

WAEC

COMMERCE objective

Past questions

(PT. 1-7)

For both: SSCE & GCE

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WAEC COMMERCE OBJECTIVE QUESTIONS (PT.1)

1. Activities which facilitate commerce include _____

- A. engaging youths in environmental sanitation.
- B. funding political campaigns.
- C. Providing recreational facilities in communities.
- D. Improving road networks.

2. A document through which invitation is extended to the public to subscribe to shares is _____

- A. articles of association
- B. prospectus
- C. memorandum of association
- D. quotation

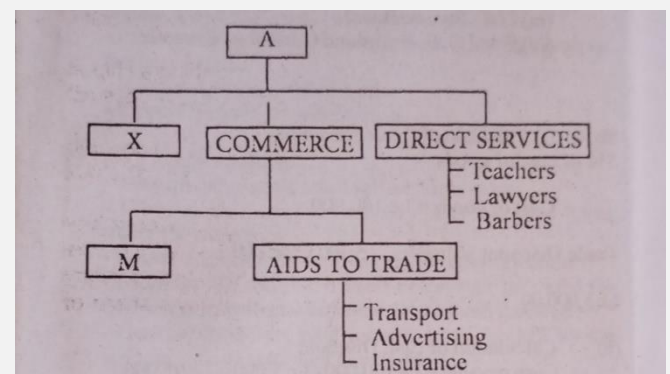
3. One example of a product of the construction industry is a _____

- A. chair
- B. bag of cement
- C. piece of cloth
- D. television

4. A person authorized to sell the property of a company in a winding up is _____

- A. an auctioneer
- B. an agent
- C. a liquidator
- D. a bailee

Use the diagram below to answer questions 5 to 7.



5. The space marked **A** represents _____

- A. trading
- B. industry
- C. occupation
- D. advertising

6. The space marked **X** represents _____

- A. industry
- B. foreign trade
- C. home trade
- D. production

7. What does the space marked **M** represent?

- A. Quarrying
- B. Manufacturing
- C. Agriculture
- D. trade

8. The purchase and sale of goods over electronic system is _____

- A. E-payment
- B. E-commerce
- C. E-mail
- D. E-transfer

9. One disadvantage of a sole proprietorship is _____

- A. quick decision making.
- B. unlimited liability.
- C. pride of ownership.
- D. unlimited source of capital.

10. Which of the following is a source of short-term finance to a business?

- A. Hire purchase
- B. Overdraft
- C. Lease
- D. Debenture

11. The portion of share capital which the company has asked shareholders to pay is _____

- A. called-up capital
- B. authorized capital
- C. paid-up capital
- D. unpaid capital

12. Multilateral trade is carried out _____

- A. between two countries only
- B. within many countries
- C. among many countries
- D. between neighbouring countries only

13. An association of businesses engaged in both trade and industry is a _____

- A. co-operative society
- B. trade union
- C. trust fund
- D. chamber of commerce

14. Which of the following statements is true of a debenture?

- A. Its holders receive interest
- B. It forms part of company's authorized capital
- C. Its holders are co- owners of the company
- D. Its holders control the company

15. The path through which a product moves from the manufacturer to the consumer is a _____

- A. channel of communication
- B. line of production
- C. means of transportation

D. channel of distribution

16. If the opening stock of Ali Ltd is ₦40,000, cost of goods sold is ₦48,000 and closing stock is ₦24,000, its rate of turnover will be _____

- A. 1.2 times
- B. 1.5 times
- C. 2.0 times
- D. 7.5 times

17. A business which requires a certificate of trading in order to commence operation is a _____

- A. co-operative society
- B. private company
- C. sole proprietorship
- D. public company

18. Exchange of goods in international market which does not involve the use of money is _____

- A. barter trade
- B. entrepot trade

- C. counter trade
- D. bilateral trade

19. Which of the following features is not associated with a chamber of commerce? It is _____

- A. Democratically administered
- B. an independent association
- C. open only to entrepreneurs
- D. a voluntary association

20. The reason for sending a proforma invoice to a potential customer is that it is _____

- A. an indication of the seller's willingness to grant credit.
- B. a polite way of telling the customer to return the goods.
- C. an invitation to the buyer to buy on hire purchase.
- D. a polite way of refusing to sell on credit.

21. The insurance policy taken to cover dishonesty of accounts personnel of an organisation is _____

- A. employer's liability
- B. fidelity guarantee
- C. life endowment
- D. marine insurance

22. Which of the following documents is used when goods are being sent by a common carrier?

- A. Delivery note
- B. Consignment note
- C. Advice note
- D. Credit note

23. A put option in the stock exchange is an option _____

- A. to sell
- B. not to sell
- C. to buy
- D. not to buy

24. The functions of money do not include _____

- A. store of value
- B. medium of exchange
- C. double coincidence of wants

D. means of deferred payment

25. A document of title to goods written by the ship owner, specifying that certain goods are being conveyed in the ship is a _____

- A. bill of sale
- B. bill of sight
- C. bill of entry
- D. bill of lading

26. Informative advertising is aimed at _____

- A. giving advice on the use of a product
- B. influencing customers to buy a product
- C. giving gifts to attract customers
- D. encouraging specific customers to buy a product

27. A cheap means of carrying bulky goods over long distance is by _____

- A. rail
- B. road
- C. air
- D. pipeline

28. A contract terminated by the occurrence of an event which makes performance impossible is discharge by _____

- A. breach
- B. agreement
- C. frustration
- D. performance

29. An individual employed to act on behalf of another within a specified guideline is _____

- A. a jobber
- B. an agent
- C. a broker
- D. a distributor

30. Which of the following is not a component of the marketing mix?

- A. price
- B. place

C. population

D. product

31. A method of buying in anticipation of price fluctuation in the commodity market is _____

A. speculation

B. arbitrage

C. contango

D. hedging

32. A shipping document detailing the charges for carrying a particular cargo for a specified voyage is _____

A. dock warrant

B. freight note

C. bill of lading

D. mate's receipt

33. Commercial agents who are authorized to keep goods until they are sold are _____

A. Factors

B. distributors

C. brokers

D. auctioneers

34. An advertisement method whose objective is to convince customers to buy a product is _____

A. informative advertisement

B. persuasive advertisement

C. competitive advertisement

D. mass advertisement

35. A government legislation which ensures that quality goods and services are available to customers is _____

A. Hire Purchase Act

B. Copyright Act

C. Price control Act

D. Standard Organisation Act

36. A bank draft is a cheque drawn by a bank on _____

A. another bank

B. itself

C. creditors

D. customers' deposits

37. A company is quoted on the stock exchange when its shares are _____

- A. Put under private placement
- B. Not for sale to the public.
- C. Listed for sale on the exchange.
- D. Owned by the government

38. Which of the following functions is not performed by the export promotion council?

- A. Prevention of importation of harmful goods
- B. Provision of credit facilities to exporters
- C. Provision of technical advice to exporters
- D. Creation of export free Zones

39. Activities undertaken to create awareness of a product by giving out samples or gifts is ____

- A. Marketing mix
- B. marketing concepts
- C. window display

D. sales promotion

40. An advantage of privatizing a firm is that it _____

- A. becomes more efficient
- B. sells good at low prices.
- C. Employs more workers.
- D. Attracts more customers.

