [12 marks]
- (b) Write short notes on:
(i) Tramp liners;
(ii) Ocean liners. [4 marks]
[4 marks]
- 7 . (a) What is *a contract of sale of goods*? [5 marks]
- (b) State any **three** of its provisions. [9 marks]
- (c) Explain two conditions that constitute acceptance in the contract of sale of goods. [6 marks]
- 8 . (a) What is *Public Relations*? [5 marks]
- (b) State and explain any **five** methods a firm can use to promote its public relations. [15 marks]
- 9 . Mention and explain any **four** environments under which a business operates. [20 marks]
- 10 . (a) Give **five** examples of trade associations. [5 marks]
- (b) Outline any **three** functions of the Employers' Association. [6 marks]
- (c) What are the objectives of the Lake Chad Basin Commission? [9 marks]

P1032 & 1 Nov.
WASSCE 2011
COMMERCE 2 & 1
 $3\frac{1}{2}$ hours

2 & 1

Name:.....

Index Number:.....

THE WEST AFRICAN EXAMINATIONS COUNCIL
West African Senior School Certificate Examination

November 2011

COMMERCE 2 & 1

$3\frac{1}{2}$ hours

Do not open this booklet until you are told to do so. While you are waiting, read the following instructions carefully.

Write your name and index number in the spaces provided at the top right-hand corner of this booklet.

This booklet consists of two papers. Answer Paper 2 which comes first, in your answer booklet and Paper 1 in your Objective Test answer sheet. Paper 2 will last for $2\frac{1}{2}$ hours after which the answer booklet will be collected. Do not start Paper 1 until you are told to do so. Paper 1 will last for 1 hour.

ESSAY

Answer five questions only.

1. (a) What is an *occupation*? [2 marks]
(b) With the aid of a diagram show the branches of occupation giving **one** example of each. [18 marks]
2. (a) List **five** types of warehouses. [5 marks]
(b) State **five** importance of warehousing to commerce. [15 marks]
3. (a) State **five** features of a small scale business. [10 marks]
(b) Explain **five** features of self service stores. [10 marks]
4. (a) List **four** sources of capital to a public limited company. [4 marks]
(b) State **four** advantages and **four** disadvantages of converting a privately owned business into a public limited company. [16 marks]
5. List and explain **five** types of *Securities* traded in the Stock Exchange. [20 marks]
6. (a) Write explanatory notes on the following:
 (i) *Stale cheque*; [2 marks]
 (ii) *Post dated cheque*; [2 marks]
 (iii) *Dishonoured cheque*; [2 marks]
 (iv) *Crossed cheque*; [2 marks]
 (v) *Bearer cheque*. [2 marks]

(b) Explain **five** means of payment in business. [10 marks]
7. (a) State **five** factors a businessman would consider in making choice of transport. [10 marks]
(b) Explain **five** advantages of water transport over road transport. [10 marks]

8. (a) List **four** advertising media. [4 marks]
(b) State **four** characteristics of *personal selling*. [8 marks]
(c) State **four** uses of *market segmentation*. [8 marks]
9. (a) Distinguish between *credit sales* and *hire purchases*. [5 marks]
(b) List **five** types of Agents. [5 marks]
(c) State **two** duties performed by each of the agents mentioned in (9)(b) above. [10 marks]
10. Madam Ajaratu is a retailer. On 1st March, 2010, she bought goods costing Le 510,000 and paid Le40,000 to bring the goods to her shop. She sold the goods on 3rd March, 2010 to Mr. Adamu at a catalogue price of Le 800,000 subject to 20% trade discount.
To encourage Mr. Adamu to pay before the end of March, Madam Ajaratu gave him 5% cash discount. Mr. Adamu paid Madam Ajaratu on March 18, 2010.
- Required:
- (a) State **two** uses of *trade discount*. [4 marks]
(b) Calculate the selling price of the goods sold to Mr. Adamu. [4 marks]
(c) How much did Adamu pay to Madam Ajaratu on March 18, 2010? [4 marks]
(d) Calculate Madam Ajaratu's:
(i) gross profit; [4 marks]
(ii) gross profit percentage. [4 marks]

**DO NOT TURN OVER THIS PAGE UNTIL
YOU ARE TOLD TO DO SO.**

**YOU WILL BE PENALIZED SEVERELY IF YOU ARE
FOUND LOOKING AT THE NEXT PAGE BEFORE
YOU ARE TOLD TO DO SO.**

**WHILE YOU ARE WAITING, READ THE FOLLOWING
INSTRUCTIONS CAREFULLY.**

Paper 1

OBJECTIVE TEST

1 hour

1. Use **HB** pencil throughout.
2. If you have got a blank answer sheet, complete its top section as follows.
 - (a) In the space marked *Name*, write in capital letters your **surname** followed by your **other names**.
 - (b) In the spaces marked *Examination*, *Year*, *Subject* and *Paper*, write '**WASSCE**', '**2011 NOV.**' '**COMMERCE**' and '**1**' respectively.
 - (c) In the box marked *Index Number*, write your **index number** vertically in the spaces on the left-hand side. There are numbered spaces in line with each digit. Shade carefully the space with the same number as each digit.
 - (d) In the box marked *Paper Code*, write the digits **103112** in the spaces on the left-hand side. Shade the corresponding numbered spaces in the same way as for your index number.
 - (e) In the box marked *Sex*, shade the space marked **M** if you are **male**, or **F** if you are **female**.
3. If you have got a pre-printed answer sheet, check that the details are correctly printed, as described in 2 above. In the boxes marked *Index Number*, *Paper Code* and *Sex*, reshade each of the shaded spaces.
4. An example is given below. This is for a **male** candidate, whose **name** is **Chukwuma Adekunle Ciroma**, whose **index number** is **5251102068** and who is offering **Commerce 1**.

