

UMMUL QURA HIGH SCHOOL

Arowona Bus-stop, Amuloko Area, Akanran Road, Ibadan.

2020/2021 SSS3 MOCK EXAMINATION

Subject: **Commerce**

Class: **SSS3**

Duration: **3hrs**

Objective Test

1. The scope of commerce is limited to
 - A. home and foreign trade
 - B. wholesale and retail trade
 - C. trade and aids to trade
 - D. wholesale and entrepot trade
2. A worker who process garri is engaged in
 - A. extracting
 - B. manufacturing
 - C. exchange
 - D. constructing
3. Which of the following is not a commercial occupation?
 - A. Transportation
 - B. Warehousing
 - C. Banking
 - D. Fishing
4. Industry is a branch of production because it
 - A. is a decision of commerce
 - B. increases utility of goods
 - C. involves the use of machines
 - D. deals with durable goods
5. When a public company receives the certificate of incorporation, this implies that
 - A. it can go ahead and start a business
 - B. it can no longer sue or be sued
 - C. the company find it difficult to raise capital
 - D. the company's assets exist separately from those of its members
6. The main features of a holding company is
 - A. that resources are used for the interest of the community
 - B. accepting responsibility beyond the aims of private enterprises
 - C. that it has financial control over other companies
 - D. that it has profit sharing scheme for employees
7. When a member of thrift societies come together and are registered, they become
 - A. holding company
 - B. credit union
 - C. trade union
 - D. consumer association
8. Which of the following would not be stated in a Memorandum of Association
 - A. name clause
 - B. registered office

- C. object clause
 - D. right of shareholders
9. The greatest risk in a business venture is borne by the
 - A. trade creditors
 - B. employees
 - C. trader debtors
 - D. entrepreneurs
 10. A partner with an unlimited liability is known as
 - A. Dormant partner
 - B. Nominal partner
 - C. General partner
 - D. Active partner
 11. A partnership without a deed shares profit and loss
 - A. in the ratio of partners capital
 - B. equally among the partners
 - C. proportion of patronage
 - D. proportion to assets introduced
 12. The total amount of money actually received by a company out of the issues capital is
 - A. paid up capital
 - B. unissued capital
 - C. reserved capital
 - D. called up capital
 13. If the turnover of a business is #16,000 and the cost of goods sold is #12,000, what is the percentage of gross profit on sales?
 - A. 70%
 - B. 40%
 - C. 33.3%
 - D. 25%
 14. In which of the following do shareholders always rate according to their shareholding
 - A. partnership
 - B. cooperative society
 - C. public limited company
 - D. public corporation
 15. A public company has an authorized capital of 60,000 shares. A share costs 150k and the company has issued 36,000 shares. The capital would be
 - A. #90,000
 - B. #60,000
 - C. #54,000
 - D. #36,000
 16. The rate of turnover of a company in a given year is 4 times while the average stock is #12,000. What is the cost of goods sold of the company?
 - A. #49,600
 - B. #24,800
 - C. #6,200
 - D. #3,100
 17. Which of the following is the best channel for the sales of an aircraft?
 - A. producer - wholesaler - consumer
 - B. producer - retailer - consumer
 - C. producer - consumer
 - D. producer - wholesaler - retailer - consumer
 18. Which of the following is an advantage of large scale retailer?
 - A. decline in personal services
 - B. pilfering
 - C. high overheads cost
 - D. one stop shopping
 19. Which of the following is not a function of retailer?
 - A. buying in bulk and warehousing

- B. buying and selling in bits to consumer
 - C. advising consumer on the right of goods
 - D. granting credit to customers
20. The refund made on goods re-export after being imported is known as
- A. import duties
 - B. export duties
 - C. excise draw book
 - D. customer draw back
21. which of the following requires the service of middlemen?
- A. technical goods
 - B. expensive
 - C. convenience goods
 - D. perishable goods
22. Entrepot trade means
- A. exchange of goods between two countries
 - B. exchange of goods among countries
 - C. exporting goods to be re-imported
 - D. imported goods to be re-export
23. To sell a bill at less than the face value before its maturity is
- A. discounting
 - B. retiring
 - C. accepting
 - D. netting
24. Which of the following tells the customers exactly what have been sold to him, the amount due and any discount granted?
- A. advice note
 - B. statement
 - C. invoice
 - D. credit note
25. Which of the following documents is required when a bill of lading is not readily available to enable the food to be landed?
- A. bill of exchange
 - B. certificate of origin
 - C. consumer invoice
 - D. bill of sight
26. Total assets minus current liabilities is equal to a company's
- A. gross profit
 - B. net profit
 - C. capital aimed
 - D. capital employed
27. A public limited liability company can enter into contracts because it
- A. has many employees
 - B. has shareholders
 - C. is a legal entity
 - D. is allowed to take out debentures
28. Taxes imposed on locally made goods are known as
- A. valorem duties
 - B. import duties
 - C. export drawbacks
 - D. exercise duties
29. Which of the following is used to inform the buyer that goods ordered is on the way?
- A. quotation
 - B. proforma invoice
 - C. advice note
 - D. dispatch book
30. Quantity discount is offered to persuade the buyer to
- A. pay promptly
 - B. defer payment