41. The transfer of authority by a superior officer to his subordinate in an organisation is _____

- A. controlling
- B. decentralization
- C. delegation
- D. directing

42. The provision of scholarships by a firm to needy students is part of its _____

- A. Political responsibility
- B. economic responsibility
- C. social responsibility
- D. legal responsibility

43. How many countries form ECOWAS?

- A. 17
- B. 16
- C. 15
- D. 14

44. Which of the following is a modern means of communication?

- A. Grape vine
- B. E-mail
- C. Whistles
- D. Town crier

45. A system of issuing new shares to selected investors instead of the general public is _____

- A. Public offer
- B. Issue by tender
- C. offer for sale
- D. private placement

46. One of the aims of the European Union is to _____

- A. ease trade among member countries.
- B. Enhance better trade with Africa.
- C. enhance free trade with America.
- D. offer financial assistance to poor countries

47. The purpose of commercialization is to _____

- A. Encourage the participation of the private sector.
- B. make state-owned firms more efficient.
- C. Encourage the flow of foreign capital
- D. enables state-owned firms pay tax.

48. The time allowed for loading and unloading a ship at the harbour is _____

- A. Demurrage
- B. tenure
- C. lay days
- D. dead freight.

49. Interbank indebtedness is settled at the _____

- A. clearing house
- B. money market
- C. discount house
- D. stock exchange

50. The concern of a marketing manager whose company has adopted the marketing concept is to _____

- A. recruit more salesmen
- B. make maximum profit.
- C. identify and satisfy customers' needs
- D. maintain the company's share of the market

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WAEC COMMERCE OBJECTIVE QUESTIONS (PT.2)

1. Commercial activities received a great boost in West Africa due to contact with _____

- A. Asian
- B. Europeans
- C. Americans
- D. Africans

2. The job of the police in keeping law and order in the society is _____

- A. a commercial Service
- B. an indirect service
- C. a direct service
- D. a self service

3. A business which becomes insolvent may result in _____

- A. continuity
- B. expansion
- C. liquidation
- D. re-incorporation

4. Which of the following activities does NOT belong to the extractive occupation?

- A. Quarrying
- B. Carving
- C. Mining
- C. Agriculture

5. The major division of commerce are _____

- A. import, export and transportation
- B. trade communication and warehouse
- C. import, trade and production
- D. trade and auxiliaries to trade

6. A Memorandum of Association is a document _____

- A. defining a company's relationship with the public.
- B. inviting the public to buy a company's shares
- C. governing the affairs of the partnership.

D. regulating a company's internal affairs

7. The main purpose of branding is to _____

- A. increase the quantity of goods demanded
- B. increase the selling price of goods
- C. differentiate goods from other similar goods
- D. enhance turnover of goods

8. The facility which is not provided by the port authority is _____

- A. berth
- B. warehouse
- C. tarmac
- D. cranes

9. A cheque could be dishonoured as a result of _____

- A. insufficient funds
- B. same amount in words and figures

C. general crossing

D. regular signature

10. When a company sells shares to existing share-holder at preferential rates, this is _____

- A. right issue
- B. bonus issue
- C. private placing
- D. issue by introduction

11. The conversion of raw materials into finished goods is performed by _____

- A. the extractive industry
- B. service occupations
- C. commercial occupation
- D. the manufacturing industry

12. Which of the following is NOT factor of production?

- A. Capital
- B. Labour
- C. Exchange
- D. Entrepreneurship

Use the following information to answer questions 13 – 14.

Adama's opening stock is D5,000. He purchased goods worth D30,000. His closing stock was D7,000 and sales D55,000

13. What is the average stock?

- A. D12,000
- B. D7,000
- C. D6,000
- D. D5,000

14. What is the cost of goods sold?

- A. D55,000
- B. D42,000
- C. D32,000
- D. D28,000

15. What is the rate of stock turnover?

- A. 11 times
- B. 6 times
- C. 4.7 times

D. 4 times

16. Which of the following is a source of short term capital?

- A. Trade credit
- B. Shares
- C. Leasing
- D. Debenture

17. The most suitable channel for the sale of an aircraft is _____

- A. manufacturer – wholesaler – retailer – consumer
- B. manufacturer – wholesaler – consumer
- C. manufacturer – retailer – consumer
- D. manufacturer – consumer

18. The duty payable on goods produced locally is _____

- A. export duty
- B. excise duty
- C. import duty
- D. ad valorem duty

19. An overdraft is granted to holders of _____

- A. savings accounts
- B. loan accounts
- C. deposit account
- D. current accounts

20. The amount of capital used in the day-to-day running of a company is _____

- A. working capital
- B. capital employed
- C. share capital
- D. fixed capital

21. An example of an invisible item of trade is _____

- A. oil
- B. shipping
- C. machinery
- D. textile

22. In a hire purchase agreement, the buyer is the _____

- A. agent

- B. hirer
- C. lessee
- D. lessor

23. Which of the following terms is not used in price quotation for goods?

- A. E & O.E
- B. C.I.F
- C. Ex works
- D. F.A.S

24. Mr. Ojo paid Noak the sum of ₦3,000 for a piece of land without signing a deed of sale. The element of contract which is lacking in the transaction is _____

- A. valuable consideration
- B. formality
- C. offer and acceptance
- D. capacity

25. Which of the following documents is used in home trade only?

- A. Bill of lading

- B. Airway bill
- C. Certificate of origin
- D. Proforma invoice

26. The Central Bank carries out its monetary policy through _____

- A. discounting bills
- B. credit ceiling
- C. replacement of worn-out notes
- D. bank rate

27. The expert responsible for the calculation of probability of risks in insurance is _____

- A. an actuary
- B. an underwriter
- C. a broker
- D. a solicitor

28. A disadvantage of rail transport is that _____

- A. it carries bulky goods only
- B. the cost of carriage is high
- C. it is not flexible
- D. it travels on schedule

29. The advertising medium that makes only audio impression is _____

- A. cinema
- B. radio
- C. television
- D. hoardings

30. A speculator in the stock exchange market who sells securities in anticipation of a fall in their prices is a _____

- A. broker
- B. bull
- C. bear
- D. stag

31. Which of the following activities aims at increasing sales?

- A. Insurance
- B. Banking
- C. Warehousing
- D. Advertising

32. A machine supplied by the post office to organisation to

imprint stamps on their letters is _____

- A. vending machine
- B. shredding machine
- C. automated teller machine
- D. franking machine

33. An agreement between two parties which can be enforced is _____

- A. a warranty
- B. an offer
- C. consideration
- D. a contract

34. The marketing mix element which ensures that goods are available when and where needed is _____

- A. place
- B. price
- C. product
- D. promotion

35. An example of a computer's output device is a _____

- A. keyboard
- B. mouse
- C. monitor
- D. scanner

36. Ocean liners are vessels that _____

- A. sail at scheduled times on fixed routes
- B. sail any time to any place where there is cargo
- C. carry only cargo
- D. carry only liquid

37. The process of placing the right people in the right position in an organisation is _____

- A. planning
- B. motivating
- C. staffing
- D. directing

38. The right of an unpaid seller does NOT include _____

- A. declaring the buyer bankrupt
- B. retaining the possession of the goods
- C. stopping the goods while in transit
- D. reselling the goods

39. The coming together of people who engage in trade and industry in a particular area is _____

- A. an employer's association
- B. a trade association
- C. a chamber of commerce
- D. a trade union

