

GENERAL CERTIFICATE OF EDUCATION BOARD

General Certificate of Education Examination

0520 COMMERCE 1

JUNE 2023

ORDINARY LEVEL

Centre Number	
Centre Name	
Candidate Identification Number	
Candidate Name	

Mobile phones are NOT allowed in the examination room.

MULTIPLE CHOICE QUESTION PAPER

One and a half hours

INSTRUCTIONS TO CANDIDATES

Read the following instructions carefully before you start answering the questions in this paper. Make sure you have a soft HB pencil and an eraser for this examination.

1. USE A SOFT HB PENCIL THROUGHOUT THE EXAMINATION.
2. DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO.

Before the examination begins:

3. Check that this question booklet is headed "**ORDINARY LEVEL – 0520 COMMERCE 1**".
4. Fill in the information required in the spaces above.
5. Fill in the information required in the spaces provided on the answer sheet using your HB pencil:
Candidate Name, Exam Session, Subject Code and Candidate Identification Number.
Take care that you do not crease or fold the answer sheet or make any marks on it other than those asked for in these instructions.

How to answer the questions in this examination

6. Answer **ALL** the 50 questions in this Examination. All questions carry equal marks.
7. Non-programmable Calculators are allowed.
8. Each question has FOUR suggested answers: **A, B, C** and **D**. Decide which answer is appropriate. Find the number of the question on the Answer Sheet and draw a horizontal line across the letter to join the square brackets for the answer you have chosen.

For example, if **C** is your correct answer, mark C as shown below:

[A] [B] **[C]** [D]

9. Mark only one answer for each question. If you mark more than one answer, you will score a zero for that question. If you change your mind about an answer, erase the first mark carefully, then mark your new answer.
10. Avoid spending too much time on any one question. If you find a question difficult, move on to the next question. You can come back to this question later.
11. Do all your rough work in this booklet using the blank spaces in the question booklet.
12. At the end of the examination, the invigilator shall collect the answer sheet first and then the question booklet. **DO NOT ATTEMPT TO LEAVE THE EXAMINATION HALL WITH IT.**

Turn Over

1. An auxiliary to trade that enables goods to be available when and where needed is;
 - A Advertising.
 - B Insurance.
 - C Transport.
 - D Warehousing.

2. Which retail trader sells goods to consumers on a door-to-door basis?
 - A Hawker.
 - B Retailer.
 - C Mobile shop.
 - D Road side trader.

3. What is the reward to an entrepreneur?
 - A Interest.
 - B Dividends.
 - C Rents.
 - D Profits.

4. The process of change of forms of goods is by;
 - A Industry.
 - B Commerce.
 - C Manufacturing.
 - D Direct services.

5. "LTD" at end of a company's name signifies?
 - A Private corporation.
 - B Public corporation.
 - C Private company.
 - D Public company.

6. Which of the following retail outlets occupies the largest space?
 - A Supermarket.
 - B Tied shop.
 - C Chain stores.
 - D Hypermarket.

7. Which document provides a summary of transactions at the end of every trading period?
 - A Invoice.
 - B Statement of account.
 - C Bank statement of account.
 - D Pro forma invoice.

8. State a restriction on foreign trade that does not generate income;
 - A Tariffs.
 - B Quotas.
 - C Embargo.
 - D Customs duty.

9. Customers who buy in bulk benefit from;
 - A Quantity discount.
 - B Trade discount.
 - C Rebate discount.
 - D Cash discount.

10. A document used to correct an error of Overcharge in an invoice is called;
 - A Delivery note.
 - B Debit note.
 - C Consignment note.
 - D Credit note.

11. The abbreviation E&OE is printed in which of the following trade documents?
 - A Statement of account.
 - B Invoice.
 - C Credit note.
 - D Debit note.

12. ----- is also called "shop of shops".
 - A Department stores.
 - B Multiple shops.
 - C Mail order business.
 - D Hypermarkets.

13. A transport mode that is flexible over short distances is;
 - A Road.
 - B Sea.
 - C River transport.
 - D Air.

14. Cheques that can be cashed by anyone are;
 - A Order cheques.
 - B Bearer's cheques.
 - C Certified cheques.
 - D Blank cheques.

15. Current assets less creditors equals;
 - A Capital owned.
 - B Working capital.
 - C Capital employed.
 - D Circulating capital.

16. An order to an agent to buy goods from a named manufacturer is called;
 - A Indent.
 - B Open indent.
 - C Closed indent.
 - D Forwarding agent.