- C. pay a deposit
 - D. buy more
31. Which of the following contains the complete information on goods available for sales?
- A. invoice
 - B. delivery note
 - C. consignment note
 - D. catalogue
32. The process of dealing with a cheque once it has been paid into the creditor bank is
- A. clearing
 - B. accepting
 - C. negotiating
 - D. discounting
33. Selling of new share to current shareholders at price below the market value of the existing share is
- A. bonus issue
 - B. right issue
 - C. private placing
 - D. offer for sales
34. Which of the following type of insurance is taken against claim made by staff who get injured while at work?
- A. fidelity guarantee insurance
 - B. consequential loss insurance
 - C. products liability insurance
 - D. employers liability insurance
35. If the insured has been fully indemnified, the insurance is entitled to take away any advantage due to the insured. The principle of insurance involved is a
- A. indemnity
 - B. subrogation
 - C. contribution
 - D. insurable interest
36. Who among the following sells securities in anticipation of a fall in price?
- A. bear
 - B. stag
 - C. jobber
 - D. bull
37. Which of the following provides a proof of posting and that the items have got to the addresses?
- A. certificate of posting
 - B. recorded delivery
 - C. registered letter
 - D. express letter
38. A transporter who does not reject carrying lawful goods to a destination is
- A. tramp vessel
 - B. ocean liner
 - C. common carrier
 - D. private carrier
39. One disadvantage of rail transportation is
- A. suitability for fragile goods
 - B. absence of pilferage
 - C. vulnerability to severe weather
 - D. flexibility
40. Which of the following does not belong to the group?
- A. poster
 - B. window display
 - C. free sample
 - D. hoarding of goods
41. A retailer sells his products at "buy-two-take-three". The sales promotion method referred to as

- A. free sample
 - B. gift
 - C. premium
 - D. trade discount
42. When all producers in an industry combine to advertise their products instead of each firm advertising its own brand. This is referred to as
- A. mass advertising
 - B. competitive advertising
 - C. persuasive advertising
 - D. direct advertising
43. It is often said that "The consumer is always right". This describes the doctrine of
- A. consumer movement
 - B. consumer sovereignty
 - C. caveat emptor
 - D. consensus ad idem
44. Activities undertaken to create awareness for a product by giving out samples, premium or conducting contest is known as
- A. marketing mix
 - B. marketing concept
 - C. consumerism
 - D. sales promotion
45. Market skimming is an example of
- A. pricing policy
 - B. sales promotion
 - C. advertising
 - D. consumerism
46. A void contract is one that
- A. is enforceable
 - B. has no maturity
 - C. has no legal effects
 - D. is discharged
47. Which of the following is not concerned about consumer protection?
- A. Food and Drug Act
 - B. Trade Description Act
 - C. Price Control Act
 - D. General Agreement on Tariffs and Trade
48. In a law of contract, what is given in exchange for a promise to perform is
- A. offer
 - B. acceptance
 - C. consideration
 - D. warranty
49. The taking over by the government an enterprise formally owned by private persons is referred to as
- A. privatization
 - B. nationalization
 - C. commercialization
 - D. indigenization
50. Which of the following has one of its objectives the removal of obstacles to movement of people and goods across the boundaries of member countries?
- A. OAU
 - B. ECOWAS
 - C. OPEC
 - D. LCBC

SECTION B: THEORY

Answer five (5) questions only

1a. State the difference between an ordinary invoice and a proforma invoice.

b. Explain the following terms used in connection with an invoice

- i. 5% trade discount,
- ii. Net 3 months,
- iii. E. &O. E
- iv. Carriage forward
- v. 21% cash discount.

2a. Give four (4) arguments for and three (3) arguments against advertising.

b. List six (6) advertising media used by business organization in West Africa.

3a. Assumed that you are retail trader and want to open a current account with a branch of a commercial bank. Write out four (4) steps to be taken in opening the account.

b. State six (6) services provided by a commercial bank.

4. Distinguish between the following pairs of terms used in insurance

- i. Third party and Comprehensive police,
- ii. Whole life and Endowment policy,
- iii. Insurance and Assurance
- iv. Premium and compensation

5. Write short notes on each of the following :

- i. Small store,
- ii. Mobile shop,
- iii. Tied shop,
- iv. Supermarket,
- v. Peddling.

6a. Explain four (4) roles of transport to business.

b. State three (3) characteristics of tramp vessel and two (2) characteristics of ocean liner.

7. The following is a summary of the assets and liabilities of Odika enterprises for the year ended 31st December, 2000.

.	#
Premises.	75,000
Motor vehicle.	60,000
Fixtures and fittings.	60,000
Machinery.	65,000
Warehouse.	18,000
Stock.	20,000
Prepayment.	10,000
Accrued expenses.	12,000
Cash in hand.	8,000
Cash at bank.	6,000
Bank overdraft.	3,500
Creditors.	5,000
Debtors.	6,000

a. From the above figures, calculate the following, showing all working

- i. Capital owned,
- ii. Fixed assets,
- iii. Working capital.

b. List five (5) sources of capital available to a public limited company.

8a. Give five (5) reasons why a manufacturer may brand his products.

b. State five (5) advantages of packaging.

9a. What is marketing?

b. Explain four (4) way by which marketing is important to the economy.

c. State five (5) functions of of marketing.

10a. Define marketing concept.

b. Explain the four (4) elements of the marketing mix.