Commerce

1994 - 2004

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Past

Questions

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Commerce 1994

1. Commerce is defined as the study of how
   A. man utilizes the resources in his physical environment
   B. man produces, distributes and consumes his goods and services
   C. man buys, sells and distributes goods and services
   D. raw materials are changed into finished goods.

2. The type of activity which turns processed raw materials into consumer and industrial goods is described as
   A. extractive B. manufacturing
   C. constructive D. processing

3. The production process that combines two or more raw materials into one end product is
   A. conditioning B. blending
   C. merging D. synthesis.

4. A demonstration of social responsibility by a business is the payment of
   A. taxes to government
   B. dividends to shareholders
   C. interest on loans
   D. premium for insurance.

5. A distinguishing characteristic of a limited liability company is that it
   A. is a collection of many sole proprietors
   B. is a multiple partnership
   C. can sue and be sued
   D. has limited resources.

6. Which of the following takes place when firms producing at different stages in the same industry combine?
   A. Conglomeration B. Vertical integration
   C. Horizontal integration D. Cartel.

7. Which of the following groups is paid first when a firm liquidates?
   A. Perference shareholders.
   B. Debenture holders
   C. Ordinary shareholders.
   D. Cummulative preference shareholders.

8. Compulsory dissolution of a business can arise from
   A. an agreement by the owners
   B. a declaration by a court of law
   C. the termination of its life
   D. an unfavourable economic climate.

9. **Use the data below to answer questions 9 and 10.**

MBV Enterprises
Balance Sheet as at 31st December, 1992

Liabilities	**N**	**Assets**	**N**	**N**
Capital		**Fixed Assets**		
Balance as at		Fittings	9,200	
Jan. 1,1992	60,000	Vehicles	7, 500	16,700
Add Net Profit	5,250			
	65, 250			
Less Drawings	6, 600			
	58,650			
		Current Assets		
		Stock in hand	8,800	
		Debtors	15,500	
Current Liabilities		Cash at Bank	21,000	
Creditors	9,730	Cash in hand	6,380	51,680
	68,380			68,380

9. What is the circulating capital of the sole proprietor?
   A. N27, 380 B. N34, 980
   C. N36, 180 D. N51, 680

10. What is the working capital as at December 31, 1992?
   A. N65, 250 B. N60, 000
   C. N48, 650 D. N41, 950

11. A company earned a total revenue of N108 million with a total cost of N91 million in 1991. If it paid 45% tax on its gross profit for that year, determine its net profit.
   A. N24.65 million. B. N17.00 million.
   C. N9.35 million. D. N7.65 million.

12. What are fixtures and fittings in a balance sheet?
   A. Liquid capital B. Current assets
   C. Fixed assets D. Working capital

13. Government impose import duties for the following reasons EXCEPT
   A. to raise revenue for other services
   B. to act as as a retaliatory measure against other governments
   C. to discourage the redistribution of income at home
   D. to protect home industries from external competition.

14. Sole enterprise may flourish best in
   A. a mining business B. a retailing business
   C. an oil exploration business
   D. a car assembly business

15. The use of coin-operated machines to sell goods is a form of
   A. personal selling B. retailing
   C. wholesaling D. mail-order selling.

16. What is the major function of the wholesaler?
   A. Buying from small-scale producers and selling to exporters.

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B. Buying in bulk and selling in small quantities
C. Granting of credit facilities to retailers
D. Providing information to manufacturers on market situation.

17. The rate at which a country's exports exchange for its imports is called
A. balance of payments B. balance of trade
C. terms of payment D. terms of trade.

18. The different between the total payments for imports and the receipts from exports within a given period is referred to as
A. balance of payments B. balance of trade
C. comparative cost advantage D. comparative advantage

19. A *pro forma* invoice is *NOT* required when
A. quoting for the supply of goods
B. goods are sent on approval
C. dealing regularly with a customer
D. final prices are uncertain.

20. Which of the following statements is *TRUE* about sea transport?
A. All ships have specific routes to ply.
B. All ships must be insured at every journey
C. All ships are insured separately from the crew
D. All ships normally arrive at their destination with goods.

21. The postal organization which preceded in Nigerian Postal Service is
A. Post and Telecommunications
B. Post and Telephone
C. Post and Teleprinter D. Post and Telegraph.

22. Goods discharged from ships on which import duties have not been paid are kept in the
A. ordinary warehouse B. public warehouse
C. private warehouse D. bonded warehouse.

23. A sole proprietor insured his goods worth N200,000 for half the value.There was a fire incident in which goods valued at N80, 000 were destroyed. The value of compensation expected from the insurer is
A. N40,000 B. N80,000
C. N100,000 D. N200,000

24. One of the effects of the devaluation of the Naira is that the
A. goods that can be imported with the Naira have become cheaper
B. value of other currencies relative to the Naira have become cheaper
C. goods that can be exported from Nigeria have become costlier
D. imports that can be bought with the Naira have become costlier.

25. Drawing two parallel lines across a cheque means that is has to be paid into the account of the
A. payee B. drawer
C. drawee D. payer.

26. The financial institution established to boost Nigeria's trade with the rest of the world is called
A. Nigrian Deposit Insurance Corporation
B. Nigeria Economist Reconstruction Fund
C. Nigerian Industrial Development Bank
D. Nigerian Export-Import Bank.

27. Which of the following is both direct and indirect credit enterprises?
A. Co-operative and thrifts society.
B. Retail co-operative society.
C. Consumer co-operative society.
D. Wholesaler co-operative society.

28. The business in the stock exchange is characterized essentially by
A. dealing. B. brokerage
C. speculations D. transactions.

29. The Second-Tier Securities Market is
A. an apendage to the Nigerian Stock Exchange
B. a member of the Nigeria Stock Exchange
C. meant for the shares of the quoted private companies
D. a regulating arm of the Nigeria Stock Exchange

30. The elements of the marketing mix are
A. product, promotion, place and price.
B. personal selling, advertising and research.
C. promotion, production, place and price.
D. procurement, price, product and place.

31. Which of the following items has the shortest effect on the consumer?
A. Fashion. B. Innovation.C. Fad D. Attribute.

32. Which of the following is a form of sales promotion?
A. Advertising on radio. B. Offering free samples.
C. Distributing printed materials.
D. Advertising on Television.

33. One advantage of personal selling over all other elements of promotion is that
A. it can provide instant feedback
B. it is very cheap in terms of cost per contract
C. it does not need to use mass media
D. sales people are well trained.

34. Which of the following must be present in an agency by agreement?
A. Intentions. B. Will.
C. Consent. D. Authority.

35. An agreement to sell is distinguishable from a sale because in the former, the transfer of goods is
A. not anticipated. B. not discussed.
C. deferred. D. immediate.

36. Mr. Amusa says to Mr Bello 'I will sell you this hat for N30'. And Mr Bello replied 'I will pay N29'. The contract is
A. an offer and acceptance B. an implied contract.
C. a complete simple contract.
D. an offer but no acceptance.

37. Nationalization of an industry means that its ownership becomes that of
A. government. B. shareholders.
C. taxpayers. D. indigenes.

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38. The Comprehensive Import Supervision Scheme was set up by the federal government in order to
A. reverse Nigeria's unfavourable balance.
B. promote fair trade between Nigeria and other countries.
C. counteract all fraudulent business deals of Nigerians with other nationals.
D. ensure that imports into Nigeria are of the correct quality, value and quantity.

39. Which of the following has powers to order withdrawal of a particular food item from circulation?
A. Standards Organisation of Nigeria.
B. Federal High Courts in Nigeria.
C. Food and Drugs Department of the Federal Ministry of Health.
D. Local government health inspectors.

40. Which of the following maxims negates the principle of collective bargaining?
A. Individual employees have weak bargaining base.
B. Individual employees attain strength when they come together in a union.
C. Only members of the union can benefit from agreements negotiated by the union.
D. Collective bargaining covers the vast majority of employees, whether union members or not.

41. NACCIMA stands for
A. Nigerian-American Centre for Culture Industries, Mines and Arts
B. Nigerian Association for Culture, Civics, Industries, Minerals and Arts
C. National Agency for Culture, Civilization, Investments, Manufacturing and Agriculture
D. Nigerian Association of Chambers of Commerce, Industries, Mines and Agriculture.

42. For the establisment of a powerful consumers' association in Nigeria to exist, there must be
A. financial and moral support from the public.
B. honest and committed leadership.
C. allocation of goods from the producers.
D. freedom from external influence.

43. Which of the following is the most important business resources?
A. Money. B. Management
C. Materials D. Manpower.

44. The harmonious relationship among the various units in an organization is ensured through
A. co-ordination B. motivation
C. planning. D. leadership.

45. The principle of span of control stipulats that
A. an employee should report to only one superior
B. managers must demand accountability from their subordinates
C. resources have to be economized within the various divisions
D. the number of employees reporting to one superior should be kept to a workable maximum.

46. Which of the following makes other functions of business its appendages?
A. Production. B. Marketing.
C. Finance. D. Personnel.

47. The use of computers in modern banking industry is a reflection of
A. competitive development B. scientific development
C. economic development
D. technological development

48. When an oil exploring and mining company builds a health centre in one of the communities where it operates, such a company is
A. currying favour from local people
B. finding a way to spend excess profits
C. fulfilling part of its social responsibility
D. investing its idle funds.

49 The West African Clearing House became legally operational on
A. 1st July, 1976 B. 25th June, 1975
C. 14th March, 1975 D. 3rd May,1974

50. The Lake Chad Basin Commission was founded to enable member states.

A. expand the volume of water in the Lake for fishing activity
B. increase navigational activities on the lake
C. dam the lake for electricity and agricultural purposes.
D. co-ordinate their efforts in managing the use of the lake's resources.

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Commerce 1995

1. What are the factors with which commercial undertak ings can be distinguished?

I Size of the undertakings.II Profits generated.

III Forms of ownership.IV Location of the undertak ings.

A. I and II only. B. I and III only.
C. II and III only. D. III and IV only.

2. The development of commercial activities in Nigeria was facilitated largely by
A. a good transport system
B. the indigenization decree
C. a convenient medium of exchange.
D. a high level of production.

3. In which of the following sets of occupations can an industrial worker be found?

A. Extraction, commerce and construction
B. Manufacturing, extraction and banking.
C. Construction, quarrying and insurance.
D. Manufacturing, extraction and construction.

4. Construction activities include the building of houses and roads as well as
A. bricklaying B. shoemaking
C. blacksmithing D. car assembling.

5. If a partnership deed is silent on how profits are to be shared, partners share profits
A. in the ratio of the value of business secured by each partner for the partnership
B. in the ratio of partners' capital contributions
C. in an equal proportion, irrespective of partners' capital contributions
D. according to duties performed by each partner.

6. Which of the following information is contained in the Articles of Association of a limited liability company?
A. Rights and obligations of directors
B. Objectives of the company.
C. Amount of share capital.
D. Limitation of liability of shareholders.

7. The merger of two companies producing the same type of products is an example of
A. vertical integration B. horizontal integration
C. lateral merger D. an acquisition.

8. One of the implications of the incorporation of a company is that

A. it is more difficult for the company to raise loans
B. the company can sue but cannot be sued
C. the company's property becomes distinguished from that of its member
D. its members become liable for all the debts of the company.