17. In a cheque transaction identify the payee;
 - A Account holder.
 - B Creditor.
 - C Bank.
 - D Drawer.

18. Who pays for loading charges in an FOB price quotation?
 A Seller.
 B Buyer.
 C Importer.
 D Consignee.
-
19. Direct dealing by-passes;
 A Producers.
 B Wholesalers.
 C Retailers.
 D Consumer.
-
20. A monetary policy tool used to increase the quantity of money in circulation is;
 A Moral suasion.
 B Special deposits.
 C Funding.
 D Open market operation.
-
21. An insurance practice that restores the insured in the original position before the loss occurred is;
 A Indemnity.
 B Proximate cause.
 C Insurable interest.
 D Utmost good faith.
-
22. The following are corporate bodies EXCEPT;
 A Public company.
 B Partnership.
 C Private company.
 D Public corporation.
-
23. Which of the following is the most important function of a commercial bank?
 A Granting loans.
 B Accepting deposits.
 C Making payments.
 D Providing night safe facility.
-
24. Gross profits expressed as a percentage of sales is;
 A Mark-up.
 B Rate of turnover.
 C Net profits.
 D Margin.
-
25. When a bank customer uses a single cheque to make several payments it is called;
 A Bank draft.
 B Credit transfer.
 C Standing order.
 D Overdraft.
-
26. A risk that may lead to an intentional loss is;
 A Hull policy.
 B Ship's owner liability.
 C Jettison.
 D Cargo insurance.
-
27. A document used when goods are transported by a hired means of transport is;
 A Delivery note.
 B Consignment note.
 C Airway bill.
 D Bill of lading.
-
28. Cost of goods sold divided by average stock is known as;
 A Turnover.
 B Rate of turnover.
 C Purchases.
 D Margin.
-
29. Savings account are opened to;
 A Regular income earners.
 B Small income earners.
 C High income earners.
 D Civil servants.
-
30. A document which stipulate how profits are shared in an incorporated business is called;
 A Articles of association.
 B Deed of partnership.
 C Memorandum of association.
 D Prospectus.
-
31. An advantage of operating a current account is;
 A Use pass book for transactions.
 B Can obtain an overdraft.
 C Pays charges to the bank.
 D Account earns interest.
-
32. A country's visible balance plus her invisible balance is;
 A Balance of trade.
 B Balance of payments on current account.
 C Balancing item.
 D Terms of trade.
-
33. Insurance claims are calculated by;
 A Actuaries.
 B Assessors.
 C Adjuster.
 D Broker.
-
34. Which of the following is an external source of finance to a business?
 A Past savings.
 B Issue of shares.
 C Retained earnings.
 D Plough-back.
-

Turn Over

35. A document which spells out the exact terms of an insurance contract is called;
 A Cover note.
 B Proposal form.
 C Insurance policy.
 D Claim form.
-
36. An agent who guarantees to pay for bad debts is;
 A Forwarding agent.
 B Insurance agent.
 C Del credere agent.
 D Factor agent.
-
37. The relationship between a country's exports and imports is termed;
 A Favourable balance.
 B Unfavourable balance.
 C Balance of trade.
 D Terms of trade.
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38. A document showing particulars of items carried in a ship is called;
 A Shipping report.
 B Shipping note.
 C Bill of lading.
 D Ship manifest.
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39. The act of an unplanned buying is known as;
 A Self-service buying.
 B Impulse buying.
 C Bulk-buying.
 D Automatic buying.
-
40. Given that the cost of goods sold is 3,000,000 CFAF and the selling price is 3,750,000 CFAF, then mark-up equals;
 A 25%.
 B 30%.
 C 20%.
 D 35%.
-
41. A carrier that carries more passengers and little cargo on fixed routes is called;
 A Cargo liners.
 B Passenger liners.
 C Tramps ships.
 D Coastal liners.
-
42. Given that closing stock is 10,000 CFAF, purchases is 60,000 CFAF, opening stock is 30,000 CFAF and sales is 100,000 CFAF. Gross profit equals;
 A 20,000 CFAF.
 B 30,000 CFAF.
 C 80,000 CFAF.
 D 90,000 CFAF.
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43. A business with both private and public ownership is known as;
 A Public enterprise.
 B Public company.
 C Public corporation.
 D Para-statals.
-
44. Containerization is advantageous for the transportation of goods for the following reasons EXCEPT;
 A Reduces the risks of pilfering.
 B Requires transshipment.
 C Maximises quantity of goods in a given space.
 D Can be put into other uses.
-
45. Joint advertising carried out by MTN, NEXTTEL and ORANGE is known as;
 A Generic.
 B Mass advertising.
 C Persuasive advertising.
 D Competitive advertising.
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46. Which of the following is a disadvantage of advertising?
 A Increase of product.
 B Increase cost of production.
 C Educates customers.
 D Creates awareness of product availability.
-
47. The practice in which goods sold by description must correspond to the description is best describe by;
 A Food and Drug Act.
 B Sales of Goods Act.
 C Trade description Act.
 D Hire Purchase Act.
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48. Which of the following is NOT a reason for trade restriction?
 A Prevent dumping.
 B Prevent consumption of harmful goods.
 C Reduce government revenue.
 D Correct a temporal balance of payments.
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49. Which of the following is NOT used as a criterion for classifying enterprises?
 A Ownership.
 B Output.
 C Size.
 D Demand.
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50. The capital with the least risk in a joint-stock company is;
 A Equity capital.
 B Debenture.
 C Preference shares.
 D Cumulative preference shares.
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STOP

GO BACK AND CHECK YOUR WORK