40. The term which enjoins the buyer to examine goods thoroughly before making a purchase is _____

- A. uberimae fidei
- B. caveat venditor
- C. consumer sovereignty
- D. caveat emptor

41. Which of the following is NOT a tool for sales promotion?

- A. Publicity
- B. Exhibition
- C. Completion
- D. Free samples

42. The organisation of local and international trade fairs is the responsibility of _____

- A. trade associations
- B. labour unions
- C. chambers of commerce
- D. customs and excise authorities

43. Under the principle of subrogation, the insurer has the right to _____

- A. abrogate the contract
- B. re-insure the property
- C. take over any legal rights of the insured
- D. take over all the liabilities of the insured

44. The law that protects a musician's work from piracy is _____

- A. usury law
- B. copyright
- C. trademark
- D. hire purchase

45. Which of the following countries is a member of the Lake Chad Basin Commission?

- A. The Gambia
- B. Cameroon
- C. Ghana
- D. Guinea

46. Which of the following is a type of marine insurance?

- A. Endowment
- B. Hull
- C. Accident
- D. Fidelity

47. The transfer of ownership of government businesses to individuals is _____

- A. commercialisation
- B. deregulation
- C. privatization

D. nationalization

48. One of the aims of ECOWAS is to _____

- A. discourage foreign investors
- B. promote privatization policy
- C. ensure production of quality products
- D. promote trade within the region

49. Which of the following business relies on government subvention for its operation?

- A. Public Corporation
- B. Public Limited Company
- C. Co-operative Society
- D. Private Limited Company

50. Balance of payment deficits may be caused by _____

- A. revaluation of currency
- B. sales of foreign reserves
- C. unrestricted exports
- D. unrestricted imports

WAEC COMMERCE OBJECTIVE QUESTIONS (PT.3)

1. The practice of giving a particular name to a product by a manufacturer is _____

- A. branding
- B. standardization
- C. publicity
- D. advertising

2. An extra commission paid to an agent who guarantees credit sales made by him is _____

- A. delcredere
- B. guarantor's fee
- C. jobber's turn
- D. brokerage

3. A professional in insurance who evaluates the level of loss claims is an _____

- A. adjuster
- B. assessor
- C. underwriter
- D. actuary

4. The insurance services rendered to a foreign shipping company are treated as _____

- A. invisible export
- B. invisible import
- C. visible export
- D. balance of trade

5. Dividing the market for a product according to potential buyers who have common characteristics is _____

- A. market analysis
- B. market penetration
- C. market segmentation
- D. market research

6. Which of the following aids to trade facilitates production ahead of demand?

- A. insurance
- B. transportation
- C. advertising
- D. warehousing

7. When a government acquires business enterprise formerly owned by individuals, it is termed _____

- A. commercialization
- B. indigenization
- C. privatization
- D. nationalization

8. How many countries make up the River Niger Basin Commission?

- A. 16
- B. 12
- C. 10
- D. 9

9. Which of the following means of payment makes the bank both the drawer and drawee?

- A. Standing order
- B. Bill of exchange
- C. Bank draft
- D. Open cheque

10. An association that protects the interest of members in the same line of business is a _____

- A. Consumer Association
- B. Trade Union
- C. Trade Association
- D. Chamber of Commerce

Use the following information to answer questions 11 to 13.

Bamidele Co. Ltd has authorized capital of 40,000,000 ordinary shares of ₦4 each. Shares issues and fully paid are 25,000,000.

11. The value of Bamidele Co. Ltd's authorized share capital is _____

- A. ₦160,000,000
- B. ₦100,000,000
- C. ₦65,000,000
- D. ₦40,000,000

12. The value of the issued capital of the company is _____

- A. ₦160,000,000
- B. ₦100,000,000
- C. ₦60,000,000
- D. ₦15,000,000

13. The unissued capital amounts to _____

- A. ₦160,000,000
- B. ₦60,000,000
- C. ₦40,000,000
- D. ₦15,000,000

14. Which of the following aids to trade is used to stimulate demand for goods?

- A. Banking
- B. Transport
- C. Insurance
- D. Advertising

15. The term consumer sovereignty means that the _____

- A. seller is the king
- B. product is supreme
- C. buyer is the king

D. producer is the king.

16. Which of the following activities is classified under extractive industry?

- A. Exploration of minerals
- B. Construction of roads
- C. Canning of tomato purees
- D. assembling of cars

Use the information below to answer questions 17 and 18.

BYX Enterprise has the following balances at the end of March 2010:

Opening stock = D6,000

Purchases = D23,000

Salaries and wages = D12,000

Closing stock = D8,000

Sales = D30,000

17. Calculate the gross profit of BYX Enterprise.

- A. D13,000
- B. D9,000
- C. D5,000

D. D1,000

18. What is the rate of turnover of BYX Enterprise?

A. 5.0 times

B. 3.5 times

C. 3.0 times

D. 1.5 times

19. Which of the following workers is engaged in construction occupation?

A. Mason

B. Shop Assistant

C. Farmer

D. Train Driver

20. A cheque which the bank refused to pay because the drawer had insufficient funds in his account is _____

A. a bounced cheque

B. a bearer cheque

C. a crossed cheque

D. an order cheque

21. Which of the following is a function of the retailer to the wholesaler?

A. providing after sales service

B. providing information on market trends

C. sales of variety of goods

D. sales of goods in smaller quantities

22. The term utmost good faith in insurance means _____

A. both the insured and insurer must disclose all information

B. only the insurer must disclose all information

C. the beneficiary must disclose all information

D. only the insured must disclose all information.

23. Which of the following business units enjoys government subsidies?

A. private limited company

B. Limited partnership

C. public limited company

D. public corporation

24. Duty drawback refers to duties paid on _____

A. exported goods produced with local content

B. re-exported goods previously imported

C. imported goods for sales locally

D. locally manufactured goods for sales locally

25. The capital that is used in the day-to-day running of a business is _____

A. nominal capital

B. working capital

C. paid up capital

D. authorized capital

26. Which of the following is classified under current asset?

A. Machinery

B. motor vehicle

C. stock

D. fittings

27. The reduction in value of a country's currency in relation to others is _____

A. redenomination

B. devaluation

C. inflation

D. deflation

28. Retail outlets which sell from specialized vans are called _____

A. supermarkets

B. multiple shops

C. mail order firms

D. mobile shops

29. Which of the following is an aspect of marketing concept?

A. product differentiation

B. sales orientation

C. consumer orientation

D. price differentiation

30. The practice of selling goods in foreign markets at a price lower than the cost price is _____

- A. fair trading
- B. under invoicing
- C. hedging
- D. dumping

31. A cheque made payable to a named person is _____

- A. a crossed cheque
- B. a certified cheque
- C. an order cheque
- D. a confirmed cheque

32. A house insured against damage by flood was burnt down and the owner had no claim. Which of the following principles prevented him from making a claim?