9. The main advantage of a sole trader is the freedom to
A. employ anyone he likes
B. seek advice from any source C. take quick decisions
D. plough all the profits back into the business.

10. In the case of voluntary liquidation of a business, the receiver is appointed by the
A. creditors B. debtors
C. directors D. shareholders.

11. When a company uses more of loans than equity to finance its business, the company is said to be
A. bankrupt B. solvent
C. highly geared D. in a strong liquid position.

12. The nominal value of a share as specified in the Memoradium of Association and the share certificate is the
A. disconted value B. stock value
C. face value D. par value

13. A public limited company can raise long-term loans through
A. the capital market B. the money market
C. bank overdrafts D. discount houses.

14. Factoring is a trade debt term used when the agent buys all the trade debts of the
A. importers B. exporters
C. nations D. customers

15. The financial index which compares current assets directly with current liabilities is known as current
A. turnover B. capital
C. ratio D. balance

16. Rights issue means the
A. issue of shares to the directors of a company on favourable terms
B. issue of shares by a company only to the founders of the company
C. right of shareholders to vote on any issue
D. issue of shares to shareholders on favourable terms.

17. Profit that is expressed as a percentage of the cost of goods sold is referred to as
A. margin B. mark-up
C. gain percent D. gross profit.

18. Given:

	N
Opening stock	40,000
Purchases	115,000
Closing stock	60,000
Sales	250,000

What is the cost of goods sold?
A. N155,000 B. N95,000
C. N50,000 D. N30,000

19. In the channel of distribution, which of the following sets is entirely made up of middlemen?
A. Wholesalers, retailers and agents.
B. Manufacturers, consumers and retailers.
C. Wholesalers, agent and consumers.
D. Retailers, manufacturers and wholesalers.

20. Goods imported into a country for the purpose of re-exporting attracts a rebate known as
A. customs draw back B. export royalty
C. incentive D. export rebate.

21. Most foreign trade transactions are paid for through the use of
A. Central Bank cheques
B. bank drafts drawn by commercial banks on their foreign branches
C. irrevocable and confirmed letters of credit
D. letters of credit authenticated by the embassies of the respective countries.

22. RRF as a scheme introduced by the Central Bank of Nigeria means
A. Recording and Rediscounting Facility
B. Refinancing and Recording Facility
C. Refinancing and Rediscounting Facility
D. Refinancing and Reinvesting Facility.

23. Which of the following gives the correct order in which the listed documents are used?
A. Debit note, order, delivery note, invoice and state ment
B. Order, delivery note, invoice, debit note and state ment

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C. Statement, order, invoice, delivery note and state ment
D. Invoice, order, statement, debit note and delivery note.

24. Freight note is a document
A. used by government to transport goods from one country to another
B. issued by a shipping company giving details of charges
C. used for payment for imported goods.
D. given by an importer to pay for goods at a future period.

25. An invoice of N600 is marked 5% 1 month, 212% 3 months' and '1% 5 months'. If a customer pays in the second month of purchase, how much will he remit to the seller?
A. N570. 00 B. N585. 00
C. N594. 00 D. N600.00

26. Spot market goods are those which are available for
A. immediate delivery B. short-term delivery
C. long-term delivery D. end of year delivery

27. The main advantage of road transport is that it is
A. convenient and flexible B. cheap and direct
C. common and fast D. safe and available.

28. The practice by which an insurance company accepts a very large risk and later shares it with other insurance companies are called
A. subrogation B. contribution
C. re-insurance D. indemnity.

29. The insurance policy which provides full cover against all risks at sea is known as
A. Policy with Particular Average
B. Policy Free of Particular Average
C. Marine Freight Insurance
D. Marine Voyage Policy Insurance.

30. Berne Union is also known as
A. International Credit Union
B. International Documentary Credit Union
C. International Union of Credit and Investment Insurers
D. Export Credit Guarantee Scheme.

31. Which of the following sets of items was used for exchange in Nigeria before money was introduced?
A. Cowries, iron rods, brass rods and copper wires.
B. Iron rods, copper rods, manilla and cowries.
C. Cowries, manilla, brass rods and copper wires.
D. Copper wires, brass wires, cowries, and iron rods.

32. A major liability of a commercial bank arises from
A. customers' deposits B. loans and advances
C. overdrafts D. staff allowances.

33. A bank statement is a document
A. ordering a bank to pay on demand a stated sum of money
B. containing records of receipts, payments and balance on an account
C. used for paying money into a bank account
D. used for regular withdrawal of moeny from a savings account.

34. Which of the following is ***NOT*** a function of the stock exchange market?
A. Providing long-term loans to large scale enterprises.
B. Encouraging people to buy shares and thereby providing capital for investment.
C. Providing means of assessing the value of a firms' assets.
D. Enabling firms to wind-up quickly in times of difficulties.

35. The marketing approach by which a firm caries out a detailed analysis of itself, the consumers and its competitors is known as
A. market analysis B. marketing mix analysis
C. marketing opportunities analysis D. market survey.

36. The breaking down of a market into separate and identifiable elements each with its own special product requirements is known as market
A. differentiation B. Segmentation
C. penetration D. identification.

37. Taking a new product to a particular part of a country to test the reaction of consumers to the product is referred to as
A. sales promotion B. sampling
C. merchandizing D. advertising.

38. A manufacturer can make his product distinguishable from those of other competitors by
A. providing catalogues for his wholesalers
B. aggressive sales promotion
C. branding and packaging the product
D. selling the product at a much lower price.

39. Which of the following are forms of sales promotion?
A. Advertising, personal selling and publicity.
B. Advertising, market skimming and publicity.
C. Personal selling, packaging and publicity.
D. Advertising, packaging and publicity.

40. A disadvantage of personal selling is that it
A. increases a company's operating costs.
B. decreases a company's operating costs.
C. increases a company's number of customers
D. reduces a company's area of patronage.

41. Chinyere agreed to make a dress for Halima with September 20, 1995 as the delivery date. If the dress was not ready on that date, Halima could
A. sue Chinyere for damages
B. sue Chinyere for specific performance
C. seize another gown from Chinyere's shop
D. regard the contract between them as terminated.

42. Consumer sovereignty means that the consumer is
A. a citizen B. always independent
C. always wrong D. always right.

43. When an industry or company is nationalized, the state becomes
A. the majority shareholder
B. the minority shareholder C. the only shareholder
D. an equal shareholder with other individuals.

44. The Federal Government made efforts at rendering public enterprises more efficient and profit-oriented

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through the process of
A. privatization B. commercialization
C. indigenization D. nationalization

45. Which of the following organizations represents those who engage labour in Nigeria?
A. Nigerian Labour Congress
B. Nigerian Employers Consultative Association.
C. Manufacturers Association of Nigeria.
D. Nigerian Union of Local Government Employees.

46. The practice of assessing employees for payment or advancement according to their observed achievement is called
A. employee ranking B. merit rating
C. job grading D. employee evaluation.

47. Motivation is an essential element in management because it
A. leads to the improvement of staff welfare
B. encourages individuals to work towards achieving the organisation's objectives
C. reduces friction among employees in the process of achieving the organization's objectives
D. helps to eliminate industrial disharmony.

48. The direct authority of a superior over his surbordinate is known as
A. staff authority B. line authority
C. line and staff authority D. lateral authority

49. A firm's organisational structure would change if
A. one of the major partners dies
B. there is excessive competition
C. there is seasonal variation in demand
D. the scope of business operation changes.

50. The secretariat of the Niger Basin Commission is located at
A. Ouagadougou, Burkina Faso
B. Abuja, Nigeria
C. Niamey, Niger
D. Bamako, Mali

Commerce 1997

1. Which of the following are the components of commerce?
I Trading and advertising
II Warehousing and transportation
III Packaging and branding
IV Insurance and banking.
A. I and II B. I and III
C. I, II and IV D. II, III and IV

2. A royal charter was granted to the Royal Niger Company to do business in Nigeria in
A. December, 1888 B. May, 1887
C. July, 1886 D. August, 1885.

3. Transportation, retailing and wholesaling industries rely heavily on
A. banking B. insurance
C. manufacturing D. railway.

4. An example of indirect service is rendered by
A. civil servants B. family doctors
C. household servants D. entertainers.

5. The objectives of a business are determined by the
A. workers B. government
C. society D. promoters.

6. Partnerships are most suitable where
A. the partners are family friends
B. professional are involved
C. members can easily raise enough capital
D. government regulations are favourable.

Use the conversation below to answer questions 7 and 8.

MUSA: Taiwo, why you are in business?
TAIWO: To optimize profit, provide quality products and discharge my social responsibilities.What of you?
MUSA: I am in business to minimize cost, provide products at low prices and as you said, discharge my social responsibilities. What of you, Okon and Kalu?
OKON:I am in business to cater for the need of the consumers at all costs.
KALU:I am in business to make profit, provide quality products at reasonable prices and establish a good reputation for myself.

7. The businessman that may end up not discharging his social responsibility is
A. Musa B. Okon
C. Taiwo D. Kalu

8. The business with the best objectives is
A. Okon B. Taiwo
C. Kalu D. Musa

9. The business organization in which shareholders have equal votes is
A. sole proprietorship B. partnership
C. co-operative D. limited liability company.

10. The major objective of corporate mergers is to
A. minimize the effects of taxation
B. increase financial advantage
C. facilitate profit maximization
D. enhance economies of scale.

11. When it becomes necessary to liquidate a company, the first step to be taken is the appointment of
A. a receiver B. an auditor
C. an accountant D. a liquidator.

12. In which of the following circumstances is a court order

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NOT necessary for the winding up of a company?
A. Suspension of business for one year.
B. Special resolution of members.
C. Reduction in the number of members below the legal minimum.
D. Inability to pay its debts.

13. One type of investment that has a variable income is
A. debentures B. preferred shares
C. government bonds D. ordinary shares.

14. A term which indicate that a share is temporarily suspended is
A. ex-dividend B. cum-dividend
C. bond D. stock.

15. Leasing is the right to use assets for an agreed period in return for
A. profit B. interest
C. wages D. rents.

16. The form of business financing which involves pledging of a specific asset is
A. debenture B. mortgage
C. loan D. bond.

17. The total amount that a company is allowed to raise according to its memoradum of association is known as
A. issued capital B. authorized capital
C. called-up capital D. paid-up capital

18. A public limited liability company having a nominal capital made up of 200 000 ordinary shares of 50k each decided to issue 50% of it to the public
What is the authorized capital?
A. N40 000 B. N50 000
C. N100 000 D. N200 000

19. The turnover of a firm may be affected by
A. the demand for its product
B. the cost of its goods sold
C. its closing stock D. its net assets.

20. The cost of transporting goods to customers is called
A. carriage inward B. carriage forward
C. carriage paid D. carriage outward.

21. The main aim of selling directly to consumers by manufacturers is to
A. discourage the activities of middlemen
B. make contact with consumers
C. eliminate transportation cost
D. maximize the profit margin.

22. In foreign trade, document of title is known as
A. bill of lading, B. bill at sight
C. certificate of origin D. declaration form.

23. Excise duties are paid on goods that are
A. imported into the country
B. manufactured within the country
C. exported to other countries
D. kept in bonded warehouses.

