

JAMB

Commerce

Past questions

Paper Type: **Objective (PT. 1-5)**

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JAMB COMMERCE PAST QUESTIONS (PT.1)

PAPER TYPE: C

1. Which question paper Type of commerce is given to you?

- A. Type A
- B. Type B
- C. Type C
- D. Type D

2. The most important function of commerce is in _____.

- A. enhancing business relationships
- B. helping people to improve their profits
- C. facilitating exchange among individuals and firms
- D. assisting trade through banking and insurance

3. The three main classification of occupation are _____.

- A. construction, trade and services

B. manufacturing, industry and services

C. farming, banking and trading

D. industry, commerce and services

4. An oil exploration company is engaged in _____.

- A. tertiary production
- B. constructive occupation
- C. extractive occupation
- D. secondary production

5. Service rendered to the public is provided by _____.

- A. government
- B. civil servants
- C. professionals
- D. domestic servants

6. The creation of goods and services to satisfy human wants is referred to as _____.

- A. manufacturing
- B. commercialization

- C. production
- D. entrepreneurship

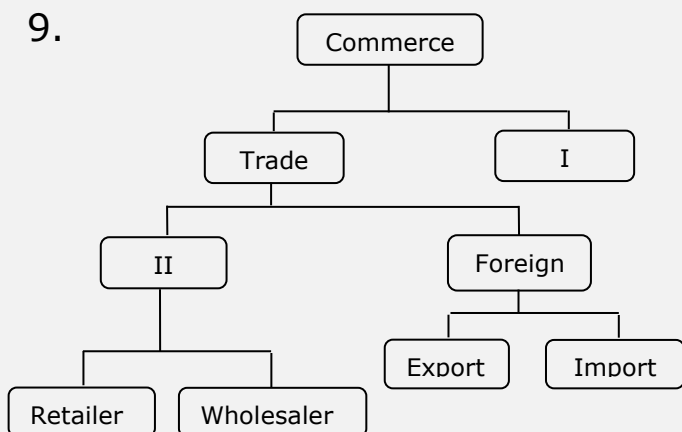
7. Which of the following is a limitation of division of labour?

- A. Decline in craftsmanship
- B. Monotony of work
- C. Reduction in output
- D. Reduction in labour force

8. Resources obtained from the extractive sector that are transformed into finished products are examples of _____.

- A. primary production
- B. tertiary production
- C. direct production
- D. secondary production

9.



From the diagram above, what does **I** stand for _____.

- A. Aids to trade
- B. Publicity
- C. Home trade
- D. Advertising

10. An individual that links the producer with the retailer is _____

- A. an agent
- B. a wholesaler
- C. an entrepreneur
- D. a principal

11. One of the functions of a retailer is the _____.

- A. financing of production activities
- B. provision of credit facilities to relations
- C. provision of jobs for customers
- D. breaking of bulk

12. The main aim of selling directly to the consumers by manufacturers is to _____.

- A. reduce transportation cost
- B. make contact with individual consumers
- C. discourage the activities of middlemen
- D. maximize profit margin

13. Balance of payment problems arise if a country's _____.

- A. exports are more than imports
- B. imports are more than exports
- C. currency devaluation
- D. invisible exports are more than visible exports

14. The three components of a country's balance of payments are _____.

- A. current account, capital account and monetary movement account
- B. capital account, trade account and business record
- C. sales account, profit and loss account and capital account
- D. monetary movement account, trade account and sales ledger

15. A document that indicates obligation that is transferable by delivery and endorsement is a _____.

- A. bill of lading
- B. bill of exchange
- C. documentary evidence
- D. negotiable instrument

16. The document which can be exchange for a bill of lading is _____.

- A. freight note
- B. mate receipt
- C. export invoice
- D. ship report

17. The price quoted which includes the cost of insurance, freight and all delivery charges to the importer's warehouse is _____.