- A. indemnity
- B. contribution
- C. insurable interest
- D. proximate cause

33. The market for short term capital is called _____

- A. commodity market
- B. discount market
- C. money market
- D. stock market

34. Which of the following principles stipulates that the insured must be in a position to suffer financial loss?

- A. indemnity
- B. proximate cause
- C. insurable interest
- D. subrogation

35. When shares are sold 'ex-div' it means the _____

- A. buyer is entitled to the next dividend
- B. shares are sold at par
- C. shares are sold above par
- D. seller has right to the next dividend

36. Turnover could be increased by _____

- A. increasing prices and products differentiation
- B. advertising and cutting prices
- C. refusing credit and customer services
- D. increasing the mark up and margin

37. Commerce started as a result of _____

- A. speculation
- B. consumption
- C. specialization
- D. nationalization

38. Which of the following is used for making payments to many people in a single cheque?

- A. debit transfer
- B. certified cheque
- C. bank draft
- D. credit transfer

39. Equity interest in a company is represented by _____

- A. preference share
- B. dividend
- C. debenture
- D. ordinary prices

40. When two insurers are liable under a given common policy, the principle of insurance that applies is _____

- A. indemnity
- B. subrogation
- C. proximate cause
- D. contribution

41. All activities aimed at creation of a good image for an organization are referred to as _____

- A. market segmentation
- B. market research
- C. public relation
- D. consumer orientation

42. Which of the following is a disadvantage of foreign trade?

- A. it encourages dumping
- B. it widens the world market
- C. it encourages specialization
- D. it provides variety of good

43. Study to discover consumers' preferences and needs is called _____

- A. market segmentation
- B. consumer orientation
- C. market research
- D. market mix

44. Which of the following is a disadvantage of retailing?

- A. Selling on credit
- B. lower prices of goods
- C. selling in smaller quantities
- D. location at convenient places

45. A private limited liability company differs from a public limited liability company because it _____

- A. does not issue its shares to the public
- B. as a separate entity
- C. as many directors
- D. is a going concern

46. A tax charged in proportion to the value of imported goods is _____

- A. specific duty
- B. ad valorem duty
- C. custom duty
- D. excise duty

47. Which of the following is a reason for the failure of public corporations?

- A. legal requirements
- B. inadequate funding
- C. political stability
- D. lack of competition

48. The factor that is not considered when determining the means of transport suitable for cargo is _____

- A. size
- B. weight
- C. manufacturer
- D. perishability

49. Which of the following is a document of title to goods?

- A. bill of exchange
- B. bill of entry
- C. letter of hypothecation
- D. bill lading

50. The fee paid for transporting goods by ship is _____

- A. fare
- B. freight
- C. demurrage
- D. charges

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WAEC COMMERCE OBJECTIVE QUESTIONS (PT.4)

1. A document used as a polite way of refusing credit is _____

- A. advice note
- B. quotation
- C. proforma invoice
- D. invoice

2. Carriage forward on an invoice means _____

- A. carriage will be paid next time
- B. carriage will be paid by seller
- C. will be paid by buyer
- D. carriage had been paid

3. Which of the following is not contained in a consignment note?

- A. Name of the buyer
- B. Name of the seller
- C. Description of goods
- D. Cost of goods

The PW Company Ltd. achieved the following result in 2012:

	Le
<i>Sales</i>	<i>100,000</i>
<i>Profit</i>	<i>5,000</i>
<i>Capital employed</i>	<i>20,000</i>

4. The return on capital employed is _____

- A. 25%
- B. 20%
- C. 15%
- D. 5%

5. Which of the following will be suitable for hire purchase sale?

- A. Shares
- B. Refrigerator
- C. Shoes
- D. Textile

6. A person who earns extra commission for guaranteeing debts is a _____

- A. factor
- B. broker
- C. commission

D. del-credere agent

7. An insurance principle that prevents a person from insuring what he does not stand to lose financially if the insured risk occurs is _____

- A. indemnity
- B. insurable interest
- C. proximate cause
- D. subrogation

8. Voyage policy insurance is associated with _____

- A. fire
- B. life
- C. marine
- D. burglary

9. If a share is dividend quoted ex-div, it means the new buyer would _____

- A. get the next dividend
- B. not get the next
- C. get a fixed dividend
- D. not get any dividend

10. Which of the following is the function of commerce?

- A. The conversion of raw materials into semi-finished products
- B. The conversion of semi-finished products into end products
- C. Provision of services to customers
- D. The exchange and distribution of goods and services

11. Who among the following does not render direct service?

- A. Teacher
- B. Musician
- C. Doctor
- D. Retailer

12. The last link in the production process is the _____

- A. transporter
- B. wholesaler
- C. consumer
- D. retailer

13. The Board of Directors of Public corporation is appointed by the _____

- A. government
- B. shareholders
- C. management
- D. employees

14. The object clause of a limited liability company is stated in the _____

- A. Memorandum of Association
- B. Article of Association
- C. Certificate of incorporation
- D. Trading certificate

15. A market which deals in the purchase and sale of second-hand securities is the _____

- A. Stock
- B. Building Society
- C. Shippers Council
- D. Co-operative Society

16. To endorse a cheque means to _____

- A. write and sign one's name at the back of the cheque
- B. write "pay cash on the cheque
- C. cross the cheque
- D. stop the payment of the cheque

17. An insurance policy that covers the body of the ship only is called _____

- A. Haulage insurance
- B. Voyage insurance
- C. Hull insurance
- D. Cargo insurance

18. Which of the following protects consumers against poor quality goods?

- A. Chambers of Commerce
- B. Standard Organisation
- C. Trade Association
- D. Manufacturers Association

19. Mr. Biu has been paying the premium of a straight Life Assurance policy for several

years. The surrender value of the policy if the amount that _____

- A. would be paid to Mr. Biu if he should discontinue with the policy
- B. would be paid to Mr. Biu's beneficiaries if he dies
- C. is paid annually to Mr. Biu to the insurance company
- D. the amount Mr. Biu has paid plus interest

20. The use of current account in business is convenient because _____

- A. withdrawal can be made at any time
- B. deposits earn higher interest
- C. loans are always available
- D. notices are necessary before withdrawals

21. The cost of telephone conversation is determined by the _____

- A. number of words spoken
- B. person sending the message

- C. Duration of the conversation
- D. urgency of the message conveyed

22. 'Not negotiable' on a cheque means _____

- A. ownership can be transferred to the third party by mere delivery
- B. the cheque can be paid over the counter on endorsement
- C. the holder has no better title than the person who transfers it
- D. ownership rests with the one who issued the cheque

23. The type of transport a manufacturer will use will be influenced by _____

- A. type of sales
- B. the tax on the goods
- C. the customer's age
- D. nature of goods

24. A contract made between a ship owner and a merchant for the carriage of cargo is _____

- A. ships manifest
- B. charter party
- C. freight forward
- D. cargo service

25. Advertising efforts geared towards a particular audience is known as _____

- A. mass advertising
- B. direct advertising
- C. persuasive advertising
- D. indirect advertising

26. Trade fairs and exhibitions are media of _____

- A. sales promotion
- B. customer service
- C. market segmentation
- D. advertising

27. The concept which says that a company's production policy should be centred on the ultimate user of the product is known as _____

- A. market segmentation

- B. consumer sovereignty
- C. marketing mix
- D. marketing research

28. The various rights attached to different classes of shares are stated in the _____

- A. articles of association
- B. memorandum of association
- C. balance sheet
- D. prospectus

29. Which of the following is a feature of supermarkets?

- A. Gives credit to reliable customers
- B. Specializes in one line of product
- C. Goods are on display with price tags
- D. Does not have to provide storage facilities