24. Stevedores as a term in foreign trade means men who
A. inspect goods in ships B. import goods by ships
C. collect duties in ships D. load and unload ships

25. A close indent is an instruction to an agent to
A. order goods from a particular manufacturer
B. order goods from any manufacturer
C. sell goods to any firm
D. sell goods to a certain firm.

26. The basic distinction between cash discount and trade discount is that while trade discount is
A. for a period of 30 days, cash discount is for a period of 3 months
B. given by a wholesaler, cash discount is given by a bank
C. a reduction in the cataloque price of an article, cash discount is a reduction in the invoice value
D. a reduction in value of sales, cash discount is a reduction in price of goods.

27. The cost that arises from failure to load or unload a ship at the port within a stipulated period is known as
A. excess charges B. demurrage charges
C. premium charges D. trade charges.

28. The mode of transportation that is noted for ontime dependability and low cost per unit on goods carried is
A. pipeline B. air
C. rail D. road.

29. A person who undertakes any risk in insurance business is known as
A. a broker B. an underwriter
C. an insurer D. an actuary.

30. The main purpose of insurance is to
A. encourage business to survive and grow
B. ensure that facilities are available for operations
C. accept risks and extend credits to policy holders
D. spread individual losses over all covered participants.

31. Bank giro is a system where
A. Commercial banks can give loans to all customers
B. a central bank opens accounts for commercial banks
C. a customer uses a cheque to pay several bills
D. a customer closes his account by writing a cheque.

32. Commercial banks are referred to as departmental stores of banking because they
A. have many branches B. have many customers
C. are found in the cities D. offer many types of services.

33. A market where new shares are traded is known as
A. primary market B. stock exchange
C. secondary market D. money market.

34. When a firm speaks of stock appreciation, it refers to
A. changes in the value of its stock resulting from price movements
B. increase in the price of its shares quoted on the stock exchange
C. an unexpected increase in the demand for its stocks
D. the value of its stocks in the stock exchange.

35. The process of creating more market for a product is called
A. advertising B. marketing
C. promotion D. consumerism.

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36. When a vendor supplies newspapers from house to house and across the streets, the element of marketing mix involved is
A. product B. price
C. promotion D. place

37. The main advantage of using cinema as an advertising medium is that it is
A. cheap B. accurate
C. accessible D. informative.

38. When old customers stick to the old place to buy goods and services, it is known as
A. goodwill B. personal factor
C. window shopping D. patronage.

39. The most important piece of legislation governing business and commercial activities in Nigeria currently is the
A. Companies Decree, 1968
B. Trade Dispute Decree, 1976
C. Companies and Allied Matters Decree, 1990
D. Banks and Other Financial Institutions Decree, 1991.

40. One of the criteria for differentiating consumer markets from industrial ones is the
A. type of demand B. type of supply
C. nature of the services rendered
D. price of the goods.

41. The over-riding objective of the food and drug act in Nigeria is to prevent the
A. importation of food and drugs that can be locally manufactured
B. consumption of food and drugs not tested by the ministries of health
C. adulteration of food and drugs sold in the country
D. manufacturers of food and drugs from charging excessive prices.

42. The activities of consumers association in Nigeria have not been effective because
A. the consumers are too many
B. the government is not favourably disposed towards consumerism
C. there is poor enlightenment about consumer rights
D. the consumers have no medium for expressing their feelings.

43. The least of the advantages of indigenization is that
A. the standard of living of the indigenes is improved
B. the economy is controlled by the nationals
C. entrepreneural skill is developed
D. foreigners' domination is avoided.

44. The main objective of a trade association can best be described as promoting and protecting
A. the products B. common interest
C. the market D. customer's interest.

45. The management function of evaluating whether objectives are being achieved is
A. planning B. directing
C. organizing D. controlling.

46. In a business organization, the annual operation plan or budget is a form of
A. casual plan B. medium-term plan
C. long-term plan D. short-term plan.

47. A key advantage of delegation is that
A. workers are prepared for higher responsibilities
B. the manager has less work to do
C. the manager spends less time on planning
D. the organizing grows larger in size.

48. Social responsibility of business requires enterprises to
A. hold annual social parties for the public
B. draw their workers only from the immediate environment
C. address themselves to issues relating to the society.
D. set up social welfare centres in their areas of operation.

49. The existing system of governance and the administrative sub-divisions of a country which affect the operations of business in the country is described as
A. economic environment B. legal environment
C. political environment D. social environment.

50 Sudden technological changes can have the effect of making
A. a company's management style ineffective
B. a company's product obsolete
C. the control mechanism difficult to implement
D. the motivational factors in the company difficult to monitor.

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Commerce 1998

1. Which of the following contributed least to the evolution of commercial activities in Nigeria?
A. Development of banks
B. Development of transportation.
C. Development of traders' unions.
D. Development of currencies.

2. One of the factors which critically determines the choice of occupation is
A. training B. skill
C. aptitude D. interest.

3. Extractive industries may also be denominated as
A. direct industries B. servicing industries
C. primary industries D. indirect industries.

4. The primary objective of a business organization is to
A. cater for the needs of its owners
B. work towards making returns
C. assist the government to serve the citizens
D. improve the standard of living of its proprietors.

5. Services which are of absolute monopoly can best be provided by

A. private companies B. limited liability companies C. public companies
D. public enterprises.

6. One advantage the co-operative society has over the ordinary company is that the
A. latter pays tax while the former does not
B. former attracts more capital than the latter
C. membership of the former is usually more than that of the latter
D. former, unlike the latter, has limited liabilities.

Use the information below to answer questions 7 and 8

Mr Obi is a manager of Obi Agricultural Venture. He makes all the decisions and takes all profits from the business. He had agreed with Alhaji Musa (a farmer) to pool their resources together and expand their business. They invites Mr. Abayomi (a cotton grower) to join them. Mr Abayomi agreed on the condition that his liability in the new firm will be limited to his investment in it. They thus registered Obi, Musa & Abayomi Agricultural Ventures.

7. It can be deduced from the above that Obi Agricultural Ventures is a
A. sole proprietorship B. general partnership
C. limited partnership D. joint venture.

8. Which of the statements below is true of Mr Abayomi?
A. He can assign his shares to another without consent of other partners
B. He cannot take part in the management of the business.
C. His actions as a limited partner can bind the firm.
D. His death will authomatically dissolve the partnership.

9. A source of capital to private limited companies is shares issued to
A. the public B. selected persons
C. members of the Board of Directors
D. Dedicated members of staff.

10. Which of the following is an example of a conglomerate?
A. National Electric Power Authority
B. United Africa Company Nigeria Plc
C. The Nigerian Railway Corporation.
D. First Bank Nigeria Plc.

11. Which of the following statements is true of preferred stockholders?
A. They have no voting rights at annual general meetings
B. They have first claim to company assets before creditors
C. They have first claim to company assets after all debts have been settled.
D. They share dividends equally with common stockholders.

12. A provision in the charter of a company which gives holders of common stock the first option to purchase additional issues of the firms' common stock is the
A. pre emptive right B. shareholders right
C. ex-dividend right D. oversubscription right.

Use the information below to answer questions 13 and 14

SONU Enterprises
Balances Sheet as at 31/3/98

	N		N
Capital	6,000.00	Plant/Machinery	2,300.00
Net profit	2,000.00	Motor van	2,000.00
Drawings	(137.50)	Stock	1,250.00
Creditors	1,000.00	Debtors	480.00
Accruals	187.50	Bank	3,000.00
		Cash	20.00
	9,050.00		9,050.00

13. What is the current ratio?
A. 4:1 B. 4.5:1 C. 5:1 D. 25.5:1

14 What is the acid ratio?
A. 2.95:1 B. 4.25:1 C. 4.75:1 D. 5.55:1

15. The form of capital which is easily transferred into the form desired is known as
A. working capital B. liquid capital
C. circulating capital D. capital employed.

16. If a firm's turnover is N15,000 and the cost of goods sold is N10,000, what is the percentage of gross profit on sales?
A. 23.3% B. 33.3% C. 50.0% D. 66.6%

17. A machine which enables sales without the physical presence of a sales attendant is a
A. computer machine B. vending machine
C. telex machine D. fax machine

18. What document is required when a country imposes and valorem import duties on goods?
A. A mail transfer B. A shipping note
C. A bill of lading D. A consular invoice.

19. Entrepot trade is said to have taken place when goods are
A. held at the port pending payment of custom duty
B. sold in the ship under special regulation
C. imported and then re-exported
D. kept for further processing before sales.

20. When a price is quoted at F.O.B.it means that the price
A. excludes loading charges incurred in bringing the goods to the dock
B. excludes all necessary shipping charges payable for insurance
C. includes all charges payable on shipping a consignment to the port of destination
D. includes charges payable for loading goods onto the ship.

21. Emeka ordered goods for his retail shop. The manufacturer sells the goods at retail price of N500 but would give it to Emeka at N400. What kind of discount did he get?
A. Cash discount B. Trade discount
C. Quantity discount D. Seasonal discount

22. Nigerian Postal Services (NIPOST) facilitates commerce in all the following ways except through
A. cash on delivery service B. recorded delivery service C. express service D. free on board service.

23. The document with which a manufacturing enterprise releases stock of raw materials to the factory for production is called

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A. stock release form B. goods received note
C. store issues voucher D. materials release note.

24. The two main categories under which marine losses fall into are
A. particular loss and average loss
B. actual loss and general loss
C. total loss and partial loss
D. voyage policy loss and time policy loss.

25. Insurance companies operate on the principle of indemnity. This means that an insured person or firm collects
A. only half of the loss suffered
B. double the value of the loss suffered
C. the total sum of the premiums paid prior to the loss
D. damage claims equal to the loss suffered.

26. The most important difference between community banks and peoples' bank is that the
A. latter is owned solely by government while the former are not
B. former cater for rural dwellers while the latter caters for both rural and urban dwellers
C. former are service oriented while the latter is profit oriented
D. latter advances loans to the public while the former advance loans to rural dwellers only.

27. The assets, liabilities and general management of a distressed bank may be taken over by
A. International Bank for Reconstruction and Development
B. Nigerian Industrial Development Bank
C. Nigerian Deposit Insurance Corporation
D. Nigerian Bank for Commerce and Industry.

28. The type of securities that the stock exchange deals with are
A. warrants, currency notes, money orders and postal orders
B. cheques, bank drafts, warrants and promissory notes
C. bonds ivory, treasury bills, debentures and warrants
D. stocks, shares, bonds and warrants.

29. I. Companies must be registered as private limited liability companies
II. Companies must have less than 100 shareholders.
III. No shareholder may have more than 75% of issued share capital.
What of the above are reqirements for admission into the second-tier securities market?
A. I and II only B. I and III only
C. I, II and III D. II and III only.

30. An underlying principles in the marketing of goods is that firms should
A. train their personnel B. be consumer oriented
C. advertise the goods D. sell through outlets.

31. Product X was introduced into the market at N4.00 with its cost of production at N3.90 while competing products are selling at N4.50. What pricing policy are producers of X adopting?
A. Market skimming B. Market penetration
C. Product live promotion
D. Above the market pricing.

32. The oral presentation in a conversation with one or more prospective buyers for all purpose of making sales is
A. branding of goods B. personal selling
C. packaging D. publicity.

33. Personnel activities that promote the general image of an organisation are part of
A. advertising B. sales promotion
C. public relations D. business correspondence.