THE WEST AFRICAN EXAMINATIONS COUNCIL

PRINT IN BLOCK LETTERS

Name: **CIROMA CHUKWUMA ADEKUNLE** Examination: **WASSCE** Year: **2011 NOV.**
 Surname Other Names
 Subject: **COMMERCE** Paper: **1**

INDEX NUMBER	
5	0 1 2 3 4 5 6 7 8 9
2	0 1 2 3 4 5 6 7 8 9
5	0 1 2 3 4 5 6 7 8 9
1	0 1 2 3 4 5 6 7 8 9
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PAPER CODE	
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3	0 1 2 3 4 5 6 7 8 9
1	0 1 2 3 4 5 6 7 8 9
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2	0 1 2 3 4 5 6 7 8 9

SEX	
Indicate your sex by shading the space marked M (for Male) or F (for Female) in this box:	
M	F

INSTRUCTIONS TO CANDIDATES

1. Use grade **HB** pencil throughout.
2. Answer each question by choosing one letter and shading it like this: [A] [B] [C] []
3. Erase completely any answers you wish to change.
4. Leave extra spaces blank if the answer spaces provided are more than you need.
5. Do not make any markings across the heavy black marks at the right-hand edge of your answer sheet.

For Supervisors only.

If candidate is absent shade this space:

Answer all the questions.

Each question is followed by four options lettered A to D. Find out the correct option for each question and shade in pencil on your answer sheet, the answer space which bears the same letter as the option you have chosen. Give only one answer to each question. An example is given below.

What is the name given to the type of post in which the Post Office promises extra security?

- A. Express
- B. Surface
- C. Air Mail
- D. Registered

The correct answer is Registered, which is lettered D, and therefore answer space D would be shaded.

[A]

[B]

[C]

[D]

Think carefully before you shade the answer spaces; erase completely any answer you wish to change.

Do all rough work on this question paper.

Now, answer the following questions.

1. Manufacturers can produce goods ahead of demand because of the existence of
 - A. advertising.
 - B. exportation.
 - C. transportation.
 - D. warehousing.

2. A Public Limited Company is a separate legal entity that can sue and be sued because it has
 - A. certificate of trading.
 - B. corporate status.
 - C. memorandum of association.
 - D. a board of directors.

3. In cumulative preference shares, which of the following is true?
 - A. Unpaid dividend is forfeited
 - B. Unpaid dividend is carried forward
 - C. Dividend is in a reserve account
 - D. Capital could be refunded

4. The declaration by the captain of a ship stating the cargo and passengers on board is shown in the
- A. receipt.
 - B. manifest.
 - C. bill of sight.
 - D. bill of lading.
5. When goods are sent on approval, the company uses
- A. proforma invoice.
 - B. advice note.
 - C. delivery note.
 - D. catalogue.
6. A firm that undertakes to buy newly issued shares of a company in case the public could **not** buy all is known as
- A. a broker.
 - B. a dealer.
 - C. an underwriter.
 - D. a guarantor.
7. A specially crossed cheque has
- A. the name of the drawer printed on it.
 - B. two parallel lines across it.
 - C. the name of a bank written across it.
 - D. the words 'not negotiable' written on it.
8. A method of guaranteeing payment to an oversea supplier is by
- A. certified cheque.
 - B. bill of exchange.
 - C. letter of credit.
 - D. bank draft.
9. Which of the following specializes in selling **mainly** household goods?
- A. Department store
 - B. Supermarket
 - C. Chain store
 - D. Cooperative store

Answer questions 10 and 11 from the information below.

An importer insured his cargo whose actual value was ₦10 million with two marine insurance companies for ₦8million and ₦6million respectively. There was a complete loss of the entire cargo.

10. How much would the insured receive?

- A. ₦14 million
- B. ₦10 million
- C. ₦8 million
- D. ₦6 million

11. Which principle of insurance was applied?

- A. Utmost good faith
- B. Subrogation
- C. Proximate cause
- D. Contribution

12. A bank whose name is printed on top of a cheque leaf is the

- A. drawer.
- B. endorsee.
- C. drawee.
- D. payee.

13. When the subject matter insured is destroyed by an occurrence **not** covered by the policy, the insurer will not pay any compensation because of the principle of

- A. insurable interest.
- B. indemnity.
- C. subrogation.
- D. proximate cause.

14. The principal dealers in the stock exchange are

- A. bulls.
- B. authorised clerks.
- C. jobbers.
- D. underwriters.

Answer questions 10 and 11 from the information below.

An importer insured his cargo whose actual value was ₦10 million with two marine insurance companies for ₦8million and ₦6million respectively. There was a complete loss of the entire cargo.

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- B. Risk bearing, storage, production and promotion
- C. Production, promotion, distribution and pricing
- D. Organising, risk-bearing, transporting and storage

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 - B. gender of the assured.
 - C. reputation of the assured.
 - D. traditional title of the assured.
44. The term used for a person sent by a shareholder to represent him at an annual general meeting of a company is
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 - B. proxy.
 - C. representative.
 - D. appointee.
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 - B. counter trade.
 - C. exchange.
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- A. Cheque
 - B. Debenture
 - C. Dividend warrant
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P1032 & 1 Nov.
WASSCE 2011
COMMERCE 2 & 1
 $3\frac{1}{2}$ hours

2 & 1

Name:.....

Index Number:.....

THE WEST AFRICAN EXAMINATIONS COUNCIL
West African Senior School Certificate Examination

November 2011

COMMERCE 2 & 1

$3\frac{1}{2}$ hours

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ESSAY

Answer five questions only.

