
UTME 2001 – Type R

1. The pivot on which the wheel of commerce rotates is
 - A. tariff
 - B. trade
 - C. taxation
 - D. price
2. A distinguishing characteristic of labour is that it is
 - A. constant
 - B. expensive
 - C. mobile
 - D. cheap
3. Land as a factor of production does not vary in
 - A. quantity
 - B. nature
 - C. quality
 - D. cost
4. Which of the following services does a lawyer render?
 - A. Industrial services
 - B. Indirect services
 - C. Direct services
 - D. Commercial services
5. The partner that only contributes part of the capital used in the formation and running of a business is known as
 - A. a passive partner
 - B. an active partner
 - C. a dormant partner
 - D. a nominal partner
6. One of the major advantages of a credit and thrift cooperative is that
 - A. it can approach government for loan
 - B. it encourages saving habit
 - C. there are no legal restrictions
 - D. each member has a vote during meetings
7. A form of ownership which exploits the strength of one partner to remedy the weaknesses of the other is a
 - A. joint partnership
 - B. cooperative
 - C. corporation
 - D. joint venture
8. At the collapse of a business enterprise, the person appointed to dispose asset is called
 - A. a broker
 - B. an auctioneer
 - C. a liquidator
 - D. an auditor
9. Entrusting the management of a company to the courts to enable the settlement of the company's obligations is an indication of
 - A. distress
 - B. closure
 - C. bankruptcy
 - D. liquidation
10. The financial instrument for borrowing in which the collateral is usually more than the amount borrowed is
 - A. trust certificate
 - B. detachable warrant
 - C. mortgage bond
 - D. convertible securities
11. I. Personal savings
II. Retained earnings
III. Accrued Taxes
Which of the items above constitute internal source of financing for companies?
 - A. I and II
 - B. I and III
 - C. II and III
 - D. I, II and III
12. The difference between total current assets and total current liabilities of a business is known as
 - A. quick ratio
 - B. liquidity ration
 - C. working capital
 - D. circulating capital

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

Mama Trading Company			
	₦		₦
<u>Liabilities</u>		<u>Assets</u>	
Capital	140	Fixed	1000
Opening Capital	350	Current	
Add Net Profit	80	Debt	200
		Stock	50
Current liabilities	800	Bank	50
		Cash	50
	<u>1,370</u>		<u>1,370</u>

13. The capital employed is
 - A. ₦ 1,000
 - B. ₦ 1,370
 - C. ₦ 140
 - D. ₦ 50
14. The capital owned is
 - A. ₦ 2,740
 - B. ₦ 1,350
 - C. ₦ 1,150
 - D. ₦ 570
15. One of the reasons why wholesaling must continue is that
 - A. the tax paid by wholesalers on their profit enhances national revenue
 - B. by creating artificial scarcity, the wholesaler is enhancing competition in the economy
 - C. the wholesaler provides technical advice to the retailer
 - D. the gap between manufacturers and retailers is reduced by wholesalers.
16. A merchant wholesaler is referred to as
 - A. del-credere agent
 - B. a broker
 - C. rack jobber
 - D. a factor
17. A pro-forma invoice is sent to inform a buyer about
 - A. quantity of goods

- B. price of goods
- C. designation of goods
- D. quality of goods

18. The balance of payments of countries is
 - A. a record of imports and exports
 - B. a systematic record of transactions among countries at a given time
 - C. the current and the capital accounts and their payments
 - D. the trade relationships and payments among nations
19. The major procedures in the purchase and sale of goods are enquiry
 - A. quotation, order and invoice
 - B. placement, order and invoice
 - C. bargain, order and invoice
 - D. order, sale and invoice

Use the information below to answer questions 20 and 21.

Mr. Awala is a retailer of a single product. He sells at the standard price. He gives a trade discount of 5%, quantity discount of 3% for a volume above 1000 units and a cash discount of 2/10 net 30, the existing selling price of the product is ₦ 100 per unit. Mr. Bacus purchased 1500 units of the product on credit and promised to pay Mr. Awala in cash in the first 10days after purchase

20. The trade discount receivable by Mr. Bacus is
 - A. N 4,500
 - B. N 7,500
 - C. N 10,500
 - D. N 12,000
21. If Mr. Bacus fulfils his promise, he will be entitled to a cash discount of
 - A. N 2,760
 - B. N 3,000
 - C. N 6,500
 - D. N 9,500
22. Bank Giro is a method of settling debt from a
 - A. customer to a bank
 - B. bank to a customer

