

COMMERCE

ANSWERS ACCOUNTING 2011

COMMERCE SET C 2011

1. One of the major benefits of commerce to government is to:
(a) Improve the standard of living (b) Generate revenue for growth and development (c) Encourage cooperation among public organizations (d) Encourage the development of socio-cultural values.
2. An example of an activity in the construction industry is:
(a) Blacksmithing (b) Bricklaying (c) Car assembling (d) Shoemaking
3. One of the inputs in production that can be motivated by remuneration is
(a) Capital (b) Entrepreneur (c) Labour (d) Land
4. The allocation of tasks to different skills in a production process is referred to as
(a) Production technique (b) Production function (c) Division of labour (d) Delegation of responsibility
5. The sales of goods through a medium that accepts money and delivers the items to the customer is
(a) An automated teller machine (b) A vending machine (c) A counting machine (d) A branding machine
6. The main purpose of branding is to
(a) Create identity for a product (b) Make a product look attractive (c) Create product awareness (d) Increase sales scheme.
7. The basis for international trade is embedded in the principle of
(a) Absolute advantage (b) Globalization (c) Deregulation (d) Comparative advantage
8. The major problem encountered in international trade is that of
(a) Distance (b) Differences in culture (c) Politics (d) Differences in currency
9. The document a seller uses in dispatching goods to a customer by a carrier is.
(a) An invoice (b) An advice note (c) A delivery note (d) A bill of lading
10. A document which serves as an order with details of goods required by an intending purchaser is
(a) A freight note (b) An indent (c) A bill of lading (d) A waybill
11. If a customer pays within nine days of receiving goods and takes advantage of 3% off the invoice price, this is stated as
(a) 3/9; net 30 (b) 9/27; net 30 (c) 30; net 9/3 (d) 9/30; net 3
12. Which of the following is a characteristic of a bearer cheque?
(a) It is made with transverse lines (b) It is made payable to whomever present it (c) It is made without transverse lines (d) It is only payable into the payee's account.
13. A bill of exchange paid before its due date at an amount less than its face value is said to have been
(a) Accepted (b) Rejected (c) Discounted (d) Dishonoured
14. The most effective type of advertising for a branded product is]
(a) Mass advertising (b) Persuasive advertising (c) Informative advertising (d) Competitive advertising
15. A current account holder pays fees for services in form of
(a) Bank charges (b) Interest rates (c) Commission on turnover (d) Minimum lending rate
16. Printed messages sent by cable are recorded as
(a) Telegram (b) SMS (c) Telex (d) MMS
17. Communication is relevant to business activities because it
(a) Creates wealth for people (b) Reduces the cost and risk of travelling (c) Connects people (d) Enhances delivery of goods and services
18. The right of an insurance company to stand in place of insured against a third party, who is liable for the occurrence of a loss, is the principle of
(a) Insurable interest (b) Insurance priority (c) A proximate cause (d) Subrogation
19. Assurance is different from insurance in that the former is based on
(a) Probability (b) Possibility (c) Risk (d) Uncertainty
20. A person who undertakes a life insurance is said to be an
(a) Issuer (b) Assurer (c) Assured (d) Insured
21. Tourism serves the purpose of
(a) Cross-cultural understanding and peaceful interaction (b) Opening avenues for leaving the country (c) Economic development and naturalization (d) Exploiting the country's express service is referred to as
22. The types of letters that are delivered through the normal mail or by airmail express service is referred to as
(a) Inland letters (b) Registered letters (c) Airmail letter (d) Express letter
23. A business organization that exploits the capabilities of a member to remedy the weaknesses of another is a

- (a) Joint venture (b) Partnership (c) Nominal partnership (d) Cooperative
24. The most important business objective is to
 (a) Improve investments (b) Provide quality product (c) Target consumers for satisfaction (d) Carve a niche for the business

ANSWERS COMMERCE SET C 2011

1. D
2. B
3. C
4. C
5. C
6. B
7. A
8. D
9. C
10. D
11. D
12. A
13. A
14. C
15. B
16. A
17. B
18. D
19. D
20. D
21. B
22. C
23. A
24. B
25. C