34. An agent must not make any secret profits in the performance of his duties but can only be rewarded by his principal through
A. remuneration and indemnity
B. payment of commission and salary
C. granting of business concessions
D. forwarding of business links.

35. Sabo and Gambo entered into a contract for the sale of two baskets of tomatoes belonging to Gambo before the date pf delivery and without any default by Gambo, the tomatoes were stolen.This is an example of termination of contract by
A. breach B. performance
C. fault D. frustration.

36. A minor is not permitted to enter into a valid contract because he
A. cannot pay the consideration
B. is too young to interprete the law
C. is young in the eye of the law
D. may not be able to write the contract.

37. A person who is cheated in a business transaction can seek legal remedy
A. even if the agreement is verbal and the amount involved is large
B. only if the business is a sole proprietorship whose owner is known
C. regardless of the form of business organization
D. only if the transaction is docmented in contract.

38. The most essential element of a product is the
A. price B. utility
C. design D. colour

39. Which of the following is a disadvantage of nationalization?
A. It promotes poor economic planning
B. The cost of services is not determined by market forces.
C. It may lead to rationalization or resources
D. The development of local skills and technologies is retarded.

40. An example of a consumer protection agency is the
A. Nigerian Bar Association
B. Nigerian Medical Association
C. Federal Environmental Protection
D. Manufacturers Association of Nigeria.

41. The body that organizes, promotes and participates in local and foreign trade fairs is the
A. Ministry of Commercial and Tourism

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B. Ministry of Finance C. Chambers of Commerce
D. Export Promotion Council.

42. The Continental West African Conference is a
A. group of aWest African countries trading in the same products
B. conference to foster unity among the West African countries
C. group of shipping lines operating on the same West African route
D. trust with shareholders from all West African countries.

43. The main function of thrift, credit and loans co-operative societies is to
A. educate their members
B. collect money from their members
C. disburse money to their members
D. raise investment finance among their members.

44. Management is described as
A. getting things done through people
B. implementation of business decisions
C. the number of levels in an organization
D. the people in authority in an organization

45. Under normal circumstance, a business enterprise can be ideally structured
A. by products, function or territories
B. around the personalities in the enterprise
C. on the rulling of the management
D. on the basis of an order from stockholders.

46. 

Which of the following sequences can best fit into the structure above?

A. People	control	ideas
B. Material	production	ideas
C. Finance	marketing	product.
D. Materia	production	product.

47. When a business enterprises provides free service to its environment, the services is said to be a
A. civic responsibility B. philanthropic
C. consideration D. social responsibility.

48. Inventory control is an aspect of
A. operations research B. materials management
C. the organizing functions D. span of control.

49. The reduction of import duties among the member countries of ECOWAS is an example of
A. preference duties B. preferential treatment
C. preference tariffs D. preferential excise

50. In a common market, member countries agree basically to
A. place bans on other countries' products
B. wage war against other countries
C. establish common barriers against countries outside the market
D. negotiate with countries outside the market for favourable terms of trade

Commerce 1999

1. The conversion of raw materials into finished products creates
A. marginal utility B. place utility
C. form utility D. time utility

2. Commerce makes it possible for man to live in a
A. complex and organized society
B. society characterized by subsistency
C. society characterized by dependency
D. simple and organized society.

Use the information below to answer questions 3 and 4.

Aboki Plc became insolvent and decided to wind up to meet the legitimate claims of its creditors. Babalawee was called in to manage the dissolution.

3. After paying the debts of Aboki Plc, the balance goes to
A. Aboki Plc B. Babalawee
C. shareholders D. creditors.

4. Babalawee is a
A. a claimant B. a manager
C. an assessor D. a receiver.

5. A common requirement for public and private limited companies in Nigeria is that
A. a shareholder cannot transfer his shares to some one else without permission from other shareholders
B. their annual accounts are made avaible to the corporate affairs commission
C. shares can be offrred for sale on the stock exchange
D. Shares can be offered for sales through an issuing house.

6. The primary motive behind an individual engaging in production is to
A. fully engage all the factors of production
B. make available goods and services
C. meet projected profits.
D. meet basic human needs.

7. Musa obtains wool from his sheep, spins and transforms it into cloth which he sells to consumers. This is a form of
A. vertical integration B. horizontal integration
C. forward integration D. backward integration.

8. A company has an authorized capital of 40 million at N1 per share, out of which 32 million shares have been issued and fully paid-up.The remaining 8 million shares have
A. been issued but have not been paid up
B. been applied for but not issued
C. not been paid-up D. not yet been issued.

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9. An abridged version of a company's income statement for 1993 contains the following information:

	N(million)
Turnover	286.5
Cost of goods sold	147.5
Overhead and other expenses	85.5
Taxes due for the year	26.9

What was the company's profit before taxes for 1993?

A. N26.9 million B. N53.5 million
C. N139.2 million D. N286.5 million

10. A business whose owners enjoy loan facilities on the basis of personal goodwill is a

A. commercial bank B. thrift society
C. co-operative society D. community bank

11. Which of the following is not a veritable source of funds to a public limited liability company?

A. Government financial grants
B. Advances and loans from banks.
C. Internally generated funds.
D. Funds from the sale of shares.

Use the document below to answer questions 12 and 13.

N200,000.00 Liverpool, U.K, June 2, 1995

Three months after date, pay to or to the order of Mr. Okon Etim Esin

Two hundared thousand .....Naira
Payable at First Bank, Plc.

Lagos — Imo Edit Enoh
No 5Due Sept., 2 1995 — Liverpool.

12. Okon Etim Esin is the

A. debtor B. creditor C. exporter D. importer

13. The document represents a

A. bill of exchange B. cheque
C. money order D. promissory note

14. The term 5 Net 7' on an invoice means that

A. 5% discount will be allowed on the price charged if payment is made within seven days
B. 5% discount will be allowed on the price charged if payment is made after seven days
C. 5% surcharge will be made unless payment is made within seven days
D. 5% discount will be allowed on the price charged only if the goods are bought within seven days.

15. Kabir receives two quotations. Ade quotes N100 less 20% trade discount, while Benson quotes N100 less 30% trade discount and 10% cash discount. If Kabir wants to take advantage of trade and cash discount, then

A. the materials should be supplied by Ade
B. the materials should be supplied by both of them
C. the materials should be supplied by Benson
D. Benson should be asked to reduce his trade discount.

16 A company which issues a promissory note in lieu of payment for goods purchased

A. can refuse to pay on due date since it is only a promise.
B. is bound to redeem the not for cash on due date
C. is not bound to renew the note before payment
D. can return the goods purchased and refuse to pay.

17. Kamaldeen is a seller in a hire-purchase agreement with Emeka. By law, Kamaldeen cannot recover the hire purchased goods. This is an instance of a restriction on

A. Emeka's right to terminate the agreement
B. Kamaldeen's right to re-hire the goods
C. Emeka's right to breach the agreement
D. Kamaldeen's right to terminate the agreement.

18. The main documents sent to an importer of goods by the exporter are

A. invoice, consular invoice, certificate of origin, freight note, indent and insurance policy.
B. indent, bill of lading, certificate of origin, invoice and bill of exchange
C. certificate of origin, bill of exchange, invoice, insurance policy, indent and bill of lading
D. bill of lading, invoice, insurance policy, consular invoice, certificate of origin and bill of exchange.

19. The document that indicates instant payment of cash for goods whenever they are delivered is

A. credit note B. proforma invoice
C. debit note D. statement of account.

20. Which of the following documents permits an importer to inspect his goods before the arrival of the bill of lading?

A. Bill of sight B. Import invoice
C. Consular invoice D. Bill of exchange

21. The overriding advantage of home trade over foreign trade is

A. accessibility of seller to buyer
B. absence of many documents
C. ease in language of transaction
D. ease in form of payment.

22. A distinction between Comprehensive Insurance and Third Party Insurance is that the latter covers damages

A. caused by the insured vehicle
B. to the insured vehicle
C. caused by the other vehicle
D. to the driver of the insured vehicle.

23. The rate at which a central bank discounts first class bills is called the

A. fixed rate B. bill rate
C. bank rate D. interest rate

24. The principle of subrogation states that

A. an insured person should be indemnified to the tune of the amount insured
B. an insurance company can stand in place of the insured in dealing with third party
C. only a person who likely to suffer loss should take out an insurance cover

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D. there must be a close connection between the actual loss suffered and risk insured.

25. Tolu purchased goods from Yemisi and is to pay custom duties before collection. The goods are likely to be collected from
A. a manufacturer's warehouse
B. a bonded warehouse C. an importer's warehouse
D. a wholesaler's warehouse.

26. The three major functional units which the modern computer has are
A. the input, the processor and the output units
B. the black box, output and input units
C. BASIC, COBOL and output units.
D. BASIC, the processor and PASCAL.

27. I foreign investment. II Long-term lending III. Short-term lending IV. Foreign exchange reserve V. Short-term borrowing. Which combination of the above include capital account in international trade?
A. I, III and IV B. II, III and IV
C. II and V D. I and II

28. The elimination of faults in a computer program is called
A. console B. debug C. dump D. loop.

29. Aliyu bought 100 share at the stock market through a stockbroker. He was told the price of each share was N3 *cum. div* . This means that Aliyu
A. is entitled always to a cummulative dividend on the shares
B. is entitled to the next dividend accruing from the shares
C. will not be entitled to the next dividend due to the shares
D. still owes N3 on the shares which will be subtracted from the dividends.

30. The forum for the selling and buying of securities of small and medium companies is called
A. Second Tier Foreign Exchange Market
B. Foreign Exchange Market
C. Securities and Exchange Commission
D. Secon Tier Security Market.

31. A wholesale dealer in securities is known as
A. A stockbroker B. speculator
C. jobber D. stag

32. Modern business philosophy emphasizes
A. quality products B. customer satisfaction
C. sales volume D. public relations.

33. The main role of advertising is to
A. convince prospective buyers to buy
B. show the actual shape, form and colour of the products
C. inform people where to obtain goods and service.
D. capture the attention of people.

34. The concept of limiting the types, sizes and other characteristics of a product line without sacrificing utility or durability is called
A. simplification B. standardization
C. specialization D. satisfiying.

35. The focal point of all marketing efforts is the
A. seller B. profit
C. product D. buyer.

36. Adigun displays goods of different makes on shelves in his supermarket. This is an exmple of
A. invitation to treat B. offer to sell
C. offer to purchase D. invitation to sell.

37. The process of bringing a company under exclusive state ownership and control is known as
A. nationalization B. commercialization
C. indigenization D. privatization.

38. **Q** acting as the agent of **P**, lawfully and reasonably incurs the amount of N350 as expenses. If **Q** comes to **P** for payment, this is an instance of P's duty to
A. remunerate Q B. repay Q
C. indemnify Q D. settle Q

39. In a hire purchase agreement between Argungu Ltd and Maikudi, Argungun Ltd inserted the provision that it can enter Maikudi's premises at any time and remove the hired vehicle for any breach.This provision is
A. lawful to both B. unlawful to both
C. beneficial to both D. detrimental to both.

40. In every simple contract, the price which is paid to purchase a promise is called
A. offeree B. acceptance
C. consideration D. representation

41. One major disadvantage of a cartel is that it
A. maximizes productive efficiency
B. brings the merging firms under control
C. maximizes profits from operation
D. eliminates competition and waste.