1. (a) What is an *occupation*? [2 marks]
(b) With the aid of a diagram show the branches of occupation giving **one** example of each. [18 marks]
2. (a) List **five** types of warehouses. [5 marks]
(b) State **five** importance of warehousing to commerce. [15 marks]
3. (a) State **five** features of a small scale business. [10 marks]
(b) Explain **five** features of self service stores. [10 marks]
4. (a) List **four** sources of capital to a public limited company. [4 marks]
(b) State **four** advantages and **four** disadvantages of converting a privately owned business into a public limited company. [16 marks]
5. List and explain **five** types of *Securities* traded in the Stock Exchange. [20 marks]
6. (a) Write explanatory notes on the following:
 (i) *Stale cheque*; [2 marks]
 (ii) *Post dated cheque*; [2 marks]
 (iii) *Dishonoured cheque*; [2 marks]
 (iv) *Crossed cheque*; [2 marks]
 (v) *Bearer cheque*. [2 marks]

(b) Explain **five** means of payment in business. [10 marks]
7. (a) State **five** factors a businessman would consider in making choice of transport. [10 marks]
(b) Explain **five** advantages of water transport over road transport. [10 marks]

8. (a) List **four** advertising media. [4 marks]
(b) State **four** characteristics of *personal selling*. [8 marks]
(c) State **four** uses of *market segmentation*. [8 marks]
9. (a) Distinguish between *credit sales* and *hire purchases*. [5 marks]
(b) List **five** types of Agents. [5 marks]
(c) State **two** duties performed by each of the agents mentioned in (9)(b) above. [10 marks]
10. Madam Ajaratu is a retailer. On 1st March, 2010, she bought goods costing Le 510,000 and paid Le40,000 to bring the goods to her shop. She sold the goods on 3rd March, 2010 to Mr. Adamu at a catalogue price of Le 800,000 subject to 20% trade discount.
To encourage Mr. Adamu to pay before the end of March, Madam Ajaratu gave him 5% cash discount. Mr. Adamu paid Madam Ajaratu on March 18, 2010.
- Required:
- (a) State **two** uses of *trade discount*. [4 marks]
(b) Calculate the selling price of the goods sold to Mr. Adamu. [4 marks]
(c) How much did Adamu pay to Madam Ajaratu on March 18, 2010? [4 marks]
(d) Calculate Madam Ajaratu's:
(i) gross profit; [4 marks]
(ii) gross profit percentage. [4 marks]

**DO NOT TURN OVER THIS PAGE UNTIL
YOU ARE TOLD TO DO SO.**

**YOU WILL BE PENALIZED SEVERELY IF YOU ARE
FOUND LOOKING AT THE NEXT PAGE BEFORE
YOU ARE TOLD TO DO SO.**

**WHILE YOU ARE WAITING, READ THE FOLLOWING
INSTRUCTIONS CAREFULLY.**

Paper 1

OBJECTIVE TEST

1 hour

1. Use **HB pencil** throughout.
2. If you have got a blank answer sheet, complete its top section as follows.
 - (a) In the space marked *Name*, write in capital letters your **surname** followed by your **other names**.
 - (b) In the spaces marked *Examination*, *Year*, *Subject* and *Paper*, write '**WASSCE**', '**2011 NOV.**' '**COMMERCE**' and '**1**' respectively.
 - (c) In the box marked *Index Number*, write your **index number** vertically in the spaces on the left-hand side. There are numbered spaces in line with each digit. Shade carefully the space with the same number as each digit.
 - (d) In the box marked *Paper Code*, write the digits **103112** in the spaces on the left-hand side. Shade the corresponding numbered spaces in the same way as for your index number.
 - (e) In the box marked *Sex*, shade the space marked **M** if you are **male**, or **F** if you are **female**.
3. If you have got a pre-printed answer sheet, check that the details are correctly printed, as described in 2 above. In the boxes marked *Index Number*, *Paper Code* and *Sex*, reshade each of the shaded spaces.
4. An example is given below. This is for a **male** candidate, whose **name** is **Chukwuma Adekunle Ciroma**, whose **index number** is **5251102068** and who is offering **Commerce 1**.

THE WEST AFRICAN EXAMINATIONS COUNCIL

PRINT IN BLOCK LETTERS

Name: **CIROMA CHUKWUMA ADEKUNLE** Examination: **WASSCE** Year: **2011 NOV.**
 Surname Other Names
 Subject: **COMMERCE** Paper: **1**

INDEX NUMBER	
5	0 1 2 3 4 5 6 7 8 9
2	0 1 2 3 4 5 6 7 8 9
5	0 1 2 3 4 5 6 7 8 9
1	0 1 2 3 4 5 6 7 8 9
1	0 1 2 3 4 5 6 7 8 9
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PAPER CODE	
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2	0 1 2 3 4 5 6 7 8 9

SEX	
Indicate your sex by shading the space marked M (for Male) or F (for Female) in this box:	
M	F

INSTRUCTIONS TO CANDIDATES

1. Use grade **HB pencil** throughout.
2. Answer each question by choosing one letter and shading it like this: [A] [B] [C] []
3. Erase completely any answers you wish to change.
4. Leave extra spaces blank if the answer spaces provided are more than you need.
5. Do not make any markings across the heavy black marks at the right-hand edge of your answer sheet.

For Supervisors only.

If candidate is absent shade this space:

Answer all the questions.

Each question is followed by four options lettered A to D. Find out the correct option for each question and shade in pencil on your answer sheet, the answer space which bears the same letter as the option you have chosen. Give only one answer to each question. An example is given below.

What is the name given to the type of post in which the Post Office promises extra security?

- A. Express
- B. Surface
- C. Air Mail
- D. Registered

The correct answer is Registered, which is lettered D, and therefore answer space D would be shaded.

[A]

[B]

[C]

[D]

Think carefully before you shade the answer spaces; erase completely any answer you wish to change.

Do all rough work on this question paper.

Now, answer the following questions.

1. Manufacturers can produce goods ahead of demand because of the existence of
 - A. advertising.
 - B. exportation.
 - C. transportation.
 - D. warehousing.

2. A Public Limited Company is a separate legal entity that can sue and be sued because it has
 - A. certificate of trading.
 - B. corporate status.
 - C. memorandum of association.
 - D. a board of directors.

3. In cumulative preference shares, which of the following is true?
 - A. Unpaid dividend is forfeited
 - B. Unpaid dividend is carried forward
 - C. Dividend is in a reserve account
 - D. Capital could be refunded

4. The declaration by the captain of a ship stating the cargo and passengers on board is shown in the
- A. receipt.
 - B. manifest.
 - C. bill of sight.
 - D. bill of lading.
5. When goods are sent on approval, the company uses
- A. proforma invoice.
 - B. advice note.
 - C. delivery note.
 - D. catalogue.
6. A firm that undertakes to buy newly issued shares of a company in case the public could **not** buy all is known as
- A. a broker.
 - B. a dealer.
 - C. an underwriter.
 - D. a guarantor.
7. A specially crossed cheque has
- A. the name of the drawer printed on it.
 - B. two parallel lines across it.
 - C. the name of a bank written across it.
 - D. the words 'not negotiable' written on it.
8. A method of guaranteeing payment to an oversea supplier is by
- A. certified cheque.
 - B. bill of exchange.
 - C. letter of credit.
 - D. bank draft.
9. Which of the following specializes in selling **mainly** household goods?
- A. Department store
 - B. Supermarket
 - C. Chain store
 - D. Cooperative store

Answer questions 10 and 11 from the information below.