COMMERCE Question Paper Type: C

1. Which Question paper types of commerce is given to you?
 A. Type A B. Type B C. Type C D. Type D
2. The most important function of commerce is in
 A. enhancing business relationships B. helping people to improve their profits
 C. facilitating exchange among individuals and firms D. assisting trade through banking and insurance
3. The three main classifications of occupation are
 A. construction trade and services B. manufacturing, industry and services
 C. farming, banking and trading. D. industry, commerce and services
4. An oil exploration company is engaged in
 A. tertiary production B. constructive occupation
 C. extractive occupation D. secondary production
5. Services rendered to the public is provided by
 A. government B. civil servants C. professionals D. domestic servants
6. The creation of goods and services to satisfy human wants is referred to as
 A. manufacturing B. commercialization C. production D. entrepreneurship
7. Which of the following is a limitation of division of labour?
 A. Decline in craftsmanship B. Monotony of work C. Reduction in output D. Reduction in labour force
8. Resources obtained from the extractive sector that are transformed into finished products are examples of

A. primary production B. Tertiary production C. direct production D. secondary production

9.



From the diagram above, what does I stand for?

- A. Aids to trade. B. Publicity C. Home trade D. Advertising
10. An individual that links the producer with the retailer is
 A. an agent B. a wholesaler C. an entrepreneur D. a principal.
11. One of the functions of a retailer is the
 A. financing of production activities B. provision of credit facilities to relations
 C. provision of jobs for customers D. breaking of bulk.
12. The main aim of selling directly to the consumers by manufacturers is to
 A. reduce transportation cost B. make contact with individual consumers
 C. discourage the activities of middlemen D. maximize profit margin
13. Balance of payment problems arise if a country's
 A. exports is more than imports B. imports is more than exports
 C. currency is devaluated D. invisible exports is more than visible exports.
14. The three components of a country's balance of payment are
 A. current account, capital account and monetary movement account
 B. capital account, trade account and business record
 C. sales account, profit and loss account and capital account
 D. monetary movement account, trade account and sales ledger.
15. A document that indicates obligation that is transferable by delivery and endorsement is a
 A. bill of lading B. bill of exchange C. documentary evidence D. negotiable instrument.
16. The document which can be exchanged (or a bill of lading is
 A. freight note B. mate receipt C. export invoice D. ship report.
17. The pre quoted which includes the cost of insurance, freight and all delivery charges to the importer's warehouse is
 A. Free Alongside Ship B. Franco C. Free on Board D. Free On Rail.
18. The purchase of goods under the CWO system of payment implies that
 A. money must be enclosed when ordering B. payment must be made on delivery
 C. payment must be made within few days D. cash must be paid on the spot.
19. The most effective but limited medium of advertising in Nigeria is
 A. billboard B. television C. Newspaper D. radio.
20. A cheque that has been drawn but not presented for payment can still be honoured
 A. within 6 months B. after 9 months C. within 9 months D. after 6 months
21. The major source of income to commercial banks is
 A. loans B. deposits C. interests D. overdrafts.
22. An ancillary to trade that easily links suppliers with consumers is
 A. tourism B. banking C. communication D. transportation.
23. Mr. Lawal insured his warehouse against burglary but it was later gutted by fire. This implies that
 A. the loss should be borne by the insurer B. Mr. Lawal is liable only for half of the estimated loss
 C. the insurer should make a consolation payment for the loss D. the loss should be borne by Mr. Lawal.
24. The agreement of insurers to spread risks among themselves is a major feature of
 A. reinsurance B. life assurance C. underwriter D. marine insurance
25. Inbound tourism occurs when