30. Public enterprises are financed mainly by _____

- A. the shareholders

- B. commercial banks
- C. government grants
- D. mortgage banks

31. A personal computer on sale in an office equipment shop is an example of _____

- A. stock
- B. fixed asset
- C. liability
- D. fixed capital

32. The difference between current assets and current liabilities is _____

- A. issued capital
- B. capital employed
- C. working capital
- D. nominal capital

33. A Ltd. Company has an authorized capital of 2,000,000 shares of D5 each. If the company issued 1,200,000 shares, its issued capital is _____

- A. D10,000,000

- B. D6,000,000
- C. D4,000,000
- D. D2,000,000

34. The money used by Ola Maro and Co. Ltd in running the day-to-day activities of the business is represented by _____

- A. fixed capital
- B. capital employed
- C. paid-up capital
- D. working capital

35. Which of the following is an advantage to a sole trader?

- A. Guaranteed profit
- B. Quick decision making
- C. Unlimited liability
- D. Buying on credit

36. A country's deliberate decision to reduce the value of her currency is called _____

- A. deregulation
- B. inflation
- C. devaluation

D. revaluation

37. Which of the following is not a function of warehousing?

- A. Creating scarcity of goods
- B. stabilization of price
- C. Production ahead of demand
- D. Storage of goods

38. Ad valorem duties are based on the _____

- A. importance of the goods imported
- B. value of the goods imparted price
- C. weight of the goods imported
- D. nature of the goods imported

39. A tariff refers to _____

- A. fees imposed on contraband goods
- B. fees paid on exports
- C. taxes imposed on imported goods
- D. taxes paid on home made goods

40. The selling of goods in small units is normally performed by _____

- A. chambers of commerce
- B. wholesalers
- C. distributors
- D. retailers

41. Direct sales to consumers by manufacturers is a means of eliminating _____

- A. wholesalers only
- B. retailers only
- C. middlemen
- D. agent

42. A physical restriction placed on the quantity of goods of that can be imported is _____

- A. a ban
- B. a quota
- C. an excise duty
- D. an import tax

43. A country is said to achieve a trade surplus when total _____

- A. visible exports exceeds total visible imports
- B. invisible exports exceeds total invisible imports
- C. visible exports exceeds total invisible imports
- D. visible imports exceeds total visible exports

44. The process of winding up a public limited company by a court order is known as _____

- A. termination
- B. dissolution
- C. voluntary liquidation
- D. compulsory liquidation

45. A person who undertakes responsibility for forming a new company is _____

- A. auditor
- B. solicitor
- C. registrar
- D. promoter

46. A term which describes the value of business connections

made by a company over the years is known as _____

- A. patent
- B. copyright
- C. goodwill
- D. trade mark

47. The ancillary to trade which ensures that people have access to information pertaining to goods is _____

- A. insurance
- B. advertising
- C. warehouse
- D. banking

48. The insurance principle of indemnity does not apply to _____

- A. fire insurance
- B. life assurance
- C. burglary insurance
- D. marine insurance.

49. Which of the following price quotations requires the buyer to

take delivery at the manufacturer's warehouse?

- A. Ex-works
- B. F.O.R.
- C. F.O.B.
- D. F.A.S.

50. To take an insurance policy, an applicant must first complete a/an _____

- A. proposal form
- B. cover note
- C. certificate of insurance
- D. advice note

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WAEC COMMERCE OBJECTIVE QUESTIONS (PT.5)

1. The development of trade in West Africa was aided by the _____

- A. emergence of traditional rulers.
- B. arrival of the Portuguese.
- C. introduction of tax payment.
- D. introduction of money.

2. An issuing house is an outlet for _____

- A. new shares and bonds.
- B. non listed companies shares.
- C. existing shares and bonds.
- D. only gilt-edged securities.

3. Which of the following is quoted when the buyer is responsible for the cost of loading the goods from the seller's warehouse up to his own warehouse?

- A. F.O.R.
- B. C.I.F
- C. E.A.S
- D. Loco

4. The relationship between all imports and exports of a country is known as _____

- A. terms of trade.
- B. balance of trade.
- C. balance of payment.
- D. terms of payment.

5. Which of the following is an example of large-scale retailing?

- A. Hawking
- B. Mobile shops
- C. Kiosks
- D. Department stores

6. A cheque drawn by a bank on itself is a/an _____

- A. direct debit.
- B. bank draft.
- C. bank transfer.
- D. overdraft.

7. A voluntary body formed by people in the same line of

business for the purpose of protecting their interest is a _____

- A. trade association.
- B. trade union.
- C. chamber of commerce.
- D. trading partnership

8. Those who are engaged in the distribution of goods belong to _____

- A. commercial occupation.
- B. extractive industry
- C. manufacturing industry
- D. construction industry

9. Which of the following is an advertising function?

- A. Packaging
- B. Persuading
- C. Grading
- D. Segmenting

10. Buildings and machinery used in the running of a business are examples of _____

- A. current assets

B. intangible assets

C. liquid assets

D. fixed assets

11. Which of the following is classified as invisible item in balance of payment?

- A. Import of goods
- B. Salaries of expatriates
- C. Export of groundnuts
- D. sale of equipment

12. Collecting information on the taste of consumers and the extent of demand for a product is _____

- A. market research
- B. market segmentation
- C. marketing mix
- D. marketing concept

13. Which of the following is NOT an insurance of indemnity?

- A. Life
- B. Marine
- C. Burglary
- D. Fire

14. The entitlement of a debenture holder from a company's income is known as _____

- A. commission
- B. interest
- C. lien
- D. dividend

15. The collection of tariffs on imported goods is the function of _____

- A. Ports Authority
- B. Customs and Excise Authority
- C. Clearing and Forwarding Agents
- D. Export Promotion Council

16. A licensed person who is authorized to sell to the highest bidder is _____

- A. principal
- B. factor
- C. broker
- D. auctioneer

17. An efficient transport system enables a trader to _____

- A. widen the market for his products.
- B. avoid customs examination of goods
- C. adopt better price policy
- D. reduce cost of production

18. The Central Bank's monetary policy instrument by which it buys and sells Treasury bills is known as _____

- A. Open Market Operation.
- B. Bank rate.
- C. Cash reserve ratio.
- D. Special deposit

19. Which of the following acted as the central bank for West African countries before their independence?

- A. The West African Clearing House
- B. The British Bank for West Africa

C. The West African Currency Board

D. The African Development Bank

20. Current account holders withdraw money by means of ____

A. credit card.

B. draft.

C. withdrawal form.

D. cheque.

21. Which of the following is a feature of mail order business?

A. Employs many shop assistants

B. Practises self-service

C. Provides attractive shop front

D. Rents large warehouse

22. Bonded warehouse is a place where ____

A. duty free goods are kept.

B. perishable goods are kept.

C. home-made goods are kept.

D. dutiable goods are kept.

23. Which of the following is concerned with promoting favourable image of an organization?

A. Consumer sovereignty

B. Public relations

C. Marketing research

D. Market segmentation

24. The document issued by the registrar of companies to permit a public limited company to commence business is ____

A. Memorandum of Association

B. Certificate of Incorporation

C. Article of Association

D. Trading Certificate

25. Which of the following is NOT an economic grouping?

A. Lake Chad Basin Commission

B. Economic Community of West African State

C. European Union

D. International Monetary Fund

26. One of the principles of insurance is _____

- A. consequential loss.
- B. fidelity guarantee.
- C. proximate cause.
- D. surrender value.