- A. Free Alongside Ship
- B. Franco
- C. Free on Board
- D. Free on Rail

18. The purchase of goods under the CWO system of payment implies that _____.

- A. money must be enclosed when ordering
- B. payment must be made on delivery
- C. payment must be made within few days
- D. cash must be paid on the spot

19. The most effective but limited medium of advertising in Nigeria is _____.

- A. billboard
- B. television
- C. newspaper
- D. radio

20. A cheque that has been drawn but not presented for payment can still be honoured _____.

- A. within 6 months
- B. after 9 months
- C. within 9 months
- D. after 6 months

21. The major source of income to commercial banks is _____.

- A. loans
- B. deposits
- C. interest
- D. overdrafts

22. An ancillary to trade that easily links suppliers with consumers is _____.

- A. tourism
- B. banking
- C. communication
- D. transportation

23. Mr. Lawal insured his warehouse against burglary but it was later gutted by fire. This implies that _____.

- A. the loss should be borne by the insurer
- B. Mr. Lawal is liable only for half of the estimated loss
- C. the insurer should make a consolation payment for the loss

D. the loss should be borne by Mr. Lawal

24. The agreement of insurers to spread risks among themselves is a major feature of _____.

- A. reinsurance
- B. life insurance
- C. underwriter
- D. marine insurance

25. Inbound tourism occurs when _____.

- A. non-residents of a country travel to other countries
- B. resident of a country travel to another country
- C. non-resident of a country travel within it
- D. resident of a country travel within it

26. One of the major disadvantages of pipeline transportation is its _____.

- A. high cost of construction

B. limitation in scope

C. vulnerability to climate changes

D. high maintenance cost

27. The business organization that can effectively combine management with control is _____.

- A. private limited liability company
- B. sole proprietorship
- C. public limited liability company
- D. co-operation society

28. When two or more companies agree to execute a project too large for one to handle, this is referred to as _____.

- A. an amalgamation
- B. a cartel
- C. a merger
- D. a consortium

29. In the event of voluntary liquidation, the appointed of a

liquidator is the responsibility of the _____.

- A. directors
- B. creditors
- C. promoters
- D. court

30. A source of business financing which involves pledging of a specific asset is _____.

- A. bond
- B. mortgage
- C. debentures
- D. loan

31. An example of a trade association is _____.

- A. ALGON
- B. NLC
- C. NURTW
- D. NULGE

32. A broker is an agent who links a potential investor with _____.

- A. a shareholder who wants to register a company
- B. other members of the exchange who want to trade
- C. government official on the exchange
- D. a quoted company

33. Second-tier Securities Market differ from the First-tier Securities Market in that the former is _____.

- A. highly restricted
- B. regulated by the SEC
- C. regulated by the NIPC
- D. less restricted

34. A communication process providing information for decision-making in an organization is the _____.

- A. Management information System
- B. Transmission Control Protocol
- C. Information Retrieval System
- D. File Transfer Protocol

35. The managerial ability of a supervisor in an organization may be underutilized if the _____.

- A. morale of the supervised is high
- B. span of control is wide
- C. span of control is narrow
- D. morale of the supervisor is low

36. The arrangement and interrelationship of the various components and positions of a business is referred to as _____.

- A. organizational structure
- B. clarity of objective
- C. unity of direction
- D. line structure

37. The variety of goods and services which a company offers for sale is its _____.

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

38. Activities undertaken to create awareness for goods by conducting contest is _____.

- A. marketing concept
- B. consumerism
- C. sales promotion
- D. marketing mix

39. The slogan, a wonderful world, used by a communication network is a form of _____.

- A. product differentiation
- B. persuasive advertising
- C. publicity
- D. packaging

40. To make a simple contract valid, the intention must be _____.

- A. legal and written
- B. legal and binding
- C. legal and attractive
- D. legal and harmonious

41. The major parties to an agency relationship are the _____

- A. principal and the creditor
- B. Bailee and the bailor
- C. principal and the agent
- D. shareholder and the creditor

