

WASSCE / WAEC MAY / JUNE 2016 COMMERCE PAPER 2 & 1 (THEORY & OBJECTIVES)

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SC 1032 & 1 WASSCE 2016 COMMERCE 2 & 1 Essay & Objective 2 hours 50 minutes	2&1
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Name:

Index Number:

THE WEST AFRICAN EXAMINATIONS COUNCIL
West African Senior School Certificate Examination for School Candidates

SC 2016

COMMERCE 2 & 1

2 hours 50 minutes

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

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

This booklet consists of **two papers**. Answer **Paper 2**, which comes first, in your answer booklet. Answer **Paper 1** in your Objective Test answer sheet. **Paper 2** will last for **2 hours** after which the answer booklet will be collected. Do **not** start **Paper 1** until you are told to do so. **Paper 1** will last for **50 minutes**.

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Answer five questions only.

1. Explain **five** ways in which commerce is important in the life of a nation. [20 marks]
2. (a) List **four** features of a *self service shop*. [4 marks]
(b) State **four** disadvantages of a self service shop. [8 marks]
(c) State **four** importance of working capital to a business. [8 marks]
3. (a) State **four** functions of a wholesaler to a retailer. [5 marks]
(b) Explain **five** advantages of small scale retail business over a large scale business. [15 marks]
4. Explain **each** of the following classes of insurance:
(a) *Marine insurance*; [4 marks]
(b) *Accident insurance*; [4 marks]
(c) *Group insurance*; [4 marks]
(d) *Fidelity Guarantee insurance*; [4 marks]
(e) *Consequential Loss insurance*. [4 marks]
5. (a) Explain **four** functions rendered by a courier firm. [8 marks]
(b) Explain **six** functions rendered by a Telecommunication firm. [12 marks]
6. (a) List **five** media of public relations. [5 marks]
(b) Enumerate **five** types of after sales service. [5 marks]
(c) State **five** benefits of after sales service. [10 marks]

7. (a) Distinguish between a *broker* and a *factor*. [6 marks]
- (b) State **three** duties of an employer to an employee. [6 marks]
- (c) State **four** duties of an employee to an employer. [8 marks]

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8. (a) What is *turnover* in commerce? [2 marks]
- (b) List and explain **six** factors that determine the turnover of a product. [18 marks]

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

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

WHILE YOU ARE WAITING, READ THE FOLLOWING INSTRUCTIONS CAREFULLY.

Paper 1

OBJECTIVE TEST

50 minutes

- Use **HB pencil** throughout.
- If you have got a blank answer sheet, complete its top section as follows:
 - In the space marked *Name*, write in capital letters your **surname** followed by your **other names**.
 - In the spaces marked *Examination*, *Year*, *Subject* and *Paper*, write 'WASSCE', 'SC 2016', 'COMMERCE' and '1' respectively.
 - In the box marked *Index Number*, write your **index number** vertically in the spaces on the left-hand side. There are numbered spaces in line with each digit. Shade carefully the space with the same number as each digit.
 - In the box marked *Paper Code*, write the digits **103112** in the spaces on the left-hand side. Shade the corresponding numbered spaces in the same way as for your index number.
 - In the box marked *Sex*, shade the space marked **M** if you are **male**, or **F** if you are **female**.
- If you have got a pre-printed answer sheet, check that the details are correctly printed, as described in 2 above. In the boxes marked *Index Number*, *Paper Code* and *Sex*, **reshade** each of the shaded spaces.
- An example is given below. This is for a **male** candidate, whose **name** is **Chukwuma Adekunle Ciroma**, whose **index number** is **4251102068** and who is offering **Commerce 1**.

THE WEST AFRICAN EXAMINATIONS COUNCIL

PRINT IN BLOCK LETTERS

Name: CIROMA CHUKWUMA ADEKUNLE Examination: WASSCE Year: SC 2016
Surname Other Names

Subject: COMMERCE Paper: 1

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

For Supervisors only.
 If candidate is absent shade this space:

INSTRUCTIONS TO CANDIDATES

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

Answer **all** the questions.

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

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

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

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

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

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

Do all rough work on this question paper.

Now answer the following questions.