42. Staff position in an organization borders on
A. authority B. advice
C. responsibility D. control.

43. The line function in a typical manufacturing enterprise is normally performed by the
A. public relations department
B. estate or properties department
C. marketing department
D. legal department.

44. I Money and machine II. Materials and money. III Market and I Man IV. Materials and Man.
Which combination of the above are basic requirements as business resources?
A. I and II B. II and III
C. I and IV D. II and IV.

45. Under what management function would the motivation of employees fall?
A. Staffing B. Controlling
C. Organizing D. Directing.

46. The main thrust of government policy of evolving good business environment in Nigeria is the need
A. to attract local and foreign investors
B. for more export commodities
C. for consumer oriented products
D. to have viable local markets.

47. Which of these sets of external environmental factors

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affect a business operation?
A. Competition, industry and product
B. Competition, labour and political
C. Political, cultural and labour
D. Economic, social and legal.

48. The right of the public to protection against question able products and marketing practices is
A. an economic aspect of the business
B. a social responsibility of the business
C. a legal aspect of the business
D. a political aspect of the business.

49. Which of the following group of countries are members of the Niger Basin Commission?
A. The Republic of Guinea, Burkina Faso and Nigeria
B. Ghana, Liberia and the Republic of Benin.
C. Mali, Liberia and Nigeria.
D. Ghana, Burkina Faso and Chad.

50. The proposed monetary integration within ECOWAS sub-region has the overriding benefit of
A. improved exchange B. enhanced trade
C. enhanced development D. improved relations.

Commerce 2000

1. Government policies relating to the establishment and operations of businessess are targeted at

A. even spread of facilities and employment
B. the general improvement of the economy
C. increasing the profits of business owners
D. Diversification and expansion of businesses.

2. The share capital value that forms part of the balance sheet total is the

A. issued share capital
B. called-up capital share capital
C. authorised share capital
D. paid-up share capital

3. Bank overdraft as a short term source of fund is

A. a current liability
B. granted to a newly opened account
C. repayable after more than a year
D. an overdrawn account

4. The measure of independence available to the individual buisness units that come together is the main difference between

A. vertical and horizontal integration
B. merges and acquisitions
C. trust and cartel
D. consortium and amalgamation

5. The major factors that facilitate merchadising are

A. communication, advertising and banking
B. Trading. Warehousing and production
C. Banking, insurance and transportation
D. Management, insurance and advertising

Use the information below to answer questions 6 and 7

Amina Enterprises
Balance Sheet as at 30/3/99

Liabilities	**N**	**Assets**	**N**
Share capital	400,000	Land	200,000
Reserve fund	200,000	Buildings	150, 000
Creditors	110,000	Machinery	200,000
Bills payable	50,000	Implements	20,000
Undistributed Profits	45,000	Office fittings	5,000
Wages due	5,000	Raw materials	100,000
		Finished goods	50,000
		Debtors	20,000
		Bills receivable	15,000
		Cash at bank	45,000
		Cash at hand	5,000

6. What is the total fixed capital?
A. N675,000 B. N575,000
C. N570,000 D. N550,000

7. Determine the circulating capital
A. N250,000 B. N245,000
C. N235,000 D. N225,000

8. The term PLC implies that the shares are availble
A. publicly on the stock exhange
B. privately on the stock exchnage
C. to the public at the comapny
D. publicly in commercial banks

9. The application of division of labour should generally bring about
A. increase in the variety of goods and services
B. increase in the quantity of goods and services
C. cheapness of goods and services
D. cost effiiciency in the production of goods and services

10. On liquidation of a public limited liability company, the residual owners are the
A. Creditors B. debenture holders
C. preference shareholders
D. ordinary share holders

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11. Prodcution involves
A. changing the form of goods, moving and making them available as needed
B. making goods available where and when needed
C. the manufacturing of goods and provisions of services
D. the assembling of all necessary parts to produce a finished product

12. Which of these is both merit and demerit in partnership?
A. The bearing of risk
B. Its unlimited nature
C. The number of partners
D. The withdrawal of a major partner

13. A printer that burns the print images onto the photosensitive drum is called
A. dot matrix printer B. laser printer
C. daisy wheel printer D. thermal printer

14. The insurance principle that requires full disclosure of information on the insured is known as
A. indemnify B. Caveat emptor
C. Subrogation D. uberimae fidei

15. A bank form used to transfer money from personal to creditor's account is called
A. credit transfer form B. debit transfer form
C. customer transfer form
D. bank transfer form

16. A console is a device used in
A. moving an indicator on the screen
B. forming charcters by hearing sensitive ribbon
C. holding magnetic tape reel
D. communicating between operator and program

17. The fucntion of a merchant wholesaler is to
A. buy in bulk, store and sell to retailers as desired
B. bring buyers and sellers together
C. Possess title to the good store and sell to retailers
D. find markets for producers

18. The computer using linear integrated circuit technology coupled with quantification of data in terms of length and distance is known as
A. digital computer B. hybrid computer
C. mainframe computer
D. Analogue computer

19. Ocean liners are subdivided into
A. cargo liners and tramp liners
B. coastal liners and cargo liners
C. passenger liners and cargo liners
D. passenger liners and tramp liners

20. The current trends in retailing competion in Nigeria are
A. self service, after sales service and branding strategies
B. branding, enterprising and differentiation of goods and services
C. advertising and sales promotion strategies
D. after sales services and sales promotion strategies

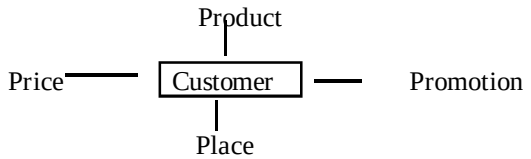
21. The main factors militating against the rapid growth of trade in Nigeria are
A. Inadequate transportation network and huge capital outlay
B. Lack of good transportation network and insecurity of investments
C. Lack of motivation and government attitude towards trade
D. Huge capital outlay and government attitude to trade

22. Mr. Olatunde took up a fire insurance on a property valued at N1000 and the amount insured is N800. The property caught fire causing a loss of N400. If the insurance was taken with the clause "with average' what is the amount to be paid by the insurance company
A. N560 B. N460
C. N420 D. N320

23. The Central Bank differs from commercial banks becasue it
A. renders services to customers
B. carries out foreign exchange transactions
C. issues currencies
D. discounts bills

24. Tourists with no fixed address in a town may receive their letters from the post office through a
A. post restante B. recorded delivery
C. parcel post D. postmaster

25. An invoice can be described as a
A. contractual agreemnt for the sale of goods
B. receipts containing necessary information about the goods
C. document specifying quantity, description, prices and total value of purchases
D. letter specifying the contractul sales of goods between two parties.

26. 

The chart above represents the
A. marketing mix relationship
B. product mix
C. promotion mix relationship
D. advertising mix relationship

27. The role of public relations is principally to
A. sustain good relationship

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B. advertise a firm's product
C. carry out publicity D. create good image

28. The pratice whereby soft drink manufacturers give away caps, bags and other items when consumers buy their product is a form of
A. Marketing Strategy B. publicity
C. Sales promotion D. Advertising

29. A group of specialized functions of marketing is
A. buying, selling, advertising and packaging
B. buying, selling, storing and information
C. buying, selling labelling and promotion
D. buying, selling, skimming and pricing

30. The major condition for obtaining loan in thrift credit and loans cooperative societies is
A. provision of collateral security
B. a high level of eductaion
C. an approved project plan
D. possession of a large business.

31. The type of advertising that seeks to persuade consumers to buy a particular product is
A. informative advertising
B. mass and sopecific advertising
C. Persuasive advertising
D. competitive advertising

32. The most important advantage of personal selling is that it
A. allows sellers to perceive buyer's needs
B. takes place easily on the highways
C. allows sellers to sell their goods quickly
D. takes place without the permission of governemnt

33. The stock exchange helps to provide capital for industrial projects becasue it
A. determnines value of shares, stocks and other securities
B. assists companies to change their securi ties into cash
C. assists goverment in implementing its monetary policies
D. renders agency servcives to organisations and governments

34. A form of money that has gone out of use is
A. commodity money B. bank money
C. paper money D. foreign money

35. A shortcoming of the second-tier foreign exchange market in Nigeria is that it
A. serves as a mechanism for evaluation an unrealistic exchange rate of the naira
B. contribute to flooding the market with foreign essential commondities
C. contributes to destablizing national re source
D. creates unhealthy competition amongst users of foreign exchnage

36. The instument establishing the Economic Community of West African state in 1975 is
A. a decree B. a treaty
C. an act D. a constitution

37. The composite functions of management are
a. planning, supervising, communication and directing
b. coordinating, supervising, staffing and communicating
c. planning, controlling, organising and directing
d. directing, supervising, motivating and controlling.

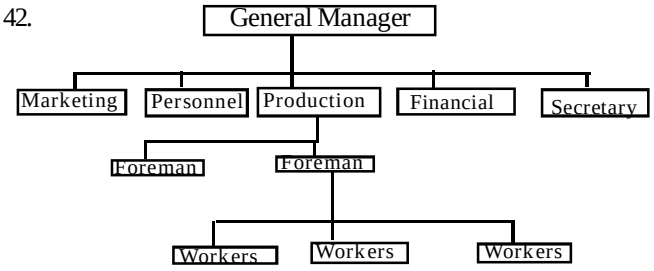
38. The three components of staffing are
a. recruitment, interview and appointment
b. recruitment, selection and placement
c. recruitment, test and placement
d. recruitment, procurement and appointment

39. The primary objective of a trade association is to
A. exchange information and negotiate as a pres sure group
B. establish easy link with government
C. undertake research work on behalf of members
D. Operates as a group against other groups

40. One of the functions of the Niger Basin Commission is to
A. ensure eqaul treatment of African Nations
B. map out regulations that will guide all forms of navigation
C. foster close co-operation among West African nations
D. guaranteed freedom of navigation for all West African nations

41. The legal aspect of business is designed to
A. protect infact industries from collapse
B. safeguard consumers from undue business practices
C. protect business organisation and consumers
D. encourage free exchange among businesses

42.



The organisational structure above represents
a. line and functional structure
b. functional structure
c. line and staff structured
d. line structure

43. An aspect of the law which allows an exclusive right for a limited number of years is a
A. patent B. trade mark
C. ratification D. copyright

44. The basis elements of a valid contract are
A. offer, acceptance, consideration and witness

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B. offer, acceptance, capacity, legality and consider ation
C. offer, acceptance, intention, capacity and legality
D. offer, intention, acceptance and legality

45. In an organisation, civic consideration arises from
A. its social negative impacts on the community
B. its operations within the environment
C. the profit derived from the environemnt
D. the fact that it is registered in that locality

46. The main difference between nationalization and indigenization in terms of
A. efficiency B. profit
C. Technology D. shareholding

47. After registration, a certificate of trading is usually issued to
A. Partnership B. Private
C. Public company D. Sole proprietorship

48. A bus driver operating between Lagos and Jos pledged the owner's credit in Benin in order to have the engine repaired and the bill sent to the owner. This is a case of
A. agency by necessity B. del credere agency
C. agency by ratifictaion D. agency by estsoppel

49. A chamber of commerce is any association made up of
A. merchants B. manufacturers
C. entrepreneurs D. importers

50. The first known legislation to protect consumer right in Nigeria is the
A. Usualy laws B. Sale of goods act.
C. Hire purchase act D. Food and drugs act.