42. One of the obligations of an employer to an employee is to _____.

- A. indemnify him against liabilities incurred on duty
- B. award scholarship to his children
- C. terminate his appointment without prior notice
- D. indemnify him against injuries caused through negligence

43. The body charged with the responsibility of regulating foods and drugs in Nigeria is the _____.

- A. SON
- B. NDLEA
- C. NAFDAC
- D. CAC

44. The physical components of a computer system refers to the _____.

- A. system unit
- B. hardware
- C. software
- D. compact disk

45. An example of a computer operating system is _____.

- A. the PageMaker
- B. the Word Perfect
- C. Microsoft Word 2000
- D. Windows 2000

46. Intranet differs from extranet in that the former _____.

- A. requires a modem before it could be used
- B. can generally be accessed by the public
- C. is restricted to employees of an organization
- D. requires internet protocols

47. A software application which enables a user to display and interact with texts, images and videos is the _____.

- A. web server
- B. Internet Protocol
- C. CorelDraw
- D. web browser

48. A predominant make-up language for web pages is the _____.

- A. IP
- B. HTTP
- C. HTML
- D. TCP

49. The symbol at in an internet mail address is used to _____.

- A. separate the user name from the machine name
- B. link the user with other Internet users
- C. locate the addresses of Internet users
- D. link the user with the machine

50. A business organization is said to be socially responsible when it _____.

- A. gets involved in issues relating to the society
- B. rewards its staff for long-term service
- C. offers discounts to customers
- D. invites the public to its annual general meetings

CHECK YOUR ANSWERS

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JAMB COMMERCE PAST QUESTIONS (PT.2)

PAPER TYPE: PURPLE

1. Which question paper type of commerce as indicated above is given to you?

- A. Type Green
- B. Type Purple
- C. Type Red
- D. Type Yellow

2. One of the major benefits of commerce to government is to _____.

- A. improve the standard of living
- B. generate revenue for growth and development
- C. encourage cooperation among public organisations
- D. encourage the development of sociocultural values

3. An example of an activity in the construction industry is _____.

- A. blacksmithing
- B. bricklaying

- C. car assembling
- D. shoemaking

4. One of the inputs in production that can be motivated by remuneration is _____.

- A. capital
- B. entrepreneur
- C. labour
- D. land

5. The allocation of tasks to different skills in a production process is referred to as _____.

- A. production technique
- B. production function
- C. division of labour
- D. delegation of responsibility

6. The sales of goods through a medium that accepts money and delivers the items to the customer is _____.

- A. an automated teller machine
- B. a vending machine

- C. a counting machine
- D. a branding machine

7. The main purpose of branding is to _____.

- A. create identity for a product
- B. make a product look attractive
- C. create product awareness
- D. increase sales volume

8. The basis for international trade is embedded in the principle of _____.

- A. absolute advantage
- B. globalization
- C. deregulation
- D. comparative advantage

9. The major problem encountered in international trade is that of _____.

- A. distance
- B. differences in culture
- C. politics
- D. differences in currency

10. The document a seller uses in dispatching goods to a customer by a carrier is _____.

- A. a bill of landing
- B. an invoice
- C. an advice note
- D. a delivery note

11. A document which serves as an order with details of goods required by an intending purchaser is _____.

- A. a freight note
- B. an indent
- C. a bill of landing
- D. a way bill

12. If a customer pays within nine days of receiving goods and takes advantage of 3% off the invoice price, this is stated as _____.