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- C. customer to another
D. bank to another
23. Warehousing is a productive function because it increases the
A. quantity of goods
B. utility of goods
C. quality of goods
D. price of goods
24. A factor necessary for siting a warehouse is nearness to
A. raw materials
B. labour
C. capital
D. consumers
25. Pooling of risk in insurance means that
A. compensations are paid out of a common fund
B. two people can pool their risks to be insured
C. two insurance companies can buy two policies
D. insurance companies should encourage taking risk
26. The indemnification of Ama by his insurance company after a fire disaster means that he
A. has been guaranteed by the insurance company
B. will be cleared of any fault by the insurance company
C. has been covered by the insurance company
D. will be covered to the limit of the amount in the policy
27. The major difference between insurance and assurance is that while insurance
A. takes care of uncertainty, assurance takes care of risks
B. takes care of risks, assurance takes care of uncertainty
C. hinges on probabilities, assurance is based on possibilities
- D. is about indemnity, assurance is about life in the future
28. A documentary bill will normally be accompanied by
A. sales invoice, bill of lading and insurance certificate
B. clean bill, bill of lading and insurance certificate
C. bill of lading, consular invoice and insurance certificate
D. consular invoice, FOB certificate and bill of lading
29. Which of the following best describes the classification of computers?
A. Mini- computer, speed and size
B. Micro-computer, cost and abilities
C. Mini-computer, micro-computer and work station
D. Mini-computer, hybrid and digital.
30. The temporary working area of a central processing unit is called
A. C-D ROM
B. C-D RAM
C. ROM
D. RAM
31. The significance of money to modern economic systems is that it
A. is used as a means of payment
B. promotes specialization and exchange
C. measures value and promotes exchange
D. causes inflation and deflation in the economy
32. One major characteristic of credit unions and thrift societies is that
A. the legal processes involved in their formation are rigid
B. membership is compulsory to people in the same line of business
C. the contribution of every member depends on the member's ability
D. a minimum of ten people in the same line of business can form the union

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

34. The main factors that determine the value of a stock on the Stock Exchange are dividend and
- A. the psychology of the market
 - B. capital gain
 - C. capital appreciation
 - D. warrant payment

35. One of the main objectives of the Second-tier Securities Market in Nigeria is to
- A. achieve a realistic exchange rate for the naira.
 - B. eliminate currency dealings in the black market
 - C. assist companies to raise capital
 - D. attract investment flow

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

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

Use the information below to answer questions 38 and 39

Companies I, II, III and IV produce and sell electronic videos. Company I sells its video for ₦14000 each and offers advice on how to fix and operate them. Company II sells at ₦14000 and its representatives go to install at no additional cost. Company III sells at ₦15 500 and offers credit sales at ₦ 15 500 per video while company IV sells at ₦ 15 000 each.

38. Which of these companies are more engaged in public relation activities?

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

39. Which of these companies offers after-sales services?

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

Use the information below to answer questions 40 and 41

Musa rented a room to Adamu for ₦ 1,500 and ₦ 1000 part- payment was made. Adamu brought Audu and Jacob his friends to stay in the room. The two friends latter paid the balance of ₦ 500 to Musa.

40. Who are the parties to the contract of renting the room?

- A. Musa and Jacob
- B. Musa and Audu
- C. Adamu and Musa
- D. Audu and Jacob

41. Who is the offeree in this contract?

- A. Musa
- B. Audu
- C. Adamu
- D. Jacob

42. The maximum number of shareholders in a public liability company is

- A. twenty
- B. fifty
- C. one hundred
- D. unlimited

43. One way by which government reduces the repatriation of capital is through

- A. nationalization
- B. divestiture
- C. indigenization
- D. naturalization

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

45. Departmentalization is an aspect of

- A. planning
- B. organizing
- C. directing
- D. controlling

46. A functional organizational structure is where
- A. staff performing the same functions are grouped together
 - B. departments performing similar functions are grouped together
 - C. activities of similar nature are grouped together
 - D. staff performing similar functions are grouped together

47. In the line type of organizational structure.

- A. the lines of authority are vertical
- B. there is the application of division of labour
- C. specialization is carried to a maximum degree
- D. the lines of authority are horizontal

48. Proper disposal of waste by business firms is one way of discharging their

- A. responsibility to government
- B. environmental responsibility
- C. community responsibility
- D. responsibility to customers

49. One of the obstacles to achieving the objectives of ECOWAS is

- A. lack of a common currency
- B. colonial linkages
- C. sovereignty of states
- D. language differences

50. One of the main objectives of establishing Niger River Basin Commission was to

- A. embark on a comprehensive survey of the available water resources
- B. carry out research for the development of fresh water fisheries
- C. develop infrastructure to facilitate economic activities
- D. promote trade among member-states to improve standards of living

2001 Answers

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

35. Option C.
36. Option C.
37. Option C.
38. Option A.
39. Option C.
40. Option C.
41. Option C.
42. Option D.
43. Option C.
44. Option A.
45. Option B.
46. Option C.
47. Option A.
48. Option B.
49. Option B.
50. Option C.

