

UMMUL-QURA HIGH SCHOOL
AROWONA BUS-STOP, AKANRAN ROAD, IBADAN

2020/2021 THIRD TERM EXAMINATION

CLASS: SSS 2

SUBJECT: COMMERCE

TIME: 2hour : 30 mins

Section A: Objective

1. The internal regulation of a limited company are stated in the
(A) memorandum of association
(B) article of association
(C) certificate of incorporation
(D) share certificate
2. Which of the following is not an example of marine insurance?
(A) Fidelity
(B) Hull
(C) Cargo
(D) Freight
3. Which of the following is not a function of commercial bank?
(A) collection of deposit
(B) safe custody service
(C) issuing of currency
(D) agents of payment
4. The post office service that allows a traveller without a fixed address to collect his letter is known as
(A) poste restante
(B) recorded delivery
(C) speed post
(D) express service.
5. A company whose shares are not easily transferred is
(A) Private limited company
(B) Public limited company
(C) Public corporation
(D) Company limited by guarantee
6. Which of the following is the fastest way of sending important documents through the post?
(A) registered mail
(B) parcel post
(C) letter post
(D) express mail
7. The enterprises whose main objective is to provide the public with essential services is known as
(A) cooperative society
(B) partnership
(C) private company
(D) public corporation
8. In which of the following organisation are members entitled to one vote irrespective of the number of share held?
(A) Partnership
(B) Public corporation
(C) Limited company
(D) cooperative society
9. The work of actuaries is to
(A) underwrite insurance risk
(B) calculate insurance premium
(C) settle insurance claim
(D) assess profit for insurance companies
10. The cooperative society that performs a combination of the function of other types of cooperative is called
(A) consumer cooperative
(B) multipurpose cooperative

- (C) producer cooperative
 - (D) thrift and credit cooperative
11. A document issues to the public by company to advertise it's shares is known as
 - (A) prospectus
 - (B) tender
 - (C) share certificate
 - (D) trading certificate
 12. An overdraft is the
 - (A) amount permitted to be withdrawn in excess of one's deposit
 - (B) excessive cash withdrawn by commercial banks from the Central Bank
 - (C) credit balance standing in the name of customers
 - (D) special deposit made by commercial banks
 13. Which of the following is not a principle of insurance
 - (A) insurable interest
 - (B) subrogation
 - (C) surrender value
 - (D) proximate cause
 14. Those who are engaged with distribution of goods belong to
 - (A) commercial occupation
 - (B) extractive industry
 - (C) manufacturing industry
 - (D) constructive industry
 15. An efficiency transport system enables a trader to
 - (A) widen the market for his products
 - (B) avoid customs examination of good
 - (C) adopt better price policy
 - (D) reduce cost of production
 16. The monetary instrument used by the Central Bank to buy and sell treasury bill is known as
 - (A) open market operation
 - (B) bank rate
 - (C) cash reserve ratio
 - (D) special deposit
 17. Bonded warehouse is place where
 - (A) duty free golds are kept
 - (B) perishable golds are kept
 - (C) home made goods are kept
 - (D) dutiable goods are kept
 18. The documents issued by the registrar of company to commence business is
 - (A) memorandum of association
 - (B) certificate of incorporation
 - (C) articles of association
 - (D) trading certificate
 19. One of the principles of insurance is
 - (A) consequential loss
 - (B) fidelity guarantee
 - (C) proximate cause
 - (D) surrender value
 20. A written instruction by a current account holder to his bank to debit his account at regular interval with a specified amount for a given period is known as
 - (A) standing order
 - (B) money order
 - (C) bankdraft
 - (D) overdraft
 21. The function of credit and thrift society does not include
 - (A) charging low interest rate on loan
 - (B) providing savings facilities
 - (C) encouraging mutual cooperative of members
 - (D) providing security for members property
 22. An insurance principles that prevents a person from insuring what he does not stand to loss financially if the insured risk occurs is
 - (A) indemnity
 - (B) insurable interest
 - (C) proximate cause