- A. 3/9;net 30
- B. 9/27;net 30
- C. 30;net 9/3
- D. 9/30;net 3

13. Which of the following is a characteristic of a bearer cheque?

- A. it is made with transverse lines
- B. it is made payable to whoever presents it
- C. it is made without transverse lines
- D. it is only payable into the payees account

14. A bill of exchange paid before its due date at an amount less than its face value is said to have been _____.

- A. accepted
- B. rejected
- C. discounted
- D. dishonoured

15. The most effective type of advertising for branded products is _____.

- A. mass advertising
- B. persuasive advertising
- C. informative advertising
- D. competitive advertising

16. A current account holder pays fees for services in form of _____.

- A. bank charges
- B. interest rates
- C. commission on turnover
- D. minimum lending rate

17. Printed messages sent by cable are recorded as _____.

- A. telegram
- B. SMS
- C. telex
- D. MMS

18. Communication is relevant to business activities because it _____.

- A. creates wealth for people
- B. reduces the cost and risk of travelling
- C. connects people
- D. enhances delivery of goods and services

19. The right of an insurance company to stand in place of an

insured against a third party, who is liable for the occurrence of a loss, is the principle of _____.

- A. proximate cause
- B. insurable interest
- C. insurance priority
- D. subrogation

20. Assurance is different from insurance in that the former is based on _____.

- A. probability
- B. possibility
- C. risk
- D. uncertainty

21. A person who undertakes life insurance is said to be an _____.

- A. insurer
- B. assurer
- C. assured
- D. insured

22. Tourism serves the purpose of _____.

- A. cross-cultural understanding and peaceful interaction
- B. opening values for leaving the country
- C. economic development and naturalization
- D. exploiting the country's natural endowment

23. The type of letters that are delivered through the normal mail or by airmail express service is referred to as _____.

- A. inland letters
- B. registered letters
- C. airmail letters express letters
- D. express letters

24. A business organization that exploits the capabilities of a member to remedy the weaknesses of another is _____.

- A. joint venture
- B. partnership
- C. nominal partnership
- D. cooperative

25. The most important business objective is to _____.

- A. improve investments
- B. provide quality products
- C. target consumers for satisfaction
- D. carve a niche for the business

26. In case of a liquidation of a public limited liability company, those that are first paid are _____.

- A. ordinary shareholders
- B. preference shareholders
- C. cumulative preference shareholders
- D. debenture holders

27. A feature common to public and private limited liability companies is that _____.

- A. both can sue and be sued
- B. the minimum number of their shareholders is five
- C. the transfer of their shares is not restricted

D. their annual accounts are published for public use

28. A business organization can obtain long term financing through _____.

- A. bank overdraft
- B. the sale of shares
- C. credit purchases
- D. bureau de change

29. The portion of the authorized share capital given out to the public for subscription is _____.

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

30. A company has an authorized capital of 40 million shares at N1 each, out of which 32 million are issued and fully paid-up. What happens to the remaining 8 million shares?

- A. it has been issued but not paid-up
- B. it has been applied for but not issued
- C. it is not paid-up
- D. it has not yet been issued

31. If the rate of turnover of a company in 1999 was 4 times while the average stock was ₦49,600, determine the turnover.

- A. ₦199,400
- B. ₦198,400
- C. ₦100,200
- D. ₦99,200

32. Given:

opening stock	₦1,800
purchases	₦2,800
sales	₦8,000
closing stock	₦ 350
carriage on sales	₦ 500

Calculate the value of the unused stock.

- A. ₦800
- B. ₦500

- C. ₦350
- D. ₦320

33. The main objective of a trade association is to _____.

- A. protect its members against litigation
- B. boost the trade of its members
- C. secure credit for its members
- D. protect its members against victimization

34. The promotion and protection of trade industry and agriculture through trade fairs is a function of _____.

- A. NACRDB
- B. NACCIMA
- C. the consumer protection council
- D. the chamber of commerce

35. Dealing in quoted securities on the Nigerian Stock Exchange is restricted to authorized _____.

- A. companies

- B. brokers
- C. investors
- D. principals

36. Securities that entitle the investor to coupon rates are _____.

- A. bonds
- B. equities
- C. warrants
- D. treasury bills

37. Under what management function will the motivation of employees fall?

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

38. The promotion of team spirit in an organization is referred to as _____.

- A. unity of direction
- B. esprit de corps
- C. unity of purpose

D. discipline

39. One of the characteristics of a good organizational chart is that it should _____.

- A. be rigid
- B. show government policy
- C. facilitate communication
- D. be acceptable

40. An organization which focuses on consumer satisfaction is practicing _____.

- A. consumerism
- B. market segmentation
- C. selling concept
- D. marketing concept

41. Goods and services are made available to consumers through _____.

- A. the channel of distribution
- B. sales promotion
- C. the advertising agency
- D. the middle men

42. A person who in consideration for an extra commission takes responsibility for goods sold on credit and in case of default is a _____.