COMMERCE 2002

1. The most important factor that delayed the development of commerce in Nigeria was
 - A. the inefficient means of communication
 - B. that there were few entrepreneurs
 - C. the unavailability of infrastructural facilities
 - D. that there were few developed markets
2. Secondary production has to do with changing the
 - A. shape of raw materials through construction operation
 - B. physical form of raw materials into finished goods
 - C. unity of raw materials by an engineering process
 - D. nature of raw materials through manufacturing processes
3. The major responsibility of an entrepreneur is
 - A. employing all factors of production in the business
 - B. coordinating and determining the proportion of what to produce
 - C. planning and organizing all activities in the business
 - D. directing and controlling all the affairs of the business
4. Which of the following best describes the scope of commerce?
 - A. all forms of commercial exchange and the manufacturing industry
 - B. buying and selling and the construction industry
 - C. all occupational exchanges relating to industries and commercial activities
 - D. buying and selling as well as the extraction of the natural resources
5. Capital as a factor of production can be used as
 - A. money that is regarded as assets
 - B. goods that are useful in business
 - C. input for further production
 - D. service that provides satisfaction
6. The agency that currently oversees the privatization and commercialization process in Nigeria is
 - A. Securities and Exchange Commission
 - B. Technical Committee on privatization and Commercialization
 - C. Nigerian Stock Exchange
 - D. Bureau Public Enterprises
7. Okeze contracted to sell TV sets to Ojo. Unknown to them, the sets were stolen in transit. This contract may be on the grounds of
 - A. bankruptcy
 - B. frustration
 - C. fraudulence
 - D. breach of contract
8. Which of the following countries are members of the Lake Chad Basin Commission?
 - A. Niger and Cameroun
 - B. Benin and Nigeria
 - C. Chad and Benin
 - D. Nigeria and Mali
9. A core investor in the current phase of privatization in Nigeria is one who
 - A. can afford to buy most of the shares of the enterprises
 - B. will be at the core of the enterprises

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- C. can mobilize foreign currency equivalent to the value of the enterprises
D. has the technical know-how of the enterprises
10. The agency in Nigeria which ensures that products conform to government specifications is the
A. Standard Organization of Nigeria
B. Nigerian Consumers' Association
C. Manufacturers Association of Nigeria
D. Nigeria Chambers of Commerce
11. Awarding scholarship and sponsoring sports by a business organization are examples of
A. advertizing strategy
B. economic responsibility
C. marketing strategy
D. social responsibility
12. The commercialization of public enterprise is aimed at
A. increasing the efficiency and making the enterprise self-sufficient
B. advertizing and promoting the goods and services of the enterprises
C. increased assistance and patronage of the enterprises by the public
D. selling the goods and service of the enterprises
13. An author's exclusive right to his published works is known as
A. author's right
B. constitutional right
C. patent right
D. copy right
14. Under the endowment policy, the money handed over to the insured at the expiration of the stipulated time or at death is the
A. indemnity
B. surrender value
C. lump sum benefit
D. insurance premium
15. The machine used for sending telex messages is known as a
A. radar
B. fax machine
C. dictaphone
D. teleprinter
16. Which of these insurance principles requires a close connection between the actual loss suffered and the risk insured?
A. indemnity
B. proximate cause
C. contribution
D. subrogation
17. The unit through which results of a processed data are displayed is the
A. logic unit
B. display unit
C. control unit
D. output unit
18. Which of the following is used to inform the addressee that a registered parcel is ready for collection?
A. express label
B. counterfoil
C. telegram
D. slip
19. The type of computer commonly found in offices is
A. laptop
B. desktop
C. the hybrid computer
D. the mainframe computer
20. The mode of transporting crude oil to the ports for export purposes is by
A. tanker
B. rail
C. road
D. pipeline
21. The temporary insurance certificate issued to the insured before drawing up a policy is a
A. cover note
B. testimonial
C. time policy

