

# CAMEROON GENERAL CERTIFICATE OF EDUCATION BOARD

## General Certificate of Education Examination

JUNE 2018

ADVANCED LEVEL

Subject Title	Commerce & Finance
Paper No.	2
Subject Code No.	7020

**Three Hours**

Answer any **FOUR** questions. All questions carry equal marks.

In cases involving calculations, you are advised to show all steps in your workings.

Candidates are allowed to use calculators and mathematical sets.

*You are reminded of the necessity for good English and orderly presentation in your answers.*

Despite the numerous benefits of Public Limited Companies, Public Corporations still exist.

- (a) Explain four benefits of Public Limited Companies to stakeholders. (10marks)
  - (b) Discuss four reasons for the existence of Public Corporations in an economy. (10 marks)
- (Total = 20 marks)

2. Free trade encourages the economic growth of countries.

- (a) Explain five benefits of free trade. (12 marks)
  - (b) Despite the benefits of free trade, countries still restrict it. Examine four methods used by countries to protect free trade. (8 marks)
- (Total = 20 marks)

3. An individual is to insure his car against accident. He is faced with two insurance companies A and B.

- (a) Examine four reasons why he may choose A and not B. (10 marks)
  - (b) Discuss five determinants insurance companies take into account when charging premiums. (10 marks)
- (Total = 20 marks)

4. (a) Examine five considerations which may influence a trader in choosing a transport mode for the delivery of goods. (12 marks)

- (b) Explain four reasons why an importer in Cameroon would consider sea transport in importing goods from Nigeria than road transport. (8 marks)
- (Total = 20 marks)

5. Describe three main services each offered by commercial banks to traders based on the following options:

- (a) Safeguarding assets. (6 marks)
  - (b) Transfer of money. (8 marks)
  - (c) Lending of money. (6 marks)
- (Total = 20 marks)

6. Free exchange rate system is characterised by regular movements in rates than fixed exchange regime.

- (a) Differentiate between these exchange rate regimes and state four reasons why countries convert currencies. (12marks)
  - (b) Discuss four factors that cause fluctuations in exchange rates. (8 marks)
- (Total = 20 marks)