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Commerce 2001

1. The pivot on which the wheel of commerce rotates is
A. tarriff B. trade
C. taxation D. price

2. A distinguishing characteristics of labour is that it is
A. constant B. expensive
C. mobile D. cheap

3. Land as a factor of production does not vary in
A. quantity B. nature
C. quality D. cost.

4. Whhich of the following services does a lawyer render?
A. industrial services B. direct services, C. indirect services
D. commercial services

5. The partner that only contributes part of the capital used in the formation and running of a business is known as
A. a passive partner B. an active partner
C. a dormant partner D. a nominal partner

6. One major advantage of a credit and thrift cooperatives is that
A. it can approach governemnt for a loan
B. it encourages saving habits
C. there are no legal restrictions
D. each member has a vote during meetings,

7. A form of ownership which exploits the strengths of one partners to remedy the weaknesses of the other is a
A. joint partnership B. cooperative
C. corporation D. joint venture.

8. At the collapse of a business enterprises, the person appointed to dispose of the assets is called
A. a broker B. an auctioneer
C. a liquidator D. an auditor

9. Entrusting the management of a comapny to the courts to enable the settlement of the company's oblilgations is an indication of
A. distress B. closure
C. bankrupcy D. liquidation

10. The financial instrument for borrowing in which collateral is usually more than the amount borrowed is
A. trust certificate B. detachable warrant
C. mortgage bond D. convertible securities

11. I. Personal saving
II. Retained Earnings
III Acrued Taxes

Which of the items above constitute internal sources of financing for companies

A. I & II B. I & III
C. II & III D. I, II & III

12. The difference between total current assets and total current liabilities of a business is known as
A. quick ratio B. liquidity ratiio
C. working capital D. circulating capital

Use the balance sheet below to answer questions 13 and 14.

Mama Trading Company

	N		N
Liabilities		**Aseets**	
Capital	**140**	**Fixed**	**1000**
Opening capital	**350**	**Current**	
Add Net profit	**80**	**Debt**	**200**
Curent liabilities	**800**	**Bank**	**70**
		Cash	**50**
	1,370		**1,370**

13. The capital employed is
A. N1,000 B. N1,370
C. N140 D. N50

14. The capital owned is
A. N2,740 B. N1,350
C. N1,150 D. N570

15. One of the reasons why wholesaling must continue is that
A. the tax paid by wholesalers on their profit enhances national revenue
B. by creating artificial scarcity, the wholesaler is enhancing competion in the economy,
C. the wholesaler provides technical advice to the retailer
D. the gap between manufacturers and retailer is reduced by wholesalers

16. A merchant wholesaler is referred to as:
A. del-credere agent B. a broker,
C. rack jobber D. a factor

17. A proforma invoice is sent to inform a buyer about the :
A. quantity of goods B. prices of goods,
C. designation of goods D. quality of goods

18. The balance of payments of countries is
A. a record of imports and exports
B. a systematic record of transactions among countries at a given time
C. the current and the capital accounts and their payments
D. the trade relationships and payments among nations

19. The major procedures in the purchase and sale of goods are enquiry
A. quotation, order and invoice
B. placement order and invoice
C. bargain, order and invoice
D. order, sale and invoice.

Use the information below to answer questions 20 and 12

Mr. Awala is a retailer of a single product. He sells at the standard price. He gives a trade discount of 5%, quantity discount of 3% for a volume above 1000 units and a cash discount of 2/10 net 30. The existing selling price of the product is N100 per unit. Mr. Bacus purchased 1,500 units of the product on credit and promised to pay Mr. Awala in cash in the first 10 days after purchase.

20. The trade discount receivebale by Mr. Bacus is:
A. N4,500 B. N7,500
C. N10,500 D. N12,000

21. If Mr. Bacus fulfil his promise, he will be entitled to a cash discount of
A. N2,760 B. N3,000
C. N6,500 D. N9,500

22. Bank Giro is a method of settling debt from a:
A. customer to a bank B. bank to a customer
C. customer to another D. bank to another

23. Warehousing is a productive function because it increases the
A. quantity of goods B. utility of goods
C. quality of goods D. price of goods

24. A factor neccessary for siting a warehouse is nearness nearness to:
A. raw materials B. labour
C. Capital. D. consumers.

25. Pooling of risk in insurance means that
A. compenstaions are paid out of a common fund
B. two people can pool their risks to be insured
C. two insurance companies can buy two policies
D. insurance companies should encourage taking risks

26. The indemnification of Ama by his insurance cecompany after a fire disaster means that he:
A. has been guaranteed by the insurance company
B. will be cleared of any fault by the insurance company
C. has been by the insurance company
D. will be covered to the limit of the amount in the policy

27. The major difference between insurance and assurance is that while insurance
A. takes care of the uncertainty, assurance takes care of risks
B. takes care of risks, assurance takes care of uncertainty

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C. hinges on possibilities, assurance is based on possibilities
D. is about indemnity, assurance is about life in the future

28. A documenatry bill will normally be acompanied by
A. sales invoice, bill of lading and insurance certificate
B. clean bill, bill of lading and insurance cerificate
C. bill of lading, consular invoice and insurance certificate
D. consular invoice, FOB certificate and bill of lading.

29. Which of the following best describes the classifi cation of computers
A. mini -computer,speed and size
B. micro-computer cost and liabilities
C. mini-computer, microcomputer and work station,
D. A mini-computer, hybrid and digital

30. The temporary working area of the central procession unit is called the
A. C-D ROM B. C-D RAM
C. ROM D. RAM.

31. The significance of money to modern economic systems is that it
A. is used as a means of payment
B. promotes specialization and exchange
C. measures value and promotes exchange. D. causes inflation and deflation in the economy

32. One major charcteristic of credit unions and thrift societies is that
A. the legal processes involved in their formation are rigid.
B. membership is compulsory to peoplein the same line of business
C. the contribution of every member depends on the member's ability.
D. a minimum of ten people in the same line of business can form the union.

33. The Nigerian Stock Exchange publishes a daily official list that gives full information on the
A method of transactions agreed to by members,
B. number of participating members in a day
C. changes in the prices and earning of securities
D. changes in the official rules set by the market.

34. The main factors that determines the value of a stock on the Stock exchangea re dividend and
A. the psychology of the market
B. capital gain
C. capital appreciation
D. warrantpayment.

35. One of the main objectives of the second-tier securities market in Nigeria is to
A. achieve a realistic exchnage rate for the Naira
B. eliminate currency dealing in the black market
C. assist companies to raise capital
D. attract investment flow.

36. The activities aimed at finding out customers' need and satisfaction can be described as
A. socio-marketing
B. macro-marketing,
C. micro-marketing
D. conceptual marketing.

37. The most effective type of advertising for branded product is
A. direct advertising B. indirect advertising
C. informative advertising D. competitive advetising.

Use the information below to answer questions 38 and 39

Comapnies I, II, III and IV produce and sell electronic videos. C company I sells its video for N14,000 each and offers advice on how to fix and operate them. Company II sells at N14,000 and its representatives go to install at no additional cost. Company III sells at N15,000 and offers credit sales at N15,500 per video while Company IV sells at N15,000 each.

38. Which of these companies are more engaged in public relations activities?
A. I & II B. I & III
C. II & IV D. III & IV

39. Which of these companies offer after sales services?
A. IV B. III C. II D. I

Use the information below to answer questions 40 and 41

Musa rented a room to Adamu for N1,500 and N1,000 part-payment was made. Adamu brought Audu and Jacob his friends to stay in the room. The two friends later pay the balance of N500 to Musa

40. Who are parties to the contract of renting the room.
A. Musa and Jacob B. Musa and Audu
C. Adamu and Musa D. Audu and Jacob.

41. Who is the offeree in this contract?
A. Musa B. Audu
C. Adamu D. Jacob

42. The maximum number of shareholders in a public liability comapny is
A. 20 B. 50
C. 100 D. Unlimited

43. One way by which government reduces the repatriation of capital is through
A. nationalization B. divestiture
C. indigenization D. naturalization.

44. One of the major functions of a chamber of commerce is to:
a. promote and protect trade, industry and agriculture
b. advise members on regulations of other countries
C. settle disputes that arise out of trade
D. publish books and periodicals desired by members

45. Departmentalization is an aspect of
A. planning B. organising
C. directing D. controlling.

46. A functional organisational structure is where:

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A. staff performing the same fucntions are grouped together
B. departments performing similar functions are gouped together.
C. activities of similar nature are grouped together
D. the staff performing similar functions are grouped together

47. In the line type of organizational structure
A. the lines of authority are vertical
B. there is the application of division of labour
C. specialization is carried to a maximum degree
D. The llines of authority are horizontally.

48. Proper disposal of waste by business firms is one way of discharging their
A. responsibility to government
B. environmental responsibility.
C. community responsibility
D. responsibility to customers.

49. One of the obstacles to achieving the objectives of ECOWAS is
A. lack of common currency B. colonial linkages,
C. sovereignty of states D. language differences.

50. One of the main objectives of establishing theNiger River Basin Commission was to :
A. embark on a comprehensive survey of the available water resources
B. carry out research for the development of fresh water fisheries,
C. develop infrastructure to facilitate economic activties
D. promote trade among member-states to improve standard of living.

11. Awarding scholarships and sponsoring sports by a business organization are example of

Commerce 2002

1. The most important factor that delayed the development of commerce in Nigeria was
A. the inefficient means of communication
B. that there were few entrepreneurs
C. the unavailabity of infrastructural facilities
D. that there were few developed markets

2. Secondary production has to do with changing the
A. shape of raw materials through construction operation
B. physical form of raw materials into finished goods
C. utility of raw material by an engineering process
D. nature of raw materials through manufacturing

3. The major responsibility of an entrepreneur is
A. employing all factors of production in the business
B. coordinating and determining the proportion of what to produce
C. planning and organizing all activities in the business
D. directing and controlling all the affairs of the business

4. Which of the following best describe the scope of commerce?
A. All forms of commercial exchanges and the manufacturing industry
B. buying and selling and the construction industry
C. all occupational exchanges relating to industries and commercial activities
D. buying and selling as well as the extraction of natural resources.

5. Capital as a factor of production can be used as
A. money that is regarded as asset
B. goods that are useful in business
C. input for further production
D. service that provide satisfaction

6. The agency that currently oversee the privatization and commercialization processes in Nigeria is the A. securities and exchange commission
B. technical committee on privatization and commercialization
C. Nigeria stock exchange D. bureau of public enterprises

7. Okeze contracted to sell TV sets to Ojo, unknown to them, the sets were stolen in transit. This contract my be terminated on the grounds of
A. bankruptcy B. frustration
C. fraudulence D. breach of contract

8. Which of the following countries are member of the lake Chad Basin Commission?
A. Nigeria B. Benin and Nigeria
C. Chad and Benin
D. Nigeria and Mali

9. A core investor in the current phase of privatization in Nigeria is one who
A. can afford to buy most of the shares of the enterprises
B. will be at the core of the enterprises
C. can mobilize foreign currency equivalent to the value of the enterprises
D. has the technical know-how of the enterprises.