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- D. proposal form
22. The bulls and bears in the Stock Exchange Market help to minimize
- the number of shares and bonds sold
 - price increases of securities
 - fluctuation in price of securities
 - the elasticity of price of securities
23. Debentures differs from shares in that
- they are secured on the company's assets
 - ownership is open to the public
 - they form part of the capital of the business
 - rewards are usually paid out of profit
24. The Stock Exchange is a market where
- long-term securities are sold
 - all types of securities are sold
 - short-term securities are sold
 - medium-term securities are sold
25. A retail cooperative society aims at
- hoarding manufactured goods
 - cutting off the profit of middle men
 - lending money to members at low interest rate
 - encouraging members to save money
26. A bill of exchange already accepted can be discounted by the holder in
- central bank
 - at least two banks
 - his bank
 - any bank
27. The document issued by the seller which gives details of the goods is known as
- catalogue
 - tender
 - price list
 - invoice
28. Given: I. Retail II. Export III. Transport IV. Import V. Insurance VI. Banking and finance VII. Wholesale VIII. Communication. Which of the above are aids to Trade?
- I, II, III and VIII
 - III, V, VI and VIII
 - I, II, III and IV
 - II, V, VI and VII
29. The organizational structure that relates the positions of specialists to the line managers is called
- line structure
 - staff structure
 - line and staff structure
 - functional structure
30. A wholesaler who possesses the title to the goods he sells is known as
- a merchant wholesaler
 - multiple wholesaler
 - a general wholesaler
 - an agent wholesaler
31. An important principle of a good organizational structure is
- ideal standard
 - span of control
 - clarity of mission
 - adequacy of resources
32. A company that is registered with the Corporate Affairs Commission only without being enlisted on the Stock Exchange is a
- public liability company
 - joint venture company
 - limited company
 - registered company
33. A contract for the sale of goods involves the
- producer, seller and the buyer of good
 - offering of goods to customers
 - transfer of the title to goods for money
 - exchange of goods
34. The total of the share capital which a company could be allowed to issued is known as
- called-up capital
 - paid up capital
 - nominal capital
 - issued capital

35. The process of mobilizing, engaging and maintaining workers to work for an organization is referred to as
A. staffing
B. selection
C. recruitment
D. employment
36. Recognized members of the Stock Exchange who buy and sell securities on their own behalf are known as
A. bulls
B. jobbers
C. brokers
D. stags
37. Which of the following involved foreign trade?
A. supermarket
B. chain stores
C. departmental stores
D. commodity markets
38. Which of the following is a function of employers' association?
A. undertaking research on behalf of employee
B. promotion of thrift in workers
C. promotion of workers welfare
D. dissemination of information through sponsored journals
39. Which of the following industries is normally located near the source of its raw materials?
A. foot ware industry
B. cement industry
C. textile industry
D. automobile assembly
40. One of the most important functions of marketing is
A. encouraging research activities to meet needs
B. creating classes of merchants among business men
C. the extension of markets for businesses
D. providing finances to businesses
41. Securities on which the buyers are not issued with certificates are called
A. authorized securities
B. inscribed securities
C. bearer securities
D. registered securities
42. In product pricing, which of these elements needs more consideration than others?
A. the demand for the product
B. the demography of the buyers of the product
C. the economic conditions in the market
D. the cost of producing the product
43. The principal objectives of the Central bank of Nigeria can be classified broadly into
A. bankers' bank, lender of last resort and issuance of currency
B. service, currency management and financial intermediation
C. banking services, foreign exchange operation and open market operations
D. service, monetary policy and developmental functions
44. The letters E and OE stand for
A. errors of exception
B. errors mission expected
C. estimated and order error
D. end of error
45. An important issue for consideration in the product element of the marketing mix is the
A. adequate promotion of the product
B. channel of distribution of the product
C. price of the product
D. planning and development of the product
46. A group of companies is a collection of
A. subsidiaries and their holding company
B. firms
C. associates and their holding company
D. industries

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| <p>47. Which of the following is an example of trade association?</p> <p>A. European Union</p> <p>B. National Marketing Board</p> <p>C. Organization of Africa Union</p> <p>D. National Farmers' Council</p> | <p>13. Option D.</p> <p>14. Option B.</p> <p>15. Option D.</p> <p>16. Option B.</p> <p>17. Option D.</p> <p>18. Option D.</p> <p>19. Option B.</p> <p>20. Option D.</p> <p>21. Option A.</p> <p>22. Option C.</p> <p>23. Option A.</p> <p>24. Option A.</p> <p>25. Option B.</p> <p>26. Option C.</p> <p>27. Option A.</p> <p>28. Option B.</p> <p>29. Option D.</p> <p>30. Option A.</p> <p>31. Option B.</p> <p>32. Option C.</p> <p>33. Option C.</p> <p>34. Option C.</p> <p>35. Option A.</p> <p>36. Option B.</p> <p>37. Option D.</p> <p>38. Option D.</p> <p>39. Option B.</p> <p>40. Option A.</p> <p>41. Option B.</p> <p>42. Option D.</p> <p>43. Option D.</p> <p>44. Option B.</p> <p>45. Option D.</p> <p>46. Option A.</p> <p>47. Option D.</p> <p>48. Option B.</p> <p>49. Option B.</p> <p>50. Option B.</p> |
| <p>48. Which of the following determines the quality of goods that a retailer sells?</p> <p>A. The mode of contract of sales</p> <p>B. The type of manufacturer</p> <p>C. The regulations regarding sales in the Area</p> <p>D. The location of the Shop</p> | |
| <p>49. An advantage of hire purchase to the consumer is the</p> <p>A. economies of sales in the area</p> <p>B. possession of goods before payment</p> <p>C. increase in turnover and profit</p> <p>D. low interest rate chargeable</p> | |
| <p>50. The founders' shares are usually referred to as deferred shares because the holders</p> <p>A. are entitled to cumulative dividends</p> <p>B. receive their dividends after other share holders</p> <p>C. receive their dividends before other share holders</p> <p>D. are not entitled to any dividends.</p> | |