27. A written instruction by a current account holder to his bank to debit his account at regular intervals with a specified amount for a given period is known as _____

- A. standing order.
- B. money order.
- C. bank draft.
- D. overdraft.

28. A collective bundle of shares is called _____

- A. debenture.
- B. stock.
- C. bond.
- D. share.

29. The assets of a business that is available as cash or near cash is called _____

- A. equity.
- B. capital employed.
- C. reserved capital.
- D. liquid capital.

30. The bank on which a cheque is drawn is known as the _____

- A. drawer
- B. drawee
- C. cashier
- D. payee

31. A percentage reduction from the quoted price of goods given to a buyer to encourage bulk purchase is called _____

- A. cash discount.
- B trade discount.
- C commission
- D. bonus.

32. The difference between the cost price and selling price of an article is _____

- A. commission
- B. mark-up
- C. rebate
- D. discount

33. A ceiling on the quantity of commodity to be imported into the country is called _____

- A. ban.
- B. tariff.
- C. price limit.
- D. quota.

34. The buyer in a hire purchase contract becomes the legal owner of the goods by paying _____

- A. initial deposit.
- B. the last instalment
- C. half of the purchase price
- D. two-third of the purchase price

35. The document which helps in ascertaining the correct value of

imports in order to assess the custom duty is _____

- A. bill of lading
- B. consular invoice
- C. bill of sight
- D. ships manifest

36. The combination of product, price, promotion and distribution decisions employed by a company is referred to as _____

- A. pricing policy.
- B. marketing mix.
- C. product mix.
- D. marketing concept.

37. The document which specifies the manufacturer from whom goods are to be imported is _____

- A. closed indent.
- B. open indent.
- C. export
- D. consignment note

38. Who among the following generally has no capacity to enter into a valid contract?

- A. School principals
- B. Infants
- C. Agents
- D. Religious ministers

39. The satisfaction of consumers in all business activities is emphasized by _____

- A. market research.
- B. marketing concept.
- C. marketing mix.
- D. product differentiation.

40. The document which is used when a country imposes ad valorem duties is _____

- A. bill of lading.
- B. consular invoice.
- C. certificate of origin.
- D. open indent.

41. An activity involving buying, selling and distribution of goods and services is known as _____

- A. trade
- B. marketing mix
- C. exchange
- D. commerce

42. Which of the following arrangement of documents is the correct sequence as used in the retail trade?

I. Quotation

II. Enquiry

III. Order

IV. Invoice

- A. I, II, III, IV.
- B. II, III, IV only.
- C. I, IV III only.
- D. I, III, IV only.

43. Mr. Lou who assured his life with XYZ Assurance Company, was involved in an accident and had a broken leg, the sum of 80,000 was paid to Mr. Lou for his

broken leg. The money received is known as _____

- A. compensation
- B. commission
- C. premium
- D. indemnity

44. The size of profit of a business is measured by the _____

- A. closing stock
- B. opening stock
- C. total purchases
- D. rate of turnover

45. Industrial occupation does not involve the _____

- A. growing and extraction of raw materials
- B. use of machinery
- C. construction and manufacturing of goods
- D. movement of people and goods

46. The abbreviation E & O. E. on an invoice seeks to _____

- A. draw the attention of the buyer to the contents of the document.
- B. show that there is no error about prices quoted on the invoice.
- C. protect the seller against any error on the document.
- D. draw the attention of the seller to the contents of the document.

47. The functions of credit and thrift society does NOT include _____

- A. charging low interest rate on loan.
- B. providing savings facilities.
- C. encouraging mutual co-operation of members.
- D. providing security for members' property.

48. Throwing cargo over board in order to save a ship from sinking is _____

- A. jettison.
- B. abandonment.
- C. piracy.

D. flotsam.

49. The document in which the full details of goods and the ship carrying the goods are contained is known as _____

- A. bill of exchange.
- B. bill of sight.
- C. certificate of origin.
- D. shipping advice note.

50. The exclusive right of an author over his book is _____

- A. Trade mark.
- B. Brand name.
- C. Copy right.
- D. Patent right.

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WAEC COMMERCE OBJECTIVE QUESTIONS (PT.6)

1. When the government gives up its ownership and control of a business to individuals, this is known as _____

- A. nationalization.
- B. commercialization.
- C. privatization.
- D. indigenization.

2. The reward received by a party in a contract agreement is known as _____

- A. consideration.
- B. acceptance.
- C. offer.
- D. warranty.

3. Payment to a ship owner for carrying one's cargo is _____

- A. demurrage.
- B. fare.
- C. dock due.
- D. freight.

4. Which of the following is not pre-sale services?

- A. Repair and maintenance work.
- B. Providing detailed information about the goods to be purchased.
- C. Demonstrating the use of and performance of the products to be sold.
- D. Setting up facilities for storing the product to be bought.

5. Which of the following is used to inform the addressee that he has a registered parcel for collection?

- A. Counterfoil
- B. Express label
- C. Slip.
- D. Telegram.

6. The cooperative society that performs a combination of the functions of other types of co-operatives is called _____

- A. consumer cooperative.

- B. multipurpose cooperative.
- C. producer cooperative.
- D. thrift and credit cooperative.

7. That portion of the share capital which the company has asked the shareholder to pay for is known as _____

- A. authorized capital.
- B. paid-up capital.
- C. issued capital.
- D. called-up capital.

8. One of the advantages of air transport over other forms of transport is _____

- A. safety.
- B. flexibility.
- C. cost.
- D. speed.

9. Which of the following are elements of a valid contract?

- A. Discharge and performance.
- B. Offer and acceptance.
- C. Age and maturity

D. Promise and capacity.

10. The last link in the channel of distribution is the _____

- A. retailer.
- B. consumer.
- C. wholesaler.
- D. producer.

11. Taxes on imported foreign goods are also known as _____

- A. excise duties.
- B. tariffs.
- C. ad valorem taxes.
- D. dock dues.

12. If Karamo who lives in The Gambia imports goods from Senegal and later sells in Guinea Bissau; Karamo is engaged in _____

- A. multi-lateral trade.
- B. counter trade.
- C. barter trade.
- D. entrepot trade.

13. Manufacturers may sell goods directly to consumers where goods are _____

- I. made to customers' specification.*
- II. advertised by the manufacturer.*
- III. perishable.*
- IV. highly technical.*
- V. widely demanded.*

- A. I, III and IV only.
- B. I and III only.
- C. III, IV and V only.
- D. III, IV only.

14. Which of the following is a means of payment?

- A. I.O.U
- B. Postal order
- C. Promissory note.
- D. C.I.F

15. Shipping services rendered by Nigeria to The Gambia would be classified by The Gambia as _____

- A. invisible imports.
- B. invisible exports
- C. visible imports.
- D. visible exports.

16. The main divisions of production are _____

- A. industry, direct and indirect services.
- B. extraction, manufacturing and construction.
- C. industry, commerce and direct services.
- D. industry, commerce and trading.

Use the information below to answer questions 17 to 19.

A trader's turnover was D36,000. Purchases was D28,000. The opening stock was D2,000 and the closing stock D3,000

17. What is the cost of goods sold?

- A. D28,000.

- B. D27,000.
- C. D8,000.
- D. D5,000.