An importer insured his cargo whose actual value was ₦10 million with two marine insurance companies for ₦8million and ₦6million respectively. There was a complete loss of the entire cargo.

10. How much would the insured receive?

- A. ₦14 million
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S1032 & 1 June
WASSCE 2008
COMMERCE 2 & 1
Essay & Objective

3 $\frac{1}{2}$ hours

2 & 1

Name:

Index Number:

THE WEST AFRICAN EXAMINATIONS COUNCIL

West African Senior School Certificate Examination

June 2008

COMMERCE 2 & 1

3 $\frac{1}{2}$ hours

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ESSAY

Answer five questions only.

1. (a) List and explain **each** of the factors of production. [8 marks]
(b) State **three** features of **each** of the factors of production. [12 marks]
2. State **five** features of **each** of the following:
(a) multiple shops. [10 marks]
(b) department stores [10 marks]
3. (a) Itemize and explain **four** functions of money. [12 marks]
(b) State **two** features of **each** of the following types of Accounts:
 (i) Current Accounts;
 (ii) Fixed Deposit Accounts. [8 marks]
4. (a) What is a contract? [4 marks]
(b) List and explain **four** ways by which a contract can be terminated [16 marks]
5. Describe the following documents used in international trade:
(a) consular invoice; [4 marks]
(b) indent; [4 marks]
(c) bill of lading; [4 marks]
(d) certificate of origin; [4 marks]
(e) certificate of insurance. [4 marks]
6. Distinguish between sole proprietorship and partnership form of business under the following:
(a) formation; [20 marks]
(b) ownership;
(c) liability;
(d) capital;
(e) management.

7. You are given the following figures as extracted from Precious Saloon Services:

	N
Sales	120,000
Purchases	65,000
Opening stock	15,000
Closing stock	20,000
Wages and salaries	15,000
Debtors	20,000

From the above information; calculate the following (show all workings):

- (a) gross profit; [5 marks]
- (b) net profit; [3 marks]
- (c) rate of turnover; [6 marks]
- (d) gross profit percentage (%); [3 marks]
- (e) net profit percentage (%). [3 marks]

8. (a) Explain **four** steps taken to obtain an insurance policy. [12 marks]
- (b) What is an uninsurable risk? [3 marks]
- (c) List **five** examples of insurable risks. [5 marks]
9. Explain **each** of the following:
- (a) ordinary shares; [4 marks]
 - (b) preference shares; [4 marks]
 - (c) the activities of stags; [4 marks]
 - (d) the activities of bulls; [4 marks]
 - (e) the activities of stockbrokers. [4 marks]
10. (a) Distinguish between sales promotion and public relations. [4 marks]
- (b) Explain **four** means of promoting public relations. [16 marks]

DO NOT TURN OVER THIS PAGE UNTIL YOU ARE TOLD TO DO SO.

**YOU WILL BE PENALIZED SEVERELY IF YOU ARE
FOUND LOOKING AT THE NEXT PAGE BEFORE
YOU ARE TOLD TO DO SO.**

**WHILE YOU ARE WAITING, READ THE FOLLOWING
INSTRUCTIONS CAREFULLY.**

Paper 1

OBJECTIVE TEST

1 hour

1. Use **HB** pencil throughout.
2. If you have got a blank answer sheet, complete its top section as follows.
 - (a) In the space marked *Name*, write in capital letters your **surname** followed by your **other names**.
 - (b) In the spaces marked *Examination*, *Year*, *Subject* and *Paper*, write '**WASSCE**', '**2008 JUNE**', '**'COMMERCE'** and '**1**' respectively.
 - (c) In the box marked *Index Number*, write your **index number** vertically in the spaces on the left-hand side. There are numbered spaces in line with each digit. Shade carefully the space with the same number as each digit.
 - (d) In the box marked *Paper Code*, write the digits **103112** in the spaces on the left-hand side. Shade the corresponding numbered spaces in the same way as for your index number.
 - (e) In the box marked *Sex*, shade the space marked **M** if you are **male**, or **F** if you are **female**.
3. If you have got a pre-printed answer sheet, check that the details are correctly printed, as described in 2 above. In the boxes marked *Index Number*, *Paper Code* and *Sex*, **reshade** each of the shaded spaces.
4. An example is given below. This is for a **male** candidate, whose **name** is **Chukwuma Adekunle Ciroma**, whose **index number** is **4251102068** and who is offering **Commerce 1**.

THE WEST AFRICAN EXAMINATIONS COUNCIL

PRINT IN BLOCK LETTERS

Name: <u>CIROMA CHUKWUMA ADEKUNLE</u>	Surname	Other Names	Examination: <u>WASSCE</u>	Year: <u>2008 JUNE</u>
Subject: <u>COMMERCE</u>				Paper: <u>1</u>

INDEX NUMBER	
4	0 1 2 3 4 5 6 7 8 9
2	0 1 2 3 4 5 6 7 8 9
5	0 1 2 3 4 5 6 7 8 9
1	0 1 2 3 4 5 6 7 8 9
1	0 1 2 3 4 5 6 7 8 9
0	0 1 2 3 4 5 6 7 8 9
2	0 1 2 3 4 5 6 7 8 9
0	0 1 2 3 4 5 6 7 8 9
6	0 1 2 3 4 5 6 7 8 9
8	0 1 2 3 4 5 6 7 8 9

PAPER CODE	
1	0 1 2 3 4 5 6 7 8 9
0	0 1 2 3 4 5 6 7 8 9
3	0 1 2 3 4 5 6 7 8 9
1	0 1 2 3 4 5 6 7 8 9
1	0 1 2 3 4 5 6 7 8 9
2	0 1 2 3 4 5 6 7 8 9

SEX	
Indicate your sex by shading the space marked M (for Male) or F (for Female) in this box:	
M	F

INSTRUCTIONS TO CANDIDATES	
1. Use grade HB pencil throughout. 2. Answer each question by choosing one letter and shading it like this: [A] [B] [C] <input checked="" type="checkbox"/> 3. Erase completely any answers you wish to change. 4. Leave extra spaces blank if the answer spaces provided are more than you need. 5. Do not make any markings across the heavy black marks at the right-hand edge of your answer sheet.	