2002 Commerce Answers

1. Option C.
2. Option B.
3. Option A.
4. Option C.
5. Option C.
6. Option D.
7. Option B.
8. Option A.
9. Option D.
10. Option A.
11. Option D.
12. Option A.

COMMERCE 2003

1. An example of a service – rendering trade association is
 - A. Nigerian Bar Association
 - B. Association of Nigerian Miners
 - C. Cocoa Farmers Association
 - D. Manufacturers Association of Nigerian
 2. An obstacle to international trade is
 - A. trade imbalance between countries
 - B. availability of local market
 - C. quantity and quality of labour
 - D. cost of finance
 3. The right of ownership with respect to goods or property is
 - A. right of occupancy
 - B. proxy
 - C. title
 - D. certificate of occupancy
 4. The main motive of chambers of commerce and trade association is to
 - A. assists government in achieving its objectives
 - B. protect the interest of consumers
 - C. maximized profit
 - D. protects and promotes the interest of the members
 5. A pattern that shows the kinds of participants involved in the production, distribution and ultimate use of a product is referred to as
 - A. selection
 - B. strategy
 - C. structure
 - D. synergy
 6. Goods that are manufactured or acquired by the seller after the contract of sale are
 - A. specialty goods
 - B. future goods
 - C. specific goods
 - D. general goods
- Ojo purchased the following items from Sani at the specified prices on credit:
 200 cartons of milk at ₦ 1,000 per carton; 150 bags of sugar at ₦ 500 per bag; 50 bags of rice at ₦ 3,000 per bag.
 Sani allowed 10% trade discount and 5% cash discount, if payment is made within the agreed period. Ojo paid within the agreed period.
7. What was the amount paid by Ojo?
 - A. ₦ 382, 500
 - B. ₦ 425, 000
 - C. ₦ 363,375
 - D. ₦ 61, 625
 8. How much was the trade discount?
 - A. ₦ 42, 500
 - B. ₦ 27, 500
 - C. ₦ 22, 500
 - D. ₦ 20, 000
 9. The basic function of the Nigerian Ports authority is to
 - A. ensure that the right caliber of personnel is employed at the ports
 - B. coordinates and regulates the activities of shipping line
 - C. facilitates and controls the movement of goods and services into and out of the country
 - D. coordinates the activities of all the seaports in the country
 10. The concept that refers to the sale, transfer or exchange of goods and services is
 - A. industry
 - B. trade
 - C. tariff
 - D. marketing
 11. A guarantee given by one person or party to another in which the integrity of the person is assured is
 - A. fidelity
 - B. term assurance
 - C. subrogation
 - D. indemnity

Use the information below to answer questions 7 and 8

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12. The firm that adapts itself to deliver the desired satisfaction more effectively and efficiently than its competitors is said to be practicing
- price concept
 - distribution concept
 - product concept
 - marketing concept
13. The payment made periodically in respect of an insurance policy entered into is known as
- bond
 - commission
 - premium
 - surrender value
14. An example of service rendered by NIPOST is
- electronic mail
 - courier
 - telephone
 - mail delivery
15. The focal point of marketing is
- the competitor
 - the buyer
 - profit-making
 - sales
16. The type of marine insurance which cover either damage or loss to the vessel and such as caused by it to other vessels is
- hull insurance
 - time insurance
 - freight insurance
 - cargo insurance
17. The management function that makes the difference in intensity of behavior is
- coordinating
 - controlling
 - motivation
 - planning
18. One of the functions of sea ports is the provision of
- berthing and landing facilities
 - loading and off loading facilities
 - control room for relaying of radio message
 - warehouses for storage of cargo
19. The process of dividing tasks into jobs and departments and of delegating authority is known as
- staffing
 - leading
 - directing
 - organizing
20. Communication process involves the transmission of a message over a selected channel to the
- receiver
 - audience
 - sender
 - encoder
21. Stimulation of demand is a kind of communication in marketing which connotes
- personal selling
 - sales promotion
 - advertising
 - merchandising
22. A functional structure is an organizational structure in which
- abstract rules are applied
 - equity prevails
 - a specialist enforces his directives
 - there is no hierarchy
23. Entrepreneurship mainly involves
- risk-taking
 - initiating
 - skilled manpower
 - knowledge
24. In the event of liquidation of a company, the first to be settled are
- debenture holders
 - members of the board
 - preference share holders
 - ordinary shareholders

