

Commerce

1994 - 2004

JAMB

Questions

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. Preference shareholders.
 - B. Debenture holders
 - C. Ordinary shareholders.
 - D. Cumulative 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			
Less Drawings	65,250			
	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 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.

- 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 it 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 Nigrian Deposit Insurance Corporation
E. Nigeria Economist Reconstruction Fund
F. Nigerian Industrial Development Bank
G. 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 appendage 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.

- 38 The Comprehensive Import Supervision Scheme was set up by the federal government in order to
- reverse Nigeria's unfavourable balance.
 - promote fair trade between Nigeria and other countries.
 - counteract all fraudulent business deals of Nigerians with other nationals.
 - 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?
- Standards Organisation of Nigeria.
 - Federal High Courts in Nigeria.
 - Food and Drugs Department of the Federal Ministry of Health.
 - Local government health inspectors.
- 40 Which of the following maxims negates the principle of collective bargaining?
- Individual employees have weak bargaining base.
 - Individual employees attain strength when they come together in a union.
 - Only members of the union can benefit from agreements negotiated by the union.
 - Collective bargaining covers the vast majority of employees, whether union members or not.
41. NACCIMA stands for
- Nigerian-American Centre for Culture Industries, Mines and Arts
 - Nigerian Association for Culture, Civics, Industries, Minerals and Arts
 - National Agency for Culture, Civilization, Investments, Manufacturing and Agriculture
 - Nigerian Association of Chambers of Commerce, Industries, Mines and Agriculture.
- 42 For the establishment of a powerful consumers' association in Nigeria to exist, there must be
- financial and moral support from the public.
 - honest and committed leadership.
 - allocation of goods from the producers.
 - freedom from external influence.
- 43 Which of the following is the most important business resources?
- Money.
 - Management
 - Materials
 - Manpower.
- 44 The harmonious relationship among the various units in an organization is ensured through
- co-ordination
 - motivation
 - planning.
 - leadership.
- 45 The principle of span of control stipulates that
- an employee should report to only one superior
 - managers must demand accountability from their subordinates
 - resources have to be economized within the various divisions
 - 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?
- Production.
 - Marketing.
 - Finance.
 - Personnel.
47. The use of computers in modern banking industry is a reflection of
- competitive development
 - scientific development
 - economic development
 - 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
- currying favour from local people
 - finding a way to spend excess profits
 - fulfilling part of its social responsibility
 - investing its idle funds.
- 49 The West African Clearing House became legally operational on
- 1st July, 1976
 - 25th June, 1975
 - 14th March, 1975
 - 3rd May, 1974
- 50 The Lake Chad Basin Commission was founded to enable member states.
- expand the volume of water in the Lake for fishing activity
 - increase navigational activities on the lake
 - dam the lake for electricity and agricultural purposes.
 - co-ordinate their efforts in managing the use of the lake's resources.

Commerce 1995

- 1 What are the factors with which commercial undertakings can be distinguished?
- Size of the undertakings.
 - Profits generated.
 - Forms of ownership.
 - Location of the undertakings.
- I and II only.
 - I and III only.
 - II and III only.
 - 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?
- Extraction, commerce and construction
 - Manufacturing, extraction and banking.
 - Construction, quarrying and insurance.
 - Manufacturing, extraction and construction.
4. Construction activities include the building of houses and roads as well as
- bricklaying
 - shoemaking
 - blacksmithing
 - car assembling.
5. If a partnership deed is silent on how profits are to be shared, partners share profits
- in the ratio of the value of business secured by each partner for the partnership
 - in the ratio of partners' capital contributions
 - in an equal proportion, irrespective of partners' capital contributions
 - 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?
- Rights and obligations of directors
 - Objectives of the company.
 - Amount of share capital.
 - Limitation of liability of shareholders.
7. The merger of two companies producing the same type of products is an example of
- vertical integration
 - horizontal integration
 - lateral merger
 - an acquisition.
8. One of the implications of the incorporation of a company is that
- it is more difficult for the company to raise loans
 - the company can sue but cannot be sued
 - the company's property becomes distinguished from that of its member
 - its members become liable for all the debts of the company.
9. The main advantage of a sole trader is the freedom to
- employ anyone he likes
 - seek advice from any source
 - take quick decisions
 - plough all the profits back into the business.
10. In the case of voluntary liquidation of a business, the receiver is appointed by the
- creditors
 - debtors
 - directors
 - shareholders.
11. When a company uses more of loans than equity to finance its business, the company is said to be
- bankrupt
 - solvent
 - highly geared
 - in a strong liquid position.
12. The nominal value of a share as specified in the Memorandum of Association and the share certificate is the
- discounted value
 - stock value
 - face value
 - par value
13. A public limited company can raise long-term loans through
- the capital market
 - the money market bank overdrafts
 - discount houses.
14. Factoring is a trade debt term used when the agent buys all the trade debts of the
- importers
 - exporters
 - nations
 - customers
15. The financial index which compares current assets directly with current liabilities is known as current
- turnover
 - capital
 - ratio
 - balance
16. Rights issue means the
- issue of shares to the directors of a company on favourable terms
 - issue of shares by a company only to the founders of the company
 - right of shareholders to vote on any issue
 - 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
- margin
 - mark-up
 - gain percent
 - 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?
- N155,000
 - N95,000
 - N50,000
 - N30,000
19. In the channel of distribution, which of the following sets is entirely made up of middlemen?
- Wholesalers, retailers and agents.
 - Manufacturers, consumers and retailers.
 - Wholesalers, agent and consumers.
 - Retailers, manufacturers and wholesalers.
20. Goods imported into a country for the purpose of re-exporting attracts a rebate known as
- customs draw back
 - export royalty
 - incentive
 - export rebate.
21. Most foreign trade transactions are paid for through the use of
- Central Bank cheques
 - bank drafts drawn by commercial banks on their foreign branches
 - irrevocable and confirmed letters of credit
 - letters of credit authenticated by the embassies of the respective countries.
22. RRF as a scheme introduced by the Central Bank of Nigeria means
- Recording and Rediscounting Facility
 - Refinancing and Recording Facility
 - Refinancing and Rediscounting Facility
 - Refinancing and Reinvesting Facility.
23. Which of the following gives the correct order in which the listed documents are used?
- Debit note, order, delivery note, invoice and statement
 - Order, delivery note, invoice, debit note and statement

- C. Statement, order, invoice, delivery note and statement
 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 money 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 carries 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

- 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 subordinate 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

- 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 memorandum 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 catalogue 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.

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. entrepreneurial 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.

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 automatically 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	
Net profit	2,000.00		2
Drawings	(137.50)		,300.00
Creditors	1,000.00	Motor van	
Accruals	187.50		2,
			000.00
	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