- A. commission agent
- B. del credere agent
- C. broker
- D. factor

43. Yahaya bought a piece of furniture on a credit sale agreement from Ahmed and resold it to Ali before all instalments were made. The court upheld that Ahmed could not recover possession of the items from Ali. The reason for the judgement was because _____.

- A. ownership was transferred on completion of instalment
- B. ownership was transferred on delivery
- C. Yahaya could not pass title to a third party
- D. Ali was still indebted to Yahaya

44. The body which ensures that consumers are protected against harmful products in Nigeria is _____.

- A. NAFDAC
- B. NDLEA
- C. SON
- D. CPC

45. The process of decoding data in a computer is known as _____.

- A. dilution
- B. default drive
- C. decryption
- D. data security

46. Which of the following is a type of system software?

- A. utility programmes
- B. registers
- C. hard drives
- D. packages

47. Computers that process all data as binary zeros and ones are _____.

- A. analog computers
- B. digital computers
- C. hybrid computers
- D. desktop computers

48. Modern means of payment is greatly facilitated by _____.

- A. e-commerce
- B. paper money
- C. e-banking
- D. credit transfer

49. The provision of quality and safe products which guarantee the health of consumers is an example of _____.

- A. quality control
- B. price control
- C. civic responsibility
- D. social responsibility

50. A business organization must always consider the overall effect of its actions on the _____.

- A. competitor
- B. product

- C. profit
- D. society

CHECK YOUR ANSWERS

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PAPER TYPE: D

1. Which question paper Type of commerce is given to you?

- A. Type D
- B. Type I
- C. Type B
- D. Type U

2. The type of labour that makes use of physical effort in production processes is the _____

- A. unskilled labour
- B. skilled labour
- C. blue-collar job
- D. white-collar job

3. The assembling of products into usable forms is known as _____.

- A. creation
- B. manufacturing
- C. construction
- D. formation

4. The final link in the chain of distribution is _____.

- A. middlemen
- B. wholesaling
- C. consumer
- D. retailing

5. A country is said to be experiencing an unfavourable balance of trade if her _____.

- A. exports exceed imports
- B. visible exports exceed visible imports
- C. imports and exports are equal
- D. visible imports exceed visible exports

6. Trading position of Nigeria is the same as her _____.

- A. desire to trade with many countries
- B. willingness to grant credit to foreigners
- C. balance of trade
- D. terms of trade

7. The role of customs and exercise authority includes the _____.

- A. provision of a good transport system to facilitate imports and exports
- B. provision of security at the port
- C. control of the flow of goods in and out of the country
- D. provision of dockyards for ship repairs

8. The document lodged with the customs authorities before a ship can leave the port is a _____.

- A. shipping note
- B. ship report
- C. ship manifest
- D. dock warrant

9. The document which must be endorsed by the ambassador of a country of destination before shipment of goods is a _____.

- A. consular invoice
- B. certificate of origin

- C. bill of lading
- D. close indent

10. A country's terms of trade are said to improve when the ratio of her export _____.

- A. decreases
- B. remains constant
- C. increases
- D. equals import

11. Which of the following advertising medium appeals to only the literate in the society?

- A. radio advertising
- B. print media advertising
- C. television advertising
- D. cinema advertising

12. The two main forms of communication are _____.

- A. oral and written
- B. verbal and non-verbal
- C. e-mail and fax
- D. traditional and modern media

13. The most reliable and efficient means of conveying urgent documents is through _____.

- A. postal order
- B. ordinary letters
- C. registered letters
- D. courier services

14. An undertaking given by a person to another assuring his integrity is _____.

- A. proximate cause
- B. fidelity guarantee
- C. subrogation
- D. insurable interest

Use the table below to answer question 15 and 16.