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25. The business organization established mainly for the purpose of carrying out a specific assignment for a specific duration is a
- joint venture
 - cooperative society
 - partnership
 - company
26. Which of these factors of production is relatively fixed in supply?
- capital
 - entrepreneur
 - human resources
 - natural resources
27. The location of a business is mostly influenced by
- market outlet
 - management decision
 - capital
 - environment
28. The evolution of commerce in Nigeria is traceable to the
- period of barter economy as human needs became limitless
 - desire by human being to satisfy their needs through the services of their people in the society
 - development of human civilizations and the desire to meet their needs
 - primitive stage of existence of human beings
29. One of the requirements necessary for setting up a business is
- registration
 - advertisement
 - knowledge of the business
 - documentation
30. The assembling of products into useable forms is known as
- construction
 - manufacturing
 - formation
 - creation
31. The government's policy of thrust on the business environment is to
- promote exports
 - attracts investors
 - be self-sufficient
 - increase production
32. Social responsibility is the ability of an organization to
- tackles the socio-economic problem of its community
 - meets the needs of its community
 - contribute to sustaining and developing its community
 - operates without disrupting the very essence of the environment
33. The act of a person employing another to enter into a contract on his behalf is known as
- business
 - sale of goods
 - bilateral agreement
 - agency
34. The ECOBANK is the imitative of
- some well-meaning Nigerian shareholders
 - the Federal Government of Nigeria
 - West African State to foster trade
 - the Lagos State Government to enhance capital mobilization
35. Privatization is concerned with
- equal ownership between the public and the government
 - the dilution of ownership among the public
 - the individual ownership of companies
 - government ownership of companies
36. Electronic computer differ from human beings in that they process data and minimize error in a
- faster and more accurate manner
 - more organized manner

- C. faster but less accurate manner
D. slower but more accurate manner
37. A major benefit derivable from the privatization and commercialization of public enterprises in Nigeria
A. increase in wages
B. employment generation
C. information technology
D. revenue generation
38. The device which interprets and carries out instructions presented to its by the computer program is known as
A. software
B. microprocessor
C. mouse
D. hard disk
39. The market structure, business conditions and financial systems in Nigeria is
A. economic environment
B. political environment
C. cultural environment
D. technological environment
40. The protection of consumers against exploitation by manufacturers is to ensure
A. that they are varieties of product
B. that the right quality of goods and service is sold
C. increase in production capacity
D. increase in the level of consumer awareness
41. The most widely used computer language that focuses on solving science-oriented problems is
A. FORTRAN
B. BASIC
C. ADA
D. COBOL
42. Banks are engage in the business of buying and selling of
A. bills of exchange
B. instrument of credit
C. intangible products
D. land
43. A source of short-term finance to companies is
A. share capital
B. debenture
C. retained earnings
D. corporate task
44. The body charged with the responsibility to register shares for subscription on the stock market in Nigeria is the
A. Securities and Exchange Commission
B. Nigerian Stock Exchange
C. Nigerian Deposit Insurance Company
D. Central Bank of Nigeria
45. An essential factors for evaluating the different sources of funds for a business is the
A. decree establishing the business
B. ownership structure of the business concern
C. size and the type of business
D. burden of cost and repayment
- Use the information below to answer questions 46 and 47**
- | Liabilities | | Assets |
|-------------------|---------|---------|
| | ₦ | ₦ |
| Paid-up capital | 200 000 | |
| Building | | 50 000 |
| Retained earnings | | 50 000 |
| Plant & machinery | | 35 000 |
| Creditors | 50 000 | |
| Fixture | | 20 000 |
| Bills payable | 50 000 | |
| Debtors | 50 000 | |
| Dividends payable | 70 000 | |
| Stock | | 145 000 |
| Bank | | 120 000 |
| | 420 000 | 420 000 |

46. What is the owners' equity?

- A. ₦ 250 000
- B. ₦ 300 000
- C. ₦ 420 000
- D. ₦ 200 000

47. Find the current ratio

- A. 1.53:1
- B. 1.85:1
- C. 0.87:1
- D. 0.50:1

48. Money can simply be referred to as a

- A. medium of exchange
- B. means for the settlements of debts
- C. durable assets for doing business
- D. standard of value