For Supervisors only.

If candidate is absent shade this space:

Answer all the questions.

Each question is followed by four options lettered A to D. Find out the correct option for each question and shade in pencil on your answer sheet, the answer space which bears the same letter as the option you have chosen. Give only one answer to each question. An example is given below.

What is the name given to the type of post in which the Post Office promises extra security?

- A. Express
- B. Surface
- C. Air Mail
- D. Registered

The correct answer is Registered, which is lettered D, and therefore answer space D would be shaded

[A]

[B]

[C]



Think carefully before you shade the answer spaces; erase completely any answer you wish to change

Do all rough work on this question paper.

Now, answer the following questions.

1. All activities involved in buying, selling and movement of goods and services is a definition of
 - A. commerce.
 - B. trade.
 - C. communication.
 - D. distribution.

2. Which of the following groups belong to the extractive industry?
 - A. Building, moulding and hunting
 - B. Quarrying, fishing and farming
 - C. Banking, trading and mining
 - D. Farming, hunting and baking

3. Which of the following is a commercial activity?
 - A. Shipping
 - B. Bag making
 - C. Baking
 - D. Weaving

4. A cooperative society maintains the democratic principle where members
- share profit equally.
 - of the management committee are elected.
 - hold equal shares.
 - have only one vote each.
5. An advantage of a sole proprietorship is that it
- is easy to form.
 - requires special documents to operate.
 - can easily raise capital.
 - has continuity.
6. Which of the following is **not** a feature of a private company?
- Restriction of members right to transfer shares
 - Invitation to the public to subscribe for shares
 - It must hold annual general meetings
 - Limitation of liability of members
7. PTK PLC lost one of its shareholders and the company continued to exist, PTK PLC is a
- sole proprietorship.
 - partnership.
 - cooperative society.
 - public limited company.

Use the following information to answer questions 8 and 9.

A firm's turnover is ₦15,000, the cost of goods sold is ₦10,000 and ₦3,000 was spent on rent and electricity.

8. From the above, the percentage of gross profit on sales is
- 13.3%
 - 20.0%
 - 33.3%
 - 50%

9. From the data provided, the net profit is

- A. ₦2,000
- B. ₦5,000
- C. ₦7,000
- D. ₦12,000

10. The registered capital of a company is also known as the

- A. issued capital.
- B. paid-up capital.
- C. circulating capital.
- D. nominal capital.

11. Which of the following discount must first be deducted from the gross sales value of a product before calculating cash discount?

- A. Rebate
- B. Quantity discount
- C. Seasonal discount
- D. Promotional discount

12. The quotation "5% 28 days" refers to

- A. quantity discount.
- B. cash discount.
- C. trade discount.
- D. seasonal discount.

13. Total sales less total returns inwards is the

- A. net profit.
- B. average stock.
- C. net sales.
- D. gross profit.

14. Which of the following is primarily responsible for protecting consumers against poor quality product?
- A. Standard Organization
 - B. Trade Association
 - C. Chambers of Commerce
 - D. Export Promotion Council
15. The distribution of goods and services among many countries is
- A. counter trade.
 - B. bi-lateral trade.
 - C. multi-lateral trade.
 - D. trade by barter.
16. The factors to be considered in starting a retail business does **not** include
- A. capital.
 - B. location.
 - C. nature of business.
 - D. branding of goods.
17. A bill of lading is best described as a/an
- A. evidence of payment for insurance.
 - B. document of title to goods.
 - C. certificate of origin of goods.
 - D. certificate of inspection of goods.
18. The practice of re-exporting of goods, which have previously been imported is known as
- A. counter trade.
 - B. free trade.
 - C. entrepôt trade.
 - D. bi-lateral trade.

19. Which of the following price quotations means that the seller is responsible for all expenses up to the time the goods arrive at the port?
- A. CIF
 - B. COD
 - C. CWO
 - D. FAS
20. A situation whereby exports exceed imports is considered as
- A. favourable balance of payment.
 - B. unfavourable balance of trade.
 - C. favourable balance of trade.
 - D. unfavourable balance of payment.
21. Which of the following is **not** a function of the customs authorities?
- A. Denying importers short-term credits
 - B. Collating statistics on imports and exports
 - C. Collecting information on imports and exports
 - D. Ensuring that goods placed on licence are not imported in excess
22. Which of the following channels is the best for selling computers?
- A. Producer → retailer → consumer
 - B. Producer → wholesaler → retailer → consumer
 - C. Producer → consumer
 - D. Producer → distributor → consumer
23. Which of the following countries is **not** a member of ECOWAS?
- A. The Gambia
 - B. Botswana
 - C. Liberia
 - D. Ghana

24. When the government takes over an existing private business, the business is said to be
- A. nationalized.
 - B. privatized.
 - C. capitalized.
 - D. commercialized.
25. An act that is aimed at preventing false claims on goods by the seller is the
- A. Price Control Act.
 - B. Sale of Goods Act.
 - C. Trade Description Act.
 - D. Food and Drug Act.
26. An arrangement where a firm buys an equipment for lending out is known as
- A. factoring.
 - B. leasing.
 - C. hedging.
 - D. mortgaging.
27. An organized movement of final users of goods aimed at protecting their rights and interests is
- A. unionism.
 - B. consumerism.
 - C. cooperative movement.
 - D. protectionism
28. An agreement between two parties which is enforceable in law is called a
- A. policy.
 - B. warrant.
 - C. contract.
 - D. clause.