Name	Insured Amount (₦)	Actual Value (₦)	Actual Loss (₦)
Mr.N	25,000	100,000	30,000
Mr.R	30,000	120,000	40,000
Mr. P	40,000	150,000	50,000

15. If Mr. N takes a fire insurance policy with average clause, his compensation will be _____.

- A. ₦5,000
- B. ₦7,500
- C. ₦70,000
- D. ₦75,000

16. What insurance principle has Mr. P Violated if he decides to overstate the actual value of his property?

- A. Indemnity
- B. Insurable interest
- C. Uberrimae fidei
- D. Subrogation

17. The difference between indemnity insurance and non-indemnity insurance is that the latter provides _____.

- A. cover for exporters against risks
- B. cover for importers against risks
- C. full payment to the insured

D. consolation payment to the insured

18. An importance of warehousing is in the _____.

- A. production of goods
- B. transportation of goods
- C. importation of goods
- D. repackaging of goods

19. In order to increase the capital owned, a sole trader may _____.

- A. seek for bank loan
- B. issue debentures
- C. acquire extra shop fittings on credit
- D. draw less of his profit for personal use

20. A business partner who provides capital but abstains from participation in administration of a firm is a _____.

- A. general partner
- B. nominal partner

C. secret partner

D. dormant partner

21. Which of the following will not be stated in a Memorandum of Association?

- A. Name clause
- B. rights of shareholders
- C. object clause
- D. registered office

22. The amount of authorized capital that shareholders have subscribed to is _____.

- A. issued share capital
- B. authorized share capital
- C. owner's equity
- D. working capital

23. The rate of turnover of a firm in a given year is 5 times while the average stock is ₦12,500. What is the turnover of the firm?

- A. ₦24,000
- B. ₦46,500
- C. ₦62,500

D. ₦65,000

24. A lawyer that defrauds his client may be derobed by the Nigerian Bar association in order to _____.

- A. protect other lawyers
- B. protect the integrity of the association
- C. compensate the affected client
- D. prevent the client from suing the association

25. In the Nigerian GSM industry, a parliament is organized by the Nigerian _____ Communications Commission in order to _____.

- A. increase profit of service providers
- B. protect the interest of government
- C. encourage more people into the business
- D. protect the interest of consumers

26. Trade fairs in Nigeria are organised by _____.

- A. the Federal Government
- B. Manufacturers' Association of Nigeria
- C. Ministry of Commerce and Industry
- D. Chambers of Commerce

27. Money is generally accepted for transactions due to _____.

- A. the legal backing
- B. the rule of law
- C. its acceptability in the global market
- D. the Central Bank Governor's signature

28. Which of the following is a quality of money?

- A. Availability
- B. Scarcity
- C. Indivisibility
- D. Convertibility

29. Money can simply be referred to as a _____.

- A. measure of value
- B. standard of value
- C. means of settlement
- D. durable asset for doing business

30. Gilt-edged securities are issued mainly by _____.

- A. individuals
- B. non-governmental organisations
- C. Government
- D. multi-national companies

31. The initial function of a manager is _____.

- A. setting up an organisation
- B. coordinating
- C. planning
- D. provision of welfare package

32. The most suitable organizational structure for small

or medium sized enterprises is _____.