18. The average stock is _____

- A. D5,000.
- B. D3,000.
- C. D2,500.
- D. D2,000.

19. What is the rate of turnover?

- A. 13.5 times.
- B. 10.8 times.
- C. 9 times.
- D. 5.4 times.

20. In marine insurance when a particular cargo is thrown into the sea in order to prevent the ship from sinking, the type of marine loss is _____

- A. particular average loss.
- B. general average loss.
- C. total average loss.
- D. constructive average loss.

21. The turnover of trade is the _____

- A. number of times the stock is sold.
- B. total sales made during a period.
- C. profit made during the period.
- D. total purchase made during the period.

22. The total assets of a business less its total liability is known as _____

- A. capital owned.
- B. share capital.
- C. issued capital
- D. working capital

23. A document issued to the public by a company to advertise its share is known as _____

- A. prospectus.
- B. tender.
- C. share certificate.
- D. trading certificate.

24. An overdraft is the _____

- A. Amount permitted to be withdrawn in excess of one's deposit.
- B. Excessive cash withdrawn by commercial banks from the central bank.
- C. Credit balance standing in the name of customer.
- D. Special deposit made by commercial banks.

25. Which of the following is NOT a principle of insurance?

- A. Insurable interest.
- B. Subrogation.
- C. Surrender value.
- D. Proximate cause.

26. The par value of a share is also known as _____

- A. premium price.
- B. market price.
- C. discount price.
- D. nominal price.

27. A cheque dated 15th March, 2012 will become stale on _____

- A. 16th June, 2012
- B. 16th July, 2012.
- C. 16th August, 2012.
- D. 16th September, 2012.

28. Banks settle their indebtedness in the _____

- A. discount house.
- B. stock exchange market.
- C. commercial bank.
- D. clearing house.

29. Which of the following distinguishes home trade from foreign trade?

- A. Payments are easily arranged
- B. Taxes are levied.
- C. Goods have to be warehoused.
- D. Middlemen are not required.

30. Before the advent of legal tender and credit instrument, which of the following was used as a medium of exchange?

- A. Currency notes.
- B. Cowries.
- C. Cheques.
- D. Bank drafts.

31. When C.I.F is quoted on an invoice, it means that the price includes the _____

- A. cost of the goods only.
- B. cost of insurance only.
- C. Cost of carriage only.
- D. cost, insurance and carriage.

32. Encouraging a high quality of members' products through the circulation of Research information is a function of _____

- A. Manufacturers Association.
- B. Trade Union.
- C. Employers Association.
- D. Consumers Association.

33. Which of these qualities guarantees the keeping of money for a long period?

- A. Acceptability

- B. Divisibility
- C. Durability
- D. Homogeneity

34. A voluntary association of business executives within a locality is known as _____

- A. Trade Union.
- B. Consumers Association.
- C. Chamber of commerce.
- D. Trade association.

35. Which of the following is not a function of the Ports Authority?

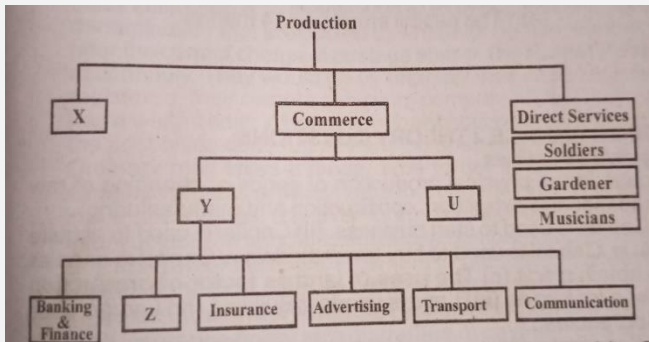
- A. Providing facilities for vessels.
- B. Collecting duck dues.
- C. Providing enough ships.
- D. Dredging of and off-loading of harbours.

36. Trade as a division of commerce is usually classified into _____

- A. retail and wholesale.
- B. import and export.
- C. Home and foreign.

D. visible and invisible.

Use the diagram below to answer questions 37 to 39.



37. The box marked 'X' stands for _____

- A. Indirect services.
- B. Industry.
- C. Occupation.
- D. Aids to trade.

38. The box marked 'Y' stands for _____

- A. Wholesale.
- B. Indirect services.
- C. Aids to trade.
- D. Foreign trade.

39. The box marked 'Z' stands for _____

- A. Warehousing.
- B. Home trade.
- C. Foreign trade.
- D. Marketing

40. Liquid capital in a business means the _____

- A. movable assets of the business.
- B. authorised capital.
- C. issued capital.
- D. Assets easily convertible to cash.

41. The "relationship which subsists between two or more persons carrying on a business with a view to profit" is _____

- A. cooperative society.
- B. partnership.
- C. public limited company.
- D. credit union.

42. Right issue is the _____

- A. Individual's right to be issued shares on subscription.

B. right of shareholders to vote on issue.

C. Preferential right to return on shares.

D. Shares offered to existing shareholders at a cheaper price.

43. In limited partnership the partners' _____

A. capital is limited.

B. liability is limited.

C. participation is unlimited.

D. ownership is unlimited.

44. Which of the following pieces of information would be found in a typical debit note?

A. Customer code.

B. Date of invoice.

C. Brief reason for the debit.

D. E & O.E

45. The completion of the production process by grading and branding of goods is a function of the _____

A. transporter.

B. wholesaler.

C. retailer.

D. consumer.

46. The development of commerce was encouraged by the desire to _____

A. get goods and services of others.

B. work with others.

C. create wealth for the nation.

D. satisfy all wants and needs.

47. Which of the following countries is NOT a member of the Lake Chad Basin Commission?

A. Nigeria.

B. Chad.

C. Gabon.

D. Cameroun.

48. A false statement made by one party with an intention of including the other party to enter into a contract with him is known as _____

- A. misrepresentation.
- B. legal capacity.
- C. consensus and idem.
- D. consideration.

49. The essence of adopting the marketing concept by a firm is the recognition that goods and services have no value unless they are _____

- A. desirable to customers.
- B. company oriented.
- C. beautifully packaged.
- D. profit oriented

50. When consumers engage in actions that express dissatisfaction with the quantity, price and quality of goods available, such action is termed _____

- A. Consumer behaviour.
- B. Consumerism.
- C. Consumer education.
- D. Consumer.

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WAEC COMMERCE OBJECTIVE QUESTIONS (PT.7)

1. A bonded warehouse is a place for keeping _____

- A. contraband goods.
- B. dutiable goods.
- C. tax free goods.
- D. smuggled goods.

2. Which of the following can quote its shares on the stock exchange?

- A. Partnership
- B. Sole proprietorship
- C. Co- operative society
- D. Public Limited Company

3. If a businessman wants to insure against dishonesty of the cashier, he will take _____

- A. a burglary policy.
- B. an employer's liability cover.
- C. a fidelity guarantee cover.
- D. a consequential loss policy.

4. Which of the following describes the reason for international trade?

- A. Balance of payment
- B. Comparative cost advantage
- C. Absolute cost advantage
- D. Balance of trade

5. Small scale retailers continue to survive in spite of serious competition from large scale retailers because they _____

- A. buy from many manufacturers.
- B. maintain personal relationship with customers.
- C. stock only one line of goods in their stalls.
- D. do not separate business money from personal money.