29. Terms of payment are quoted on the

- A. order.
- B. credit note.
- C. invoice.
- D. advice note.

30. Which of the following documents is a reply to a letter of enquiry?

- A. Debit note
- B. Order
- C. Invoice
- D. Quotation

31. Which of the following means, *let the buyer beware?*

- A. Caveat vendor
- B. Del credere
- C. Caveat emptor
- D. Uberrimae fidei

32. An instruction given to a banker to make regular payment on behalf of a customer is known as

- A. debit transfer.
- B. credit transfer.
- C. money remittance.
- D. standing order.

33. The only bank that is authorized to issue bank notes is the

- A. Commercial Bank.
- B. Merchant Bank.
- C. Central Bank.
- D. Development Bank.

34. The regular amount paid by the insured to the insurer is known as

- A. interest.
- B. credit payment.
- C. instalment.
- D. premium.

35. Some businessmen prefer to operate current account because
- A. withdrawals can be as often as possible.
 - B. bank charges are not high.
 - C. it is prestigious to operate.
 - D. owners of current account cannot be duped.
36. Failure to disclose a material fact in insurance makes such a contract voidable under the principle of
- A. insurable interest.
 - B. utmost good faith.
 - C. proximate cause.
 - D. indemnity.
37. When a number of insurers are liable under the same policy, the principle of insurance that applies is called
- A. re-insurance.
 - B. proximate cause.
 - C. insurable interest.
 - D. contribution.
38. Which of the following is **not** an insurable risk?
- A. Theft
 - B. Fire outbreak
 - C. Change in fashion
 - D. Accident
39. A member of the Stock Exchange who buys and sells securities on his own is a/an
- A. broker.
 - B. jobber.
 - C. authorized clerk.
 - D. stag.

40. Where consequential loss is included in a fire insurance, which of the following will not be covered by the policy?
- A. Loss of profit
 - B. Salaries of workers
 - C. Payment of fixed overhead expenses
 - D. Loss of life
41. Which of the following mode of transport is most suitable for petrol?
- A. Sea
 - B. Air
 - C. Pipeline
 - D. Road
42. Electronic advertising media consists of
- A. radio, television and cinema.
 - B. newspapers, magazines and journals.
 - C. outdoor poster media.
 - D. radio, television and newspapers.
43. Automatic vending is a form of
- A. indirect selling.
 - B. mass marketing.
 - C. market penetration.
 - D. direct selling.
44. Which of the following may not be used as a means of promoting sales?
- A. Free samples
 - B. Product variation
 - C. Branding
 - D. Blending
45. One of the benefits of personal selling is
- A. wide coverage.
 - B. self service.
 - C. low cost.
 - D. immediate feedback.

46. Dead freight in transportation refers to the amount paid for

- A. leasing.
- B. chartering.
- C. overloading.
- D. unused space.

47. A high rate of turnover would most likely be recorded by the selling of

- A. luxurious buses.
- B. GSM handsets.
- C. newspapers.
- D. custom-made shoes.

48. The objective of the River Niger Basin Commission is mainly to

- A. liberalize trade within the region.
- B. harness the resources of the river for the region.
- C. dredge the river and its tributaries.
- D. eliminate pirates and bandits from the river.

49. Which of the following is entitled to further dividend after ordinary shares have received the approved dividend?

- A. Cumulative preference share
- B. Founders share
- C. Participating preference share
- D. Debenture

50. A manifest is a document in transportation that shows the

- A. cargoes, passengers, crew and destination.
- B. cargoes, and passengers only.
- C. freight paid for shipping.
- D. type of insurance for the ship.

S1032 & 1 June
W.A.S.S.C.E. 2001
COMMERCE 2 & 1

2&1

$3\frac{1}{2}$ hours

Name:.....

Identification Number:.....

THE WEST AFRICAN EXAMINATIONS COUNCIL

West African Senior School Certificate Examination

COMMERCE 2 & 1

$3\frac{1}{2}$ hours

June 2001

Do not open this booklet until you are told to do so. While you are waiting, read the following instructions carefully.

Write your Name and Identification Number in the spaces provided at the top right-hand corner of this booklet.

This booklet consists of two papers. Answer Paper 2 which comes first, in your answer booklet and Paper 1 in your Objective Test answer sheet. Paper 2 will last for $2\frac{1}{2}$ hours after which the answer booklets will be collected. Do not start Paper 1 until you are told to do so. Paper 1 will last for 1 hour.

PAPER 2

2 $\frac{1}{2}$ hours

ESSAY

Answer five questions only.

1. (a) With the aid of a diagram, illustrate the scope of commerce. [8 marks]
(b) Explain four commercial activities that facilitate buying and selling. [12 marks]
2. (a) Differentiate between *Hire Purchase* and *Credit Sale*. [4 marks]
(b) Give four advantages of hire purchase to each of the following:
(i) a seller
(ii) a buyer [16 marks]
3. Write short notes on the following:
 - (a) Persuasive advertising [4 marks]
 - (b) Informative advertising [4 marks]
 - (c) Competitive advertising [4 marks]
 - (d) Mass advertising [4 marks]
 - (e) Direct advertising [4 marks]
4. (a) State six distinguishing features of a mail order business. [12 marks]
(b) Give four disadvantages of a mail order business. [8 marks]
5. (a) Explain six reasons for government participation in business enterprises. [12 marks]
(b) State four demerits of government participation in business enterprises. [8 marks]

6. (a) What is a bill of lading? [4 marks]
- (b) State six contents of a bill of lading. [12 marks]
- (c) Distinguish between a clean bill of lading and a foul bill of lading. [4 marks]
7. (a) State any four rights of an unpaid seller of goods. [8 marks]
- (b) Give six duties of an agent to the principal. [12 marks]
8. Fred Asamah had the following state of affairs as at 31st December, 1999.
- | | ₦ |
|----------------|---------|
| Vehicles | 82,000 |
| Furniture | 15,000 |
| Stocks | 38,000 |
| Debtors | 25,000 |
| Creditors | 30,000 |
| Cash in hand | 10,000 |
| Bank overdraft | 5,000 |
| Capital | 135,000 |
- (a) Calculate:
- (i) the current assets of the business. [4 marks]
 - (ii) its current liabilities [3 marks]
 - (iii) its working capital [8 marks]
- (b) What is a current asset? [2 marks]
- (c) State one significance of calculating the working capital. [3 marks]

9. (a) Explain uninsurable risks and list **two** types of such risks. [4 marks]

(b) Write short notes on the following:

(i) Hull insurance [4 marks]

(ii) Fidelity guarantee insurance [4 marks]

(iii) Underwriter [4 marks]

(iv) Insurance Premium [4 marks]

10. (a) State **four** factors that would determine the choice of transport by a businessman.