1. Where a number of insurance companies are liable under one Policy, the principle applicable is
 - A. Subrogation.
 - B. Contribution.
 - C. Indemnity.
 - D. Utmost good faith.
2. Buying and selling stocks in the stock exchange in anticipation of changes in the share prices is
 - A. hedging.
 - B. projection.
 - C. forecasting.
 - D. speculation.
3. Another term for a dishonoured cheque is
 - A. an order cheque.
 - B. a bounced*cheque.
 - C. a bearer cheque.
 - D. an open cheque.

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4. Which of the following is an example of life assurance?
 - A. Third party policy
 - B. Comprehensive policy
 - C. Fidelity guarantee policy
 - D. Endowment policy

5. The main concern of commerce is to
 - A. create wealth.
 - B. buy and sell goods and services.
 - C. exchange and distribute goods and services.
 - D. satisfy all human wants.

6. The organized effort of consumers to protect themselves against the unfair practices of businessmen is
 - A. strike.
 - B. consumerism.
 - C. picketing.
 - D. demonstration.

7. Which of the following legislations aims primarily at protection of consumers
 - A. Law of Contract
 - B. Trade Description Act
 - C. Company's Act
 - D. Partnership Act

8. In a law of contract a counter offer operates as
 - A. an acceptance.
 - B. consensus ad idem.
 - C. a rejection.
 - D. a contract.

9. An economic policy which encourages government ownership of businesses is called
 - A. Privatization.
 - B. Nationalization.
 - C. Indigenization.
 - D. Commercialization.

10. Lack of permanent record for the message receiver is a disadvantage of
- A. television.
 - B. direct mail.
 - C. catalogue.
 - D. magazine.
11. Which of the following occupations are classified under the extractive industry?
- i. cattle-rearing, lumbering and farming;
 - ii. mining, quarrying and hunting;
 - iii. ship building, road construction, and iron bending;
 - iv. singing, dancing and tailoring.
- A. i and iii only.
 - B. i, ii and iv only.
 - C. i and ii only.
 - D. ii, iii and iv only.
12. Which of the following abbreviations allows the drawer of a document to correct any error?
- A. C. I. F.
 - B. I. O. U.
 - C. C. W. O.
 - D. E. & O. E.

Use the following information relating to Bala Enterprises to answer questions 13 to 15.

	(₦)
Premises	32,000
Motor vehicle	15,000
Debtors	15,000
Stock	20,000
Creditors	10,000

13. The value of current assets is
- A. ₦ 35, 000
 - B. ₦ 32, 000
 - C. ₦ 25, 000
 - D. ₦ 10, 000
14. What is the value of the working capital?
- A. ₦ 47, 000
 - B. ₦ 35, 000
 - C. ₦ 25, 000
 - D. ₦ 10, 000
15. The value of fixed assets is
- A. ₦ 72, 000
 - B. ₦ 47, 000
 - C. ₦ 35, 000
 - D. ₦ 25, 000
16. A clean bill of lading is so called because
- A. it shows record of damaged goods.
 - B. it is not a stained bill.
 - C. it is a document of authority.
 - D. it shows no record of damaged goods.
17. When an importer has been overcharged for goods supplied, the exporter issues him with a
- A. debit note.
 - B. proforma invoice.
 - C. letter of credit.
 - D. credit note.

18. Fidelity guarantee insurance is a cover against loss arising from
- A. Trade debt.
 - B. Personal accident.
 - C. Dishonest staff.*
 - D. Fire disaster.
19. When a cheque is paid by the bank on which it is drawn, the cheque is
- A. discounted.
 - B. credited.
 - C. debited.
 - D. cleared.*
20. The process of buying, selling and distribution of goods and services is
- A. retail trade.
 - B. commerce.
 - C. marketing concept.
 - D. marketing.
21. Risk bearing in business organization is a function of the
- A. employees.
 - B. entrepreneur.
 - C. customers.
 - D. manager.
22. The worth of a life assurance policy before its maturity date is
- A. residual value.
 - B. surrender value.
 - C. accrued value.
 - D. assured value.
23. One disadvantage of advertising is that it
- A. could be misleading.
 - B. decreases sales.
 - C. reduces profit.
 - D. causes over stocking.