- (D) subrogation
23. Voyage policy insurance is associated with
- (A) fire
 - (B) life
 - (C) marine
 - (D) burglary
24. An insurance policy that covers the body of the ship only is called
- (A) haulage insurance
 - (B) voyage insurance
 - (C) hull insurance
 - (D) cargo insurance
25. Advertising efforts geared towards a particular audience is known as
- (A) mass advertising
 - (B) direct advertising
 - (C) persuasive advertising
 - (D) indirect advertising
26. Public enterprises are financing mainly by
- (A) the shareholders
 - (B) commercial bank
 - (C) government grants
 - (D) mortgage banks
27. The auxiliary to trade which ensures that people have access to information pertaining to goods is
- (A) insurance
 - (B) advertising
 - (C) warehouse
 - (D) banking
28. The insurance principles of indemnity does not apply to
- (A) fire insurance
 - (B) life assurance
 - (C) burglary insurance
 - (D) marine insurance
29. In a hire purchase contract, the customer become the legal owner of the goods by
- (A) paying the last installment
 - (B) paying the first installment
 - (C) taking possession of goods
 - (D) paying half of the purchase price
30. An insurance principles which prevents an insured from making profit when compensated is known as
- (A) proximate cause
 - (B) indemnity
 - (C) contribution
 - (D) utmost good faith
31. An individual or company that engages in the transportation of any type of goods for a free is called a
- (A) common carrier
 - (B) hawker
 - (C) porter
 - (D) clearing agent
32. The term utmost good faith in insurance means
- (A) both the insured and insurer must disclose all information
 - (B) only the insurer must disclose all information
 - (C) the beneficiary must disclose all information
 - (D) only the insured must disclose all information
33. A cheque made payable to a named person is
- (A) crossed cheque
 - (B) a certified cheque
 - (C) an order cheque
 - (D) a confirmed cheque
34. A private limited liability company differ from a public limited liability company because, it
- (A) does not issue it's shares to the public
 - (B) as a separate entity
 - (C) has many directors
 - (D) is a going concern

35. A house insured against damage by flood was burnt down and the owner had no claim. Which of the following principles prevented him from making claim?
- (A) Indemnity
 - (B) Contribution
 - (C) Insurable interest
 - (D) Proximate cause
36. Which of the following is a reason for the failure of public cooperation?
- (A) legal requirements
 - (B) Inadequate funding
 - (C) Political stability
 - (D) Lack of competition
37. The factor that is not considered when determining the means of transport suitable for cargo is
- (A) size
 - (B) weight
 - (C) manufacturer
 - (D) perishability
38. Which of the following is a document of title to goods?
- (A) bill of exchange
 - (B) bill of entry
 - (C) letter of hypothecation
 - (D) bill lading
39. The fee paid for transporting goods by ship is
- (A) fare
 - (B) freight
 - (C) demurrage
 - (D) charges
40. Where a number of insurance companies are liable under one policy, the principles applicable is
- (A) subrogation
 - (B) contribution
 - (C) utmost good faith
 - (D) indemnity
41. Another term for a dishonoured cheque is
- (A) an order cheque
 - (B) a bounced cheque
 - (C) a bearer cheque
 - (D) an open cheque
42. Which of the following is an example of life assurance?
- (A) third party policy
 - (B) fidelity guarantee policy
 - (C) comprehensive policy
 - (D) endowment policy
43. Fidelity guarantee insurance is a cover against loss arising from
- (A) Trade debt
 - (B) Fire disaster
 - (C) Dishonest staff
 - (D) Personal accident
44. A business which becomes insolvent may result in
- (A) continuity
 - (B) expansion
 - (C) liquidation
 - (D) re-incorporation
45. A memorandum of association is a document
- (A) defining a company relationship with the public
 - (B) inviting the public to buy a company's shares
 - (C) governing the affairs of the partnership
 - (D) regulating a company's internal affairs
46. The advertising medium that makes only audio impression is
- (A) cinema
 - (B) radio
 - (C) television
 - (D) hoardings

47. Which of the following business relies on government subvention for it's operation?

- (A) Public corporation
- (B) Public limited company
- (C) Cooperative society
- (D) Private limited company

48. Balance of payment deficits may be caused by

- (A) revaluation of currency
- (B) sales of foreign reserves
- (C) unrestricted exports
- (D) unrestricted import

49. A person authorized to sell the property of a company in a winding up is

- (A) an auctioneer
- (B) an agent
- (C) a liquidator
- (D) a bailee

50. A business which requires a certificate of trading in order to commence operation is a

- (A) cooperative society
- (B) private company
- (C) sole proprietorship
- (D) public company

Section B : Theory

Instruction : Answer any five (5) questions from this section.

1a. Explain three (3) roles of transport to business.

b. State three (3) characteristics of both tramp vessel and ocean liners.

2a. List and explain four (4) types of warehouse.

b. State three (3) ways in which a bonded warehouse may be useful in international trade.

3a. List and discuss four (4) major career available to commercial students.

b. List four (4) requirements for engaging in commercial occupation.

4a. State four (4) steps that can be taken by a customer opening a current account.

b. State and explain four (4) functions of commercial bank.

5a. State and explain four (4) ways by which the Central Bank regulates the activities of commercial bank.

b. Explain four (4) function of Central Park.

6a. Write short notes on the following :

- i. Hull insurance
- ii. Fidelity guarantee insurance
- iii. Underwriter
- iv. Insurance premium

b. State and explain four (4) insurance principles.