49. A type of long-term loan granted to companies with fixed interest as well as with redeemable and irredeemable features is referred to as

- A. a debenture
- B. a bond
- C. a term loan
- D. an overdraft

50. Public debt management is one of the functions of a

- A. merchant bank
- B. central bank
- C. commercial bank
- D. development bank

9. Option C.

10. Option B.

11. Option A.

12. Option D.

13. Option C.

14. Option D.

15. Option B.

16. Option A.

17. Option C.

18. Option A.

19. Option D.

20. Option A.

21. Option C.

22. Option C.

23. Option A.

24. Option A.

25. Option A.

26. Option D.

27. Option A.

28. Option C.

29. Option A.

30. Option B.

31. Option B.

32. Option C.

33. Option D.

34. Option C.

35. Option B.

36. Option A.

37. Option D.

38. Option B.

39. Option A.

40. Option B.

41. Option A.

42. Option B.

43. Option D.

44. Option A.

45. Option D.

46. Option A.

47. Option B.

2003 Commerce Answers

1. Option A.

2. Option A.

3. Option C.

4. Option D.

5. Option C.

6. Option B.

7. Option C.

8. Option A.

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48. Option A.
49. Option A.
50. Option B.

UTME 2010 COMMERCE

1. Which Commerce Question Paper Type is given to you?
 - A. Type A
 - B. Type B
 - C. Type C
 - D. Type D
2. The wealth of a nation depends on the volume of its
 - A. bilateral trade activities
 - B. commercial activities
 - C. multilateral trade activities
 - D. stock market.
3. Which of the following can be used to differentiate skilled and unskilled labour?
 - A. Education and training.
 - B. Available resources.
 - C. Level of commitment.
 - D. Salaries and wages.
4. A doctor who attends to patients at home after his official duty is
 - A. a community development worker
 - B. a direct service worker
 - C. an indirect service worker
 - D. a direct and an indirect service worker.
5. Manufacturing and constructive activities are classified under
 - A. primary production
 - B. tertiary production
 - C. secondary production
 - D. direct service.
6. The rewards of rents, wages, interests and profits accrue from
 - A. capital, labour, land and entrepreneur respectively
 - B. land, entrepreneur, labour and capital respectively
 - C. land, labour, capital and entrepreneur respectively
 - D. labour, entrepreneur, land and capital respectively.

-
7. The factor of production that is subject to depreciation is
A. capital
B. land
C. labour
D. entrepreneur.
8. Division of labour ultimately leads to
A. conservation
B. integration
C. specialization
D. repetition.
9. A worker who processes rice is engaged in
A. constructive activity
B. commercial activity
C. extractive activity
D. manufacturing activity.
10. After-sales service is a function usually rendered by
A. a retailer
B. a wholesaler
C. an agent
D. an entrepreneur.
11. A trend in retailing which enables consumers to have free access to different products is
A. after-sales service
B. branding
C. self-service
D. vending machine.
12. The activity which entails buying of goods in bulk and selling in small quantities to retailers is
A. assembling
B. wholesaling
C. retailing
D. merchandizing.
13. The comparison of a country's visible and invisible exports and imports expressed in monetary term is
A. balance of payment
B. terms of trade
C. balance of trade
D. terms of payment.
14. The document that gives an importer a freehand to obtain goods from any manufacturer is
A. a consular invoice
B. a closed indent
C. an open indent
D. a freight note.
15. Entrepot trade usually occurs in
A. exchanging goods within a nation
B. exchanging goods among countries
C. importing goods to be re-exported
D. exporting goods to be re-imported.
16. The document issued to a port authority when goods are deposited is a
A. dock landing account
B. bill of sight
C. bill of lading
D. dock warrant.
17. The details of the goods required by the purchaser is outlined in
A. a consular invoice
B. an indent
C. an invoice
D. a certificate of origin.
18. Selling goods in foreign countries at prices below their marginal cost is
A. dumping
B. depreciation
C. devaluation
D. discounting.
19. A process of creating more market for a product is through