24. The business unit that applies the principle of one man, one vote is
- A. Sole proprietorship.
 - B. Partnership.
 - C. Public company.
 - D. Co-operative society.
25. The Water Corporation is an example of
- A. Co-operative Society.
 - B. Public Enterprise.
 - C. Private Enterprise.
 - D. Limited Company.
26. A partnership is dissolved due to
- A. liquidity of the firm.
 - B. death of an employee.
 - C. insanity of a partner.
 - D. resignation of an employee.
27. A document that contains the relationship between the company and outsiders is
- A. Certificate of Incorporation.
 - B. Memorandum of Association.
 - C. Article of Association.
 - D. Certificate of Trading.
28. An organization formed mainly by traders and manufacturers to cater for interest of members is
- A. Trade Union.
 - B. Co-operative Society.
 - C. Trade Association.
 - D. Chamber of Commerce.
29. An insurance broker is involved in
- A. industrial occupation.
 - B. distributive occupation.
 - C. commercial occupation.
 - D. constructive occupation.

30. An agreement that is enforceable in law is
- A. a contract.
 - B. an offer.
 - C. an acceptance.
 - D. a consideration.
31. The size of an enterprise is determined by the
- A. number of customers of the enterprise.
 - B. length of the time the firm has been in operation.
 - C. amount of capital invested.
 - D. type of work done.
32. Which of the following functions is **not** performed by trade association?
- A. Research and development
 - B. Standardization of product
 - C. Credit facilities
 - D. Technical information
33. The fees charged on postal order by the post office is
- A. interest.
 - B. brokerage.
 - C. poundage.
 - D. premium.
34. The document issued by a warehouse keeper for goods taken into the store is
- A. mate receipt.
 - B. bill of sight.
 - C. ship manifest.
 - D. dock warrant.

35. Which of the following is a verbal means of communication?
- A. Telex
 - B. Express mail
 - C. Business reply service
 - D. Telephone
36. The production of goods in anticipation of demand is made possible by
- A. Packaging.
 - B. Warehousing.
 - C. Branding.
 - D. Advertising.
37. Regarding the consumer as the King who must be satisfied is the main emphasis of
- A. marketing research.
 - B. marketing mix.
 - C. consumerism.
 - D. marketing concept.
38. Which of the following is a function of marketing?
- A. Branding.
 - B. Planning.
 - C. Organising.
 - D. Manufacturing.
39. A component of marketing mix that is put in a consumable form to satisfy the consumer is
- A. product.
 - B. promotion.
 - C. place.
 - D. price.
40. Goods become the property of the buyer on the transfer of liability and possession without immediate payment under the
- A. hire purchase agreement.
 - B. credit sale agreement.
 - C. auction sales agreement.
 - D. conditional sales agreement.

41. The value at which one country obtains another country's currency is
- A. terms of trade.
 - B. exchange rate.
 - C. bank rate.
 - D. terms of payment.
42. Specializing in the sale of one line of goods is the **main** feature of
- A. supermarkets.
 - B. chain stores.
 - C. mail order firms.
 - D. mobile shops.
43. One objective of the European Union is to
- A. fight the guilty nation in time of war.
 - B. eliminate drug addiction among member countries.
 - C. eliminate all tariffs and quotas among member countries.
 - D. fight against child abuse in member countries.
44. Which of the following persons is a part of a business internal environment?
- A. Employee
 - B. Supplier
 - C. Creditor
 - D. Customer
45. A person or a firm to whom a sum of money is owed is,
- A. banker.
 - B. guarantor.
 - C. debtor.
 - D. creditor.

46. A general tax which applies at each point of exchange of goods and services is
- A. a specific tax.
 - B. an ad valorem tax.
 - C. a value added tax.
 - D. a direct tax.
47. If a business uses part of its profit to develop the area where it operates, the business is fulfilling its
- A. economic responsibility.
 - B. marketing responsibility.
 - C. social responsibility.
 - D. managerial responsibility.
48. Production ends when goods and services
- A. reach the final user.
 - B. are used for manufacturing.
 - C. are packed and labelled.
 - D. are sold to the middlemen.
49. The process of converting a non-profit making organization to a profit making business is
- A. indigenization.
 - B. privatization.
 - C. deregulation.
 - D. commercialization.
50. A distinctive symbol, title or design that readily identifies the company and its products is
- A. Patent right.
 - B. Trade mark.
 - C. Trade name.
 - D. Brand name.