- A. non-residents of a country travel to other countries
B. residents of a country travel to other countries
C. non-residents of a country travel within it
D. residents of a country travel within it.
26. One of the major disadvantages of pipeline transportation is its
A. high cost of construction
B. limitation in scope
C. vulnerability to climatic changes
D. high maintenance cost.
27. The business organization that can effectively combine management with control is
A. private limited liability company
B. sole proprietorship
C. public limited liability company
D. co-operative society.
28. When two or more companies agree to execute a project too large for one to handle, this is referred to as
A. an amalgamation
B. a cartel
C. a merger
D. a consortium.
29. In the event of voluntary liquidation, the appointment of a liquidator is the responsibility of the
A. directors
B. creditors
C. promoters
D. court.
30. A source of business financing which involves pledging of a specific asset is
A. bond
B. mortgage
C. debentures
D. loan
31. An example of a trade association is
A. ALGON
B. NLC
C. NURTW
D. NULGE.
32. A broker is an agent who links a potential investor with
A. a shareholder who wants to register a company
B. other members of the exchange who want to trade
C. government official on the exchange
D. a quoted company.
33. Second-Tier Securities Market differs from the First-Tier Securities Market in that the former is
A. highly restricted
B. regulated by the SEC
C. regulated by the NIPC
D. less restricted.
34. A communication process providing information for decision-making in an organization is the
A. Management Information System
B. Transmission Control Protocol
C. Information Retrieval System
D. File Transfer Protocol.
35. The managerial ability of a supervisor in an organization may be underutilized if the
A. morale of the supervised is high
B. span of control is wide
C. span of control is narrow
D. morale of the supervised is low.
36. The arrangement and interrelationship of the various components and positions of a business is referred to as
A. organizational structure
B. clarity of objective
C. unity of direction
D. line structure.
37. The variety of goods and services which a company offers for sale is its
A. place mix
B. promotion mix
C. price mix
D. product mix.
38. Activities undertaken to create awareness for goods by conducting contests is
A. marketing concept
B. consumerism
C. sales promotion
D. marketing mix.
39. The slogan, a wonderful world, used by a communication network is a form of
A. product differentiation
B. persuasive advertising
C. publicity
D. packaging
40. To make a simple contract valid, the intention must be
A. legal and written
B. legal and binding
C. legal and attractive
D. legal and harmonious
41. The major parties to an agency relationship are the
A. principal and the creditor
B. bailee and the bailor
C. principal and the agent
D. shareholder and the creditor
42. One of the obligations of an employer to an employee is to
A. indemnify him against liabilities incurred on duty
B. award scholarship to his children
C. terminate his appointment without prior notice
D. Indemnify him against injuries caused through negligence.
43. The body charged with the responsibility of regulating foods and drugs in Nigeria is the
A. SON
B. NDLEA
C. NAFDAC
D. CAC
44. The physical components of a computer system refers to the
A. system unit
B. hardware
C. software
D. compact disk
45. An example of a computer operating system is
A. the Page maker
B. the Word Perfect
C. Microsoft Word 2000
D. Windows 2000
46. Intranet differs from extranet in that the former

17. A software application which enables a user to display and interact with texts, images and videos is the
 A. web server B. Internet protocol C. CorelDraw D. web browser.
18. A predominant mark-up language for web pages is
 A. IP B. HTTP C. HTML D. TCP
19. The symbol in an Internet mail address is used to
 A. separate the user name from the machine name B. link the user with other Internet users
 C. locate the addresses of Internet users D. links the user with the machine.
20. A business organization is said to be socially responsible when it
 A. gets involved in issues relating to the Society B. rewards its staff for long-term service
 C. offers discounts to customers D. invites the public to its annual general meetings.

Commerce answer

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|-----|-----|-----|-----|---|
| 1. | 21. | B | 41. | D |
| 2. | D | 22. | D | A |
| 3. | D | 23. | D | C |
| 4. | C | 24. | A | B |
| 5. | B | 25. | D | D |
| 6. | A | 26. | D | C |
| 7. | A | 27. | B | D |
| 8. | D | 28. | D | B |
| 9. | A | 29. | B | C |
| 10. | B | 30. | D | A |
| 11. | D | 31. | C | |
| 12. | D | 32. | A | |
| 13. | B | 33. | A | |
| 14. | A | 34. | A | |
| 15. | B | 35. | C | |
| 16. | A | 36. | A | |
| 17. | C | 37. | D | |
| 18. | B | 38. | C | |
| 19. | D | 39. | B | |
| 20. | A | 40. | B | |