[8 marks]

(b) State **four** advantages of road transport over rail transport. [12 marks]

DO NOT TURN OVER THIS PAGE UNTIL YOU ARE TOLD TO DO SO.

YOU WILL BE PENALIZED SEVERELY IF YOU ARE
FOUND LOOKING AT THE NEXT PAGE BEFORE
YOU ARE TOLD TO DO SO.

WHILE YOU ARE WAITING, READ THE FOLLOWING
INSTRUCTIONS CAREFULLY.

PAPER 1

OBJECTIVE TEST

1 hour

1. Use **HB** pencil throughout.
2. If you have got a blank answer sheet, complete the top section of it as follows:
 - (a) In the space marked *Name*, write in capital letters your **surname** followed by your **other names**.
 - (b) In the spaces marked *Examination, Year, Subject and Paper*, write '**W.A.S.S.C.E.**', '**2001 JUNE**', '**COMMERCE**' and '**1**', respectively.
 - (c) In the box marked *Identification Number*, write down your **identification number** vertically in the spaces on the left-hand side. There are numbered spaces in line with each digit. Shade carefully the space with the same number as each digit.
 - (d) In the box marked *Subject Code*, write down the digits **103112** in the spaces on the left-hand side. Shade the corresponding numbered spaces in the same way as for your identification number.
 - (e) In the box marked *Sex*, shade the space marked **M** if you are **male**, or **F** if you are **female**.
3. If you have got a pre-printed answer sheet, check that the details are correctly printed, as described in 2 above. In the boxes marked *Identification Number*, *Subject Code* and *Sex*, **reshade** each of the shaded spaces.
4. An example is given below. This is for a **male** candidate, whose **name** is **Chukwuma Adekunle CIROMA**, whose **identification number** is **4251102068**, and who is offering **Commerce 1**.

THE WEST AFRICAN EXAMINATIONS COUNCIL

PRINT IN BLOCK LETTERS

Name: CIROMA CHUKWUMA ADEKUNLE Examination: W.A.S.S.C.E. Year: 2001 JUNE

Surname

Other Names

Subject:

COMMERCE

Paper: 1

IDENTIFICATION NUMBER	
4	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c
2	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c
5	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c
1	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c
1	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c
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2	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c
0	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c
6	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c
8	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c

SUBJECT CODE	
1	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c
0	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c
3	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c
1	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c
1	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c
2	c=0=c1=c2=c3=c4=c5=c6=c7=c8=c9=c

SEX	
Indicate your sex by shading the space marked M (for Male) or F (for Female) in this box:	
M	F

INSTRUCTIONS TO CANDIDATES

1. Use grade HB pencil throughout.
2. Answer each question by choosing one letter and shading it like this: [A] [B] [C]
3. Erase completely any answers you wish to change.
4. Leave extra spaces blank if the answer spaces provided are more than you need.
5. Do not make any markings across the heavy black marks at the right hand edge of your answer sheet.

For Supervisors only.

If candidate is absent shade this space:

Answer all the questions.

Each question is followed by four options lettered A to D. Find out the correct option for each question and shade in pencil on your answer sheet the answer space which bears the same letter as the option you have chosen. Give only one answer to each question. An example is given below.

What is the name given to the type of post in which the Post Office promises extra security?

- A. Express
- B. Surface
- C. Air Mail
- D. Registered

The correct answer is Registered which is lettered D and therefore answer space D would be shaded.

[A]

[B]

[C]



Think carefully before you shade the answer spaces; erase completely any answers you wish to change.

Do all rough work on this question paper.

Now answer the following questions.

1. Which of the following best describes commerce?
 - A. Buying and selling of goods and services
 - B. Buying, selling and distribution of goods and services
 - C. Preserving goods until they are needed
 - D. Making goods and services known to people

2. Those who are engaged in exploiting natural resources are in
 - A. extractive occupation.
 - B. constructive occupation.
 - C. commercial occupation.
 - D. manufacturing occupation.

3. Which of the following is classified under primary production?
- A. Cloth making
 - B. Shoe making
 - C. Coal mining
 - D. Road construction
4. The mark-up of a retailer represents the
- A. gross profit.
 - B. opening stock.
 - C. closing stock.
 - D. net profit.
5. The number of times the average stock of a business is sold within a given period is
- A. turnover.
 - B. rate of turnover.
 - C. sales return.
 - D. current ratio.
6. Branding is an aspect of marketing mix associated with
- A. price.
 - B. product.
 - C. place.
 - D. distribution.
7. Which of the following is **most** appropriate for a "Cash with Order" terms of sale?
- A. Proforma invoice
 - B. Credit note
 - C. Debit note
 - D. Consignment note

8. Which of the following businesses must have at least one member with unlimited liability?
- A. Limited liability company
 - B. Limited partnership
 - C. Nominal partnership
 - D. Public enterprise
9. Which of the following is a feature of sole proprietorship?
- A. Issue of shares
 - B. Limited liability
 - C. Limited capital
 - D. Legal entity
10. Which of the following is used to advertise the activities of a company?
- A. Memorandum of association
 - B. Articles of association
 - C. Certificate of incorporation
 - D. Prospectus
11. Which of the following requires a certificate of trading to start business?
- A. Partnership
 - B. Private Limited Company
 - C. Cooperative Society
 - D. Public Limited Company
12. A business firm which controls more than half of another firm's equity is a
- A. holding company.
 - B. consortium.
 - C. cartel.
 - D. syndicate.