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- A. consumerism
B. marketing
C. advertising
D. repositioning.
20. One of the merits of television as a medium of advertising is that it
A. is prone to censorship
B. is relatively cheap
C. has more sensory stimulation
D. has more network coverage.
21. The best mode of ensuring that items posted get to the named addressee is through
A. recorded delivery
B. registered mail
C. certificate of posting
D. express mail.
22. A businessman who undertakes the hull insurance policy is aiming at
A. covering losses on damages to the cargo
B. protecting injured crew in the ship
C. averting payment of the freight
D. covering damages to the body of the ship.
23. An agent who brings a customer into business contact with his principal is known as
A. a del credere agent
B. an auctioneer
C. a factor
D. a broker.
24. A major hindrance to tourism growth in Nigeria is
A. absence of genuine tour operators
B. lack of tourism master plan
C. inadequate tourist centres
D. non-compliance to immigration laws.
25. The warehouse that is owned and controlled by the government is a
A. wholesalers' warehouse
B. public warehouse
C. state warehouse
D. manufacturers' warehouse.
26. One of the main features of a partnership is
A. limited liability
B. lack of corporate existence
C. unlimited membership
D. lack of mutual confidence.
27. An arrangement by independent firms to share the market of their products on quota basis is referred to as
A. trust
B. integration
C. syndicate
D. cartel.
28. An illegal arrangement by manufacturers to control the price or conditions of sale of a product is
A. ring
B. factoring
C. consortium
D. merger.
29. A public company with an authorized capital of N60,000, issued 36,000 shares at 150k each. What is its capital?
A. N 60,000
B. N 36,000
C. N 54,000
D. N 90,000
30. One of the functions of NACCIMA is
A. negotiating with labour unions in matters of wages and conditions of service
B. pooling of members resources for long-term investment
C. disseminating information to members on matters relating to tariffs
D. ensuring uniformity in labour matters and industrial relations.

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31. A characteristic of money which ensures that its value is not lost is
- homogeneity
 - easy portability
 - divisibility
 - relative scarcity.
32. The instrument used in the capital market is
- treasury bill
 - bill of exchange
 - stock
 - debenture.
33. A pre-requisite for admission into the Second-Tier Securities Market is for a company to
- make 20% of its equity share available to the public for subscription
 - have a minimum of 100 shareholders
 - have a maximum of 100 shareholders
 - make 10% of its equity share available to the public for subscription.
34. The three components of staffing are
- recruitment, interview and appointment
 - recruitment, test and placement
 - recruitment, selection and appointment
 - recruitment, selection and placement.
35. Which of the following is a matter of personal preference on the part of a superior officer?
- Unity of command.
 - Span of control.
 - Delegation of authority.
 - Unity of direction.
36. The conversion of raw materials into finished goods leads to the creation of
- form utility
 - product utility
 - possession utility
 - place utility.
37. The main concern of marketing concept is to
- reduce the number of retail outlets
 - identify consumer needs and satisfy them
 - increase sales to meet consumer needs
 - encourage division of labour.
38. The best pricing strategy for a company that produces warm clothing is
- target return pricing
 - bid pricing
 - variable pricing
 - product line pricing.
39. The deliberate and sustained efforts of an organization towards the creation of goodwill for its products and services is through
- public relations
 - advertising
 - sales promotion
 - rebranding.
40. The label on a product such as 'pampers' is a type of
- trademark
 - branding
 - packaging
 - patent right.
41. An opportunity to reject a binding contract at will by a third party is said to be a
- valid contract
 - quasi contract
 - voidable contract
 - conditional contract.
42. An agency contract must involve
- a principal and a consumer
 - a principal and a producer
 - a principal and a third party
 - a principal and an agent.
43. The difference between trademark and patent right is that the latter
- gives exclusive right to import a particular good

- B. is conferred by the government
C. confers monopoly on a product
D. confers exclusive right to publish literary works.
44. Which of the following is a function of consumerism?
A. Protecting consumers' rights.
B. Providing consumers' choice.
C. Providing consumers' needs.
D. Making profiteering impossible.
45. A printed copy of processed information from the computer is the
A. soft copy
B. file copy
C. scanned copy
D. hard copy.
46. The central working system of a computer used for data processing is the
A. memory unit
B. monitor
C. floppy disk drive
D. hard drive.
47. The major problem confronting Cyber Cafe operators is
A. advanced fee fraud by clientele
B. poor network coverage
C. high operating costs
D. copyright violations by clients.
48. A device that enables the downloading of information from the internet is the
A. floppy drive
B. compact disk
C. modem
D. bluetooth.
49. In e-banking, ATM means
A. Authentic Teller Machine
B. Automatic Teller Machine
C. All-purpose Teller Machine
D. Automated Teller Machine.
50. One way by which a business can discharge its social responsibility to its community is to
A. hold monthly meetings of its customers
B. build houses for its executives
C. award scholarship to staff children
D. build public health centres.

2010 Commerce Answers

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

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38. Option C
 39. Option A
 40. Option B
 41. Option C
 42. Option D
 43. Option C
 44. Option A
 45. Option D
 46. Option A
 47. Option D
 48. Option B
 49. Option D
 50. Option D