6. Which of the following factors is NOT to be considered in starting a retail trade?

- A. Size of the business
- B. Nature of business

- C. Amount of capital required
- D. Level of tax payable

7. The import of foreign-produced goods to be re-exported is known as _____

- A. domestic trade
- B. wholesale trade
- C. entrepot trade
- D. counter trade

8. One roof containing a number of shops is a _____

- A. tied shop
- B. mail order firm
- C. department store
- D. chain store

9. The selling of articles from place to place on foot is _____

- A. mail order.
- B. itinerant trading
- C. barter
- D. self service

10. A company whose shares are NOT easily transferable is a _____

- A. private limited company.
- B. public limited company.
- C. public corporation.
- D. company limited by guarantee.

11. Which of the following must be stated in the article of association?

- A. The objects of the company
- B. The registered office address of the company
- C. The method of issue and transfer of shares
- D. Statement that liabilities are limited

12. Which of the following insurance principles states that a person must be in a position to suffer financially in the event of a loss?

- A. Proximate cause
- B. Indemnity
- C. Insurable interest

D. Subrogation

13. Catalogues are mostly used by _____

- A. chain stores.
- B. department stores.
- C. mail order forms.
- D. supermarkets.

14. The main function of a thrift and credit cooperative society is to _____

- A. encourage members to buy cheaply.
- B. enable members get the highest profit.
- C. help members get legal redress.
- D. encourage members to save.

15. The exchange of goods for encourage members to save goods in home trade is known as _____

- A. entrepot trade
- B. trade by barter

C commodity trade

D. distributive trade

16. Which of the following is the safest way of sending important documents through the post?

- A. Registered mail
- B. Parcel post
- C. Letter post
- D. Express mail

17. Which of the following is not true of the stock exchange?

- A. It is a commodity market.
- B. It provides market for trading on shares.
- C. Government and companies raise fund through it.
- D. It provides professional advice on investment.

18. A cheque issued in January 1997 which the holder failed to present for payment until September 1997 is called a _____

- A. crossed cheque.

- B. travellers cheque.
- C. post-dated cheque.
- D. state cheque.

19. When the buyer of an existing share is to receive the pending dividend, the price is _____

- A. cum div
- B. ex-div
- C. at par
- D. at a discount

20. What is the name of the service where a bank makes regular payment on behalf of its customers?

- A. Direct debit
- B. Credit transfer
- C. Standing order
- D. Bank draft

21. The enterprise whose main objective is to provide the public with essential services is known as _____

- A. cooperative society

- B. partnership.
- C. private company
- D. public corporation

22. Which of the following is a more suitable medium for advertising a new tractor?

- A. Radio
- B. Poster
- C Neon sign
- D. Trade fair

23. Which of the following is an advertising function?

- A. Packaging
- B. Persuading
- C. Grading
- D. Segmenting

24. The document of title to goods being shipped abroad is known as _____

- A. consignment note.
- B. ships manifest.
- C of entry.
- D. bill of lading.

25. The practice whereby customers purchase goods without being attended to by shop assistants is _____

- A. pre sales service.
- B. after sales service.
- C. self-service.
- D. impulse buying.

26. In which of the following organisations are members entitled to one vote, irrespective of the number of shares held?

- A. Public corporation
- B. Partnership Pa
- C. Limited company
- D. Co-operative society

27. Mobile Shopping involves selling _____

- A. from motor van.
- B. at a particular spot in the city.
- C. in multiple shops only.
- D. from vending machine.

28. The provision of adequate number of berths by which ships can load off-load is the function of the _____

- A. Department of Customs & Excise.
- B Ports Authority.
- C. Shipping and Forwarding Agent.
- D. National Shipping Line.

29. Which of the following is not a disadvantage of a one-man-business?

- A. Unlimited liability of owner
- B. Life of business limited to life of owner
- C. Personal control of business
- D. Difficulty in raising additional capital

30. Unlimited liability in business implies that the _____

- A. risk of the owner is limited only to the amount invested.

- B. debts are paid with subventions.
- C. property of the owners should not be used to secure loans.
- D. owners private property can be used to settle the business debts.

31. Sole proprietorship is a form of business owned by _____

- A. an individual.
- B. two or more persons.
- C. a registered business subsidiary.
- D. the government.

32. Which of these qualities guarantees the keeping of money for a long period?

- A. Acceptability
- B. Divisibility
- C. Durability
- D. Homogeneity

33. Which of the following is not a source of fund for sole proprietorship?

- A. Personal savings
- B. Borrowing from friends and relatives
- C. Borrowing from financial institutions
- D. Government bonds

34 Which of the following is not an advantage of partnership?

- A. Diversified managerial talents
- B. Greater financial resources
- C. Freedom to terminate business
- D. Account is not made public

35. Which of the following is used for a single payment of many people at the same time through a bank instead of writing separate cheques?

- A. Debit transfer.
- B. Credit transfer.
- C. Certified cheque.
- D. Crossed cheque

36. The Legal document that gives an individual power to

protect his own piece of invention is called _____

- A. copy right
- B. license
- C. patent right
- D. trademark

37. A mortgage bank is primarily concerned with financing the acquisition of _____

- A. motor vehicle
- B. research equipment
- C. computer machine
- D. dwelling houses

38. The work of actuaries is to _____

- A. underwrite insurance risks.
- B. calculate insurance premiums.
- C. settle insurance claims.
- D. assess profits for insurance companies.

39. Government financial grants are a source of capital to a _____

- A. partnership.

B. public limited company.

C. public corporation.

D. co-operative society.

40. Which of the following is NOT a feature of a co-operative society?

A. Owners are the customers

B. Capital can be repaid to a member

C. Votes are according to shares held

D. Dividend is based on patronage

41. The practice of selling a product below the cost price to attract customers to a shop is known as _____

A. hedging.

B. loss leader.

C. skimming.

D. under-invoicing.

42. Which of the following is NOT contained in a deed of partnership?

- A. Names and addresses of partners
- B. Ratio for sharing profits and losses
- C. Investment of each partner.
- D. Rate of taxation.

43. The publication of facts on a firm's product is called _____

- A. merchandizing.
- B. exhibition.
- C. feature articles.
- D. mass advertising

44. Which of the following is not a function of a retailer?

- A. Providing after sales service
- B. Stocking variety of goods
- C. Selling in small units to the consumers
- D. financing manufacturers

45. A firm on the stock exchange which agrees to buy shares not bought after a public offer is _____

- A. a broker.
- B. a stag.
- C. a jobber.
- D. an underwriter.

46. Which of the following ancillary services makes it possible for goods to be where they are required?

- A. Communication
- B. Banking
- C. Transportation
- D. Insurance

Use the information below to answer questions 47 to 49.

Ojo bought a bicycle for ₦20,000, and repaired it at a cost of ₦5,000. He then sold the bicycle for ₦30,000.

47. What was his net profit?

- A. ₦35,000
- B. ₦25,000
- C. ₦15,000
- D. ₦5,000

48. What is the percentage of expenses over cost?

- A. 50%
- B. 33%
- C. 25%
- D. 17%

49. What is the cost of goods sold?

- A. ₦30,000
- B. ₦25,000
- C. ₦20,000
- D. ₦15,000

50. Which of the following mode of transport involves the use of tramps?

- A. Land transport
- B. Sea transport
- C. Air transport
- D. Pipeline

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