13. Which of the following is an example of itinerant trading?

- A. Mobile shops
- B. Mail order business
- C. Stall holding
- D. Selling from kiosk

14. Which of the following is **not** an objective of ECOWAS?

- A. Expansion of trade
- B. Encouraging free movement of persons within member states
- C. Improvement of infrastructural facilities
- D. Promoting a common language

15. The expert who calculates premium for an insurance policy is

- A. an underwriter.
- B. an actuary.
- C. a broker.
- D. an assessor.

16. Which of the following means restoring the insured to the position he was just before the loss occurred?

- A. Indemnity
- B. Subrogation
- C. Proximate cause
- D. Utmost good faith

17. Which of the following is **not** a means of payment in foreign trade?

- A. Telegraphic transfer
- B. Cheque
- C. Letter of credit
- D. Bill of exchange

18. The act of keeping products in good condition until they are needed is
- A. insurance.
 - B. warehousing.
 - C. communication.
 - D. advertising.
19. A person who decides what to produce and combines the other factors of production is the
- A. entrepreneur.
 - B. distributor.
 - C. engineer.
 - D. retailer.
20. The authority given to a bank to make regular payments on behalf of a customer for a specific purpose is known as
- A. bank draft.
 - B. credit transfer.
 - C. standing order.
 - D. certified cheque.
21. A bundle of shares is called
- A. stock.
 - B. bonus issue.
 - C. debenture.
 - D. rights issue.
22. Agricultural cooperative banks are best classified under
- A. commercial banks.
 - B. savings banks.
 - C. merchant banks.
 - D. specialized banks.

23. Which of the following is a creditor legally bound to accept for settlement of a debt?
- A. Bank draft
 - B. Bank note
 - C. Money order
 - D. Cheque
24. All human effort geared towards the production of goods and services is
- A. entrepreneurship.
 - B. labour.
 - C. capital.
 - D. occupation.
25. Which of the following abbreviations indicates that the seller reserves the right to correct errors on the invoice?
- A. E. & O.E.
 - B. C.I.F.
 - C. C.O.D.
 - D. C.W.O.
26. A document from a seller which corrects an under-charge on a buyer's account is known as
- A. proforma invoice.
 - B. credit note.
 - C. debit note.
 - D. statement of account.
27. A price quotation that covers the cost of goods and all other expenses incurred in delivering the goods to the buyer is called
- A. CIF.
 - B. FAS.
 - C. Franco.
 - D. Loco.

28. An agent who takes possession of goods and sells in his own name is known as
- a broker.
 - a del credere agent.
 - an auctioneer.
 - a factor.
29. Which of the following is **not** a service rendered by the wholesaler to the manufacturer?
- Warehousing
 - Quality Control
 - Financing
 - Bulk-breaking
30. The extra commission for pledging full settlement of the purchase price of goods is given to a
- del credere agent.
 - factor.
 - broker.
 - jobber.
31. Which of the following is **not** used to correct an adverse balance of payment?
- Increasing imports
 - Increasing exports
 - Decreasing imports
 - Devaluation
32. When a bill is paid before its due date at a lesser value, it is
- accepted.
 - discounted.
 - dishonoured.
 - retired.
33. Which of the following is **not** a function of the Ports Authority?
- Ensuring safe movement of ships
 - Collecting import and export duties
 - Providing warehousing services
 - Ensuring law and order in the harbours

34. The portion of authorized capital made available to the public for subscription is
- A. called-up capital.
 - B. paid-up capital.
 - C. call in arrears.
 - D. issued capital.

Use the following information to answer Questions 35 to 37.

XY Ltd's stock as at 1st February, 1998 was ₦2,000 and as at 31st December was ₦4,000. It purchased goods worth ₦6,000 during the year and paid ₦1,000 for rent.

35. The average stock is

- A. ₦2,000.
- B. ₦3,000.
- C. ₦4,000.
- D. ₦6,000.

36. The cost of goods sold is

- A. ₦2,000.
- B. ₦4,000.
- C. ₦6,000.
- D. ₦8,000.

37. The rate of stock turnover is

- A. 1·3 times.
- B. 1·5 times.
- C. 2·0 times.
- D. 3·0 times.

38. A specially designed container to convey crude oil or liquid from one location to another is a

- A. launche.
- B. tanker.
- C. ferry.
- D. coaster.

39. Which of the following is **not** a marketing function?

- A. Advertising
- B. Insurance
- C. Packaging
- D. Transportation

40. Which of the following is **not** a feature of a department store?

- A. Located at the centre of a city
- B. Bulk buying
- C. Attractive layout
- D. Selling one line of goods

41. Which of the following is a function of a warehouse?

- A. Stabilizing prices
- B. Increasing competition
- C. Stimulating demand
- D. Controlling quality

42. The term “ $2\frac{1}{2}\% 30$ days” refers to

- A. mark-up.
- B. trade discount.
- C. cash discount.
- D. value added tax.

43. The turnover of a company will improve if the company increases

- A. advertising.
- B. prices of goods.
- C. production.
- D. warehousing facilities.

44. An association of businessmen including manufacturers, traders, bankers and people engaged in business in an area is known as

- A. trade association.
- B. chamber of commerce.
- C. trade union.
- D. cooperative society.

45. Product, pricing distribution and promotion are elements of
- marketing mix.
 - marketing research.
 - sales promotion.
 - product orientation.
46. The greatest advantage of air transport over all other means of transport is its
- comfort.
 - safety.
 - speed.
 - flexibility.
47. The exchange of goods for goods in foreign trade is known as
- visible trade.
 - smuggling.
 - counter trade.
 - entrepôt trade.
48. A speculator on the stock exchange market who sells securities for fear of a fall in their prices is called
- a bull.
 - a bear.
 - a stag.
 - an underwriter.
49. The law by which the seller transfers the property in goods to the buyer at an agreed price is the
- Hire Purchase Act.
 - Trade Description Act.
 - Foods and Drugs Act.
 - Sale of Goods Act.
50. Which of the following is a means of payment to persons abroad through the post office?
- Postal order
 - Cheque
 - Bank draft
 - Telegraphic money order

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