10. The agency in Nigeria which ensure that products conform to government quality specification is the A. standard organization of Nigeria
B. Nigeria consumer's association
C. manufactures association of Nigeria
D. Nigeria chamber of commerce

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A. advertising strategy
B. economic responsibility
C. marketing strategy
D. social responsibility

12. The commercialization of public enterprises is aimed at
A. increasing efficiency and making the enterprises self-sufficient
B. advertising and promoting the goods and services of the enterprise
C. increased assistance and patronage of the enterprises by the public
D. selling the goods and services of the enterprises

13. An author is exclusive right to his published and unpublished works is known as
A. authors right B. constitutional right
C. patent right D. copyright

14. Under an endowment policy, the money handed over to the insured at the expiration of the stipulated time or at death is the
A. indemnity B. surrender value
C. lump sum benefit D. insurance premium

15. The machine used for sending telex message is known as a
A. radar B. fax machine
C. Dictaphone D. teleprinter

16. Which of these insurance principles requires a close connection between the actual loss suffered and the risk insured?
A. Indemnity B. proximate cause
C. contribution D. subrogation

17. The unit through which the results of a processed data are displayed is the
A. logic unit B. display unit
C. control unit D. output unit

18. Which of the following is used to inform the addressee that a registered parcel is ready for collection?
A. Express label B. counterfoil
C. telegram D. Slip

19. The type of computer commonly found in offices is
A. laptop B. desktop
C. the hybrid computer
D. the main frame computer

20. The mode of transporting crude oil to the ports for export purposes is by A. tanker B. rail C. road D. pipeline

21. The temporary insurance certificate issued to the insured before drawing up a policy is a
A. cover note B. testimonial
C. time policy D. proposal form

22. The bulls and bears in the Stock Exchange market help to minimize
A. the number of shares and bonds sold
B. price increases of securities
C. flunctuations in the prices of securities
D. the elasticity of the prices of securities

23. Debentures differ from shares in that
A. they are secured on the company's assets
B. ownership is open to the public
C. they form part of the capital of the business
D. rewards are usually paid out of profit.

24. The Stock Exchange is a market where
A. long-term securities are sold
B. all types of securities are sold
C. short term securities are sold
D. medium-term securities are sold

25. A retail cooperative society aims at
A. hoarding manufactured goods
B. cutting off the profits of middlemen
C. lending money to member at low interests
D. encouraging members to save money

26. A bill of exchange already accepted can be discounted by the holder in
A. the Central Bank B. at least two banks
C. his bank D. any bank

27. The document issued by the seller which gives details of the goods he sells is known as
A. catalogue B. tender
C. price list D. invoice

28. Given: I Retail, II export, III Transport, IV import, V Insurance, VI banking and finance insurance VII wholesale VIII communication.
Which of the above are aids to trade?
A. I, II, III and VIII B. III, V, VI and VIII
C. I, II, III and VI D. II, V, VI and VII

29. The organizational structure that relates the positions of specialists to the line managers is called
A. line structure
B. staff structure
C. line and staff structure
D. .functional structure

30. A wholesaler who possesses the title to the goods he sell is known as
A. a merchant wholesaler
B. a multiple wholesaler
C. a general wholesaler
D. an agent wholesaler

31. An important principle of a good organizational structure is
A. ideal standard B. span of control

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C. clarity of mission
D. adequacy of resources

32. A company that is registered with the Corporate Affairs Commission only without being enlisted on the stock exchange is a
A. public liability company
B. joint ventures company
C. limited company
D. registered company

33. A contract for the sale of goods involves the
A. producer, the seller and the buyer of goods
B. offering of goods to customers
C. transfer of title to goods for money
D. exchange of goods

34. The total of the share capital which a company would be allowed to issue is know as
A. called-up capital B. paid up capital
C. nominal capital D. issued capital

35. The process of mobilizing, engaging and maintaining workers to work for an organization is referred to as
A. staffing B. selection
C. recruitment D. employment

36. Recognized members of the Stock Exchange who buy and sell securities on their own behalf are known as
A. bull B. jobbers
C. broker D. stagers

37. Which of the following involves foreign trade?
A. Supermarkets B. chain stores
C. departmental stores D. commodity market

38. Which of the following is a function of employers' association?
A. Undertaking research on behalf of employees
B. promotion of thrift in workers
C. promotion of workers welfare
D. dissemination of information through sponsored journals

39. Which of the following industries is normally located near the source of its raw materials?
A. Footwear B. cement factory
C. textile industry D. automobile assembly

40. One of the most important functions of marketing is
A. encouraging research activities to meet needs
B. creating classes of merchants among businessman
C. the extension of markets for businesses
D. providing finances to businesses

41. Securities on which the buyers are not issued with certificates are called
A. authorized securities
B. inscribed securities
C. bearer securities
D. registered securities

42. In product pricing, which of these elements needs more consideration that others?
A. the demand for the product
B. the demography of the buyers of the product
C. the economic conditions in the market
D. the cost of producing the product.

43. The principal objectives of the Central Bank of Nigeria can be classified broadly into
A. banker's bank, lender of last resort and issuance of currency
B service, currency management and financial intermediation
C. banking services, foreign exchange operations and open market operations
D. service monetary policy and developmental functions.

44. The letters E and OE stands for
A. errors of exception
B. errors and omissions excepted
C. estimated and order error
D. end of error

45. An important issue for consideration in the product element of the marketing mix is the
A. adequate promotion of the product
B. channel of distribution of the product
C. price of the product
D. planning and development of the product

46. A group of companies is a collection of
A. subsidiaries and their holding company
B. firms
C. associates and their holding company
D. industries

47. Which of the following is an example of trade associations?
A. European Union
B. National Marketing Unity
C. Organization of African Unity
D. National Farmer's Council

48. Which of the following determines the quality of the goods that a retailer sells?
A. The mode of contract of sales
B. the type of manufacturer
C. the regulations regarding sales in the area D. the location of his shop

49. An advantage of hire purchase to the consumer is the
A. economics of scale in production

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B. possession of goods before payment
C. increase in turnover and profits
D. low interest rate chargeable

50. The founders shares are usually referred to as deferred shares because the holders
A. are entitled to cumulative dividends
B. receive their dividends after other share holders
C. receive their dividends before other shareholders.
D. Are not entitled to any dividends.

Commerce 2003

1. An example of service rendering trade association is
A. Nigerian Bar Association
B. Association of Nigerian Miners
C. Cocoa Farmers Association
D. Manufacturers Association of Nigerian

2. An obstacle to international trade is
A. Trade imbalance between countries
B. Availability of local market
C. Quantity and quality of labour
D. Cost of finance

3. The right of ownership with respect to goods or property is
A. right of occupancy B. proxy
C. title
D. certificate of occupancy

4. The main motive of chambers of commerce and trade association is to
A. assist the government in achieving its objectives
B. protect the interest of consumers
C. maximize profit
D. protect and promote the interests of members

5. A pattern that shows the kinds of participants involved in the production distribution and ultimate use of a product is referred to as
A. selection B. strategy
C. structure D. synergy

6. Goods that are manufactured or acquired by the seller after the contract of sale are
A. Specialty goods B. Future goods
C. Specific goods D. General goods

Use the information below to answer question 7 and 8

Ojo purchased the following items from Sani at the specified prices on credit; 200 cartons of mild at N1000 per carton, 150 bags of sugar at N500 per bag, 50 bags of rice at N3000 per bag. Sani allowed 10% trade discount and 50% cash discount if payment is made within the agreed period. Ojo paid within the agreed period.

7. What was the amount paid by Ojo?
A. N382,500 B. N425,000
C. N363,375 D. N61,625

8. How much was the trade discount?
A. N42,500 B. N27,500
C. N22,500 D. N20,000

9. The basic function of the Nigerian Ports Authority is to
A. Ensure that the right calibre of personnel is employed at the ports
B. Coordinate and regulate the activities of shipping lines
C. Facilitate and control the movement of goods and services into and out of the country
D. Coordinate the activities of all the seaports in the country

10. The concept that refers to the sale, transfer or exchange of goods and services is
A. Industry B. Trade
C. Tariff D. Marketing

11. A guarantee given by one person or party to another in which the integrity of the person is assured is
A. Fidelity B. Term assurance
C. Subrogation D. Indemnity.

12. A firm that adapts itself to delivering the desired satisfaction more and effectively and efficiently than its competitors is said to be practicing.
A. Price concept B. Distribution concept
C. Product concept D. Marketing concept

13. The payment made periodically in respect of an insurance policy entered into is known as
A. Bond B. Commission
C. Premium D. Surrender value

14. An example of service rendered by NIPOST is
A. Electronic mail B. Telephone
C. Mail D. Delivery

15. The focal point of marketing is
A. The competitor E. The buyer
F. Profit-making G Sales

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16. The type of marine insurance which covers either damage or loss to the vessel and such as caused by it to other vessels is
A. Bull insurance B. Time insurance
C. Freight insurance D. Cargo insurance

17. The management function that makes the difference in intensity of behaviour is
A. Coordinating B. Controlling
C. Motivation D. Planning

18. One of the function of seaports is the provision of
A. Berthing and landing facilities
B. Loading and offloading facilities
C. Control room for relaying radio messages
D. Ware houses for storage of cargo.

19. The process of dividing task into jobs and departments and of delegating authority is know as
A. Staffing B. Leading
C. Directing D. Organizing

20. Communication process involves the transmission of a message over a selected channel to the
A. Receiver B. Audience
C. Sender D. Encoder

21. Stimulation of demand is a kind of communication in marketing which connotes
A. Personal selling B. Sales promotion
C. Advertising D. Merchandising

22. A functional structure is an organizational structure in which
A. Abstract rules are applied
B. Equity prevails
C. A Specialist enforces his directives
D. There is no hierarchy

23. Entrepreneurship mainly involves
A. Risk-taking B. Initiating
C. Skilled manpower
D. Knowledge

24. In the event of the liquidation of a company, the first to be settled are:
A. Debenture holders
B. Members of the board
C. Preference shareholders
D. Ordinary shareholders

25. The business organization established mainly for the purpose of carrying out specific assignments for a specific duration is a
A. Joint venture B. Cooperative society
C. Partnership D. Company

26. Which of these factors of production is relatively fixed in supply?
A. Capital B. Entrepreneur
C. Human resources D. Natural resources

27. The location of a business is mostly influenced by
A. Market outlet
B. Management decision
C. Capital D. Environment

28. The evolution of commerce in Nigeria is traceable to the
A. Period of barter economy as human needs became limitless
B. Desire by human beings to satisfy their needs through the services of other people in the society
C. Development of human civilization and the desire to meet their needs
D. Primitive stage of existence of human beings.

29. One of the requirements necessary for setting up a business is
A. Registration B. Advertisement
C. Knowledge of the business
D. Documentation

30. The assembling of products into usable form is known as
A. Construction B. Manufacturing
C. Formation D. Creation

31. The government's policy thrust on the business environment is to
A. Promote exports B. Attract investors
C. Be self-sufficient D. Increase production

32. Social responsibility is the ability of an organization to
A. Tackle the socio-economic problem of its community
B. Meet the needs of its community
C. Contribute to sustaining and developing its community
D. Operate without disrupting the very essence of the environment

33. The act of a person employing another to enter into a contract on his behalf is known as
A. Business B. Sale of goods
C. Bilateral agreement D. Agency

34. The ECOBANK is the initiative of
A. Some well-meeting Nigerian shareholders
B. The federal government of Nigeria
C. West African states to foster trade
D. The lagos state government to enhance capital mobilization.

35. Privatization is concerned with
A. Capital ownership between the public and the government
B. The dilution of ownership among the public
C. The individual ownership of companies
D. Government ownership of companies

36. Electronic computers differ from human beings in that they process data and minimize errors in a

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A. Faster and more accurate manner
B. More organized manner
C. Faster but less accurate manner
D. Slower but more accurate manner

37. A major benefit derivable from the privatization and commercialization of public enterprises in Nigeria is
A. Increase in wages
B. Employment generation
C. Information technology
D. Revenue generation

38. The device which interprets and carries out the instructions presented to it by the computer program is known as
A. Software B. Micro-processor
C. Mouse D. Hard-disk

39. The market structure, business conditions and financial systems in Nigeria constitute the
A. Economic environment
B. Political environment
C. Cultural environment
D. Technological environment

40. The protection of consumers against exploitation by manufacturers is to ensure
A. That there are varieties of products
B. That the right quality of goods and services is sold
C. Increase in production capacity
D. Increase in the level of consumer awareness

41. The most widely used computer language that focuses on solving science-oriented problems is
A. FORTRAN B. BASIC
C. ADA D. COBOL

42. Banks are engaged in the business of buying and selling of
A. Bills of exchange
B. Investment of credit
C. Intangible products
D. Land

43. A source of short-term finance to companies is
A. Share capital B. Debentures
C. Retained earnings D. Corporate tax

44. The body charged with the responsibility to register shares for subscription on the stock market in Nigeria is the
A. Securities and exchange commission
B. Nigerian stock-exchange
C. Nigerian deposit insurance corporation
D. Central bank of Nigeria

45. An essential factor for evaluating the different sources of funds for a business is the.
A. Decree establishing the business
B. Ownership structure of the business
C. Size and the type of the bank
D. Burden of cost and repayment

Liabilities	N	Assets	N
Paid-up capital	200,000	Buildings	50,000
Retained earnings	50,000	Plant &	
Creditors	50,000	Machinery	35,000
Bills payable	50,000	Debtors	50,000
Dividends payable	70,000	Fixtures	20,000
		Stocks	145,000
		Banks	120,000
	420,000		420,000

46. What is the owner's equity?
A. N250,000 B. N300.000
C. N420,000 D. N200,000.

47. Find the current ratio
A. 1.53:1 B. 1.85:1
C. 0.87:1 D. 0.50:1

48. Money can simply be referred to as a
A. Medium of exchange
B. Means for the settlement of debts
C. Durable asset for doing business
D. Standard of value

49. A type of long-term loan granted to companies with fixed interest as well as with redeemable and irredeemable features is referred to as
A. A debenture B. A bond
C. A term loan D. An overdraft

50. Public debt management is one of the function of a
A. Merchant bank B. Central bank
C. Commercial bank D. Development bank.

Commerce 2004

1. Ships that sail across the ocean and operate on scheduled timetables are
A. ferries B. ocean liners
C. tramp steamers D. coastal liners.

2. Non-insurable risks include
A. gambling B. damage to property
C. death D. marine problems.

3. The program that makes up the operating system in a computer is
A. microprogram B. system flowchart
C. system software D. syntax.

4. When an organization studies a market that is underserved by others and creates a product or service for the segment, it is engaged in

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A. market integration B. market positioning
C. market orchestration
D. product differentiation.

5. Coverage against unexpected events is called
A. insurance B. assurance
C. warranty," D. reinsurance.

6. An insured risk which occurs accidentally as a result of defects in a ship is
A. a voyage policy B. a total loss
C. an emergency D. a particular average.

7. Communication enhances business activities by
A. facilitating interaction between producers and consumers
B. facilitating interaction among media houses
C. ensuring the movement of goods from the producer to the consumer
D. keeping the goods safe until they are needed.

8. In business, the computer is very important especially in
A. fmancial management B. marketing management
C. educational management D. information management.

9. What is the most important use of promotion in marketing?
A. Persuasion. B. Conviction.
C. Information. D. Education.

10. The current highest decision-making body on privatization and commercialization of public enterprises in Nigeria is the
A. National Council on Privatization
B. Securities and Exchange Commission
C. Nigeria Investment Promotion Commission
D. Bureau of Public Enterprises.

11. The members of the Niger Basin Commission include
A. Guinea, Ghana and Niger Republic
B. Burkina Faso, Guinea and Nigeria
C. The Gambia, Benin Republic and Chad Republic
D. Nigeria, the Gambia and Cameroun.

12. Business environment refers to all elements that are
A. outside an organization but relevant to its operations
B. inside an organization but irrelevant to its operations
C. internal to an organization and relevant to its operations
D. external to an organization but indirectly related to its operations.

13. Consumer rights include the right to
A. credit B. free samples of a product
C. redress D. a share of profits.

14. One important requirement for the membership of the ECOWAS is
A. integrity B. independence
C. landmass D. population.

15. In Nigeria, the body that ensures that its members operate according to their professional ethics is the
A. SON B. NPF
C. MAN D. NAFDAC.

16. A transporter who had to sell some perishable goods without the prior authority of the owner becomes an agent by
A. conduct B. necessity
C. ratification D. estoppel.

17. Poor sewage disposal, oil spill and indiscriminate refuse dumping all lead to
A. land pollution B. water pollution
C. land and water pollution D. air and water pollution.

18. One of the advantages of commercialization is that it
A. encourages entrepreneurship
B. increases the salaries of workers
C. motivates government to establish more businesses
D. gives workers on-the-job training.

19. A common element in all contracts is
A. offer B. consideration
C. acceptance D. agreement.

20. Sources of finance to a business include personal savings, shares, debentures and
A. loans from IMF B. bank overdrafts
C. central bank loans D. money from political parties.

21. Charges for loans paid by commercial banks to the Central Bank of Nigeria are called
A. bank rates B. credit charges
C. interest rates D. bank charges.

22. In the primary market, new shares are issued through
A. personal selling, publicity and advertising
B. a prospectus, an offer for sale and a bill of exchange
C. advertising, a prospectus and a bill of exchange
D. a prospectus, an offer for sale and placing.

23. The instruments of credit include
A. billboards and postal stamps
B. payment vouchers and statement of account
C. bills of exchange and promissory notes
D. bills of exchange and salary vouchers.

24. The shares of a company listed on the stock exchange for sale are referred to as
A. registered shares B. deferred shares
C. issued shares D. quoted shares.

25. What is the role of the capital market in the privatization exercise in Nigeria?
A. Selling the shares and stocks of the companies to be privatized.
B. Encouraging private companies to participate in the exercise.
C. Negotiating with individuals who want to buy public companies.
D. Advertising for government.

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26. In international trade, documentary credit is also known as
A. credit note B. letters of credit
C. bankers' drafts D. letter of hypothecation.

27. A specialized institution in Nigeria that deals"in capital investments in the form of stocks, shares, bonds and debentures is the
A. Securities and Exchange Commission
B. commodity market
C. Nigerian Stock Exchange
D. Central Bank of Nigeria.

28. A group of assets which a business acquires with the intention of reselling them are referred to as
A. current assets B. investment assets
C. fixed assets D. intangible assets.

29. Authorized share capital is also known as
A. called-up share capital B. paid-up share capital
C. registered share capital D. issued share capital.

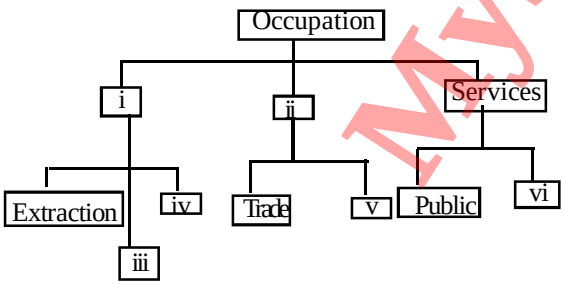
30. An action taken by a company outside its object clause is regarded as
A. ultra vires B. a trespass
C. uberrima fides D. caveat emptor.

31. The strategy adopted by a flrIn that ceases to operate at one or more locations because of inactivity is
A. rejuvenation B. focus
C. diversification D. consolidation.

32. A written partnership contract is known as
A. an invoice B. a deed
C. a prospectus D. a proposal.

33. The merger of a textile mill, a cement company and a tannery is referred to as
A. conglomerate merger B. horizontal merger
C. lateral merger D. vertical merger.

Use the diagram below to answer questions 34 and 35.



34. As the branches indicate, iv is
A. commerce B. exchange
C. finance D. construction

35. What does v represent?
A. Aids to trade B. Advertising
C. Manufacturing D. Industry

36. The most important of computer is
A. helping people to improve thier profits
B. facilitating exhnages among individuals and firms
C. assistaing trade through banking and insurance
D. enhancing business relationships

37. The acronym PLC is used to identify a
A. comapny limited by shares
B. private company limited by shares
C. public company limited by shares
D. company limited by guarantee

38. Commerce includes all the occupations concerned with
A. sales B. production
C. marketing D. distribution

39. Factors of production can be described as the
A. resources required for the provision of goods and services
B. skills involved in deciding and directing the flow of goods
C. monetary tools employed by government to ensure stable production
D. elements involved in the process of formulating policies on production

40. Flucntuations in the supply of goods may be eliminated if the distribution system maintains
A. modern technology B. a team of retailers
C. warehouse services D. sufficient midlemen

41. Loan schemes by thrift ocieties are
A. mortage schemes B. conventional schemes
C. mutual schemes D. unconventional schemes

42. An internal demand for goods to be purchased or drawn from stock is
A. a quotation B. a requisition
C. a tender D. an order

43. The term 4 net 7 on an invoice means that
A. 4% surcharge will be made unless payment is made within seven days
B. 4% discount will be allowed on the price charged only if the goods are bought within seven days
C. 4% discount will be allowed on the price charged if payment is made after seven days
D. 4% discount will be allowed on the price charge if payment is made within seven days.

44. An order sent by an importer to an overseas supplier stating the details of goods reqired is known as
A. export invoice B. ship's manifest
C. an indent D. bill of lading

45. Organising trade fairs in Nigeria is the responsibility of
A. National Directorate of Employment
B. Federal Ministry of Commerce
C. Trade Association
D. Chamnbers of Commerce

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46. International trade takes place as a result of
A. niformity in costs of production
B. inequitable distcribution of natural resources
C. parity in the level of industrialization
D. similarities in climatic conditions

47. The use of vending machines in retailing is hindered in a developing economy owing to
A. industrial policy and harmony
B. low level of education
C. ineffective communication system
D. lack of steady power supply

48. Manufcturers' Association of Nigeria contributes to development by advising the government on
A. industrial policy and harmony
B. budget and budgetary control
C. budget and industrial policy
D. environmental protection policy

49. Discounts offered by firms to midlemen for bulk purchases are
A. trade discounts B. sales bonanza
C. cash discounts D. seasonal discounts

50. Goods are of merchantable quality if they
A. conform to description
B. are of equal weight
C. are of the same quality
D. conform to buyers' purpose

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