- A. line structure
- B. staff structure
- C. committee structure
- D. functional structure

33. In a staff-authority relationship, the opinion of a specialist in one department to another is _____.

- A. a directive
- B. an advice
- C. a command
- D. a delegation

34. Management of a business involves the development of ideas for the _____.

- A. distribution of goods and services that human wants
- B. transportation of goods and services that human wants
- C. transfer of title of ownership of goods and services to individuals

D. production of goods and services that satisfy human needs

35. Which of the following is used as a pricing policy?

- A. Packaging
- B. Market selection
- C. Labelling
- D. Market skimming

36. The essential utility derived from the use of a product is known as _____.

- A. augmented benefit
- B. branded benefit
- C. core benefit
- D. formal benefit

37. The breaking down of a market into separate and identifiable elements is known as _____.

- A. differentiation
- B. segmentation
- C. skimming
- D. penetration

38. A contract that is acknowledged before the law court is referred to as _____.

- A. informal contract
- B. formal contract
- C. contract of records
- D. specialty contract

39. An agent employed to sell goods delivered to him by the principal is referred to as a _____

- A. special agent
- B. del credere agent
- C. factor
- D. universal agent

40. A motor dealer who agreed to sell a car to Mr. X but delivered it to Mr. Y on the delivery date agreed with Mr. X. He has discharged the contract by _____.

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

41. A contract can be terminated through _____.

- A. physical combat
- B. family intervention
- C. frustration
- D. consultation

42. The right to retain possession of goods until the contract price is paid is referred to as _____.

- A. a promise
- B. ultra vires
- C. a breach
- D. a lien

43. The sole legal right held by the author to publish his book is _____.

- A. trademark
- B. copyright
- C. patent right
- D. bookmark

44. The process of transferring data from one computer to another is referred to as _____.

- A. downloading
- B. faxing
- C. browsing
- D. decoding

45. The physical component of a computer system is _____.

- A. software
- B. hardware
- C. hard disk
- D. floppy disk

46. A computer accessory through which information can be retrieved is the _____.

- A. hard disk
- B. input device
- C. control unit
- D. floppy disk

47. The type of computer software used mainly for management information is _____.

- A. Corel draw
- B. AutoCAD

- C. data base
- D. word perfect

48. To meet security requirements before gaining access to data, a computer operator supplies _____.

- A. an e-mail address
- B. a yahoo address
- C. a password
- D. a modem

49. A major factor that affects business operations is _____.

- A. technology
- B. supply
- C. product
- D. rivalry

50. The environmental hazard that is most difficult to control is _____.

- A. land pollution
- B. water pollution
- C. air pollution
- D. political unrest

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JAMB COMMERCE PAST QUESTIONS (PT.4)

PAPER TYPE: L

1. Which paper type of commerce is given to you?

- A. Type F
- B. Type E
- C. Type L
- D. Type S

2. Cooperation and friendliness are enhanced among nations through _____ interdependence necessitated by _____.

- A. tourism
- B. commerce
- C. agriculture
- D. socio-cultural activities

3. One of the products of an extractive industry is _____.

- A. an airplane
- B. an iron ore
- C. a shoe
- D. a textile material

4. The payment for direct service is usually made by the _____.

- A. local authority
- B. community
- C. government
- D. individual

5. An important feature of land is that it _____.

- A. has an elastic supply
- B. is an active factor of production
- C. is heterogeneous in nature
- D. is subject to returns to scale

6. One of the major determinants of the volume of production is _____.

- A. the market size
- B. the availability of banks
- C. sex distribution
- D. government policy

7. Mrs. Jones who lives in the riverine community of Rivers State makes her living through

crabbing and fishing. This type of occupation she is in is _____.

- A. commercial
- B. manufacturing
- C. service
- D. extractive

8. To eliminate middlemen, there should be a retail outlet such as _____.

- A. producer co-operative
- B. consumer co-operative
- C. multiple shop
- D. departmental store

9. The document issued by a port authority for goods deposited is a _____.

- A. bill of lading
- B. bill of sight
- C. consular invoice
- D. warehouse warrant

10. The document submitted to the customs authority when full

description of imported goods is not provided is _____.

- A. a bill of sight
- B. an invoice
- C. an indent
- D. a bill of entry

11. The role of customs and exercise authority includes the _____.

- A. control of the flow of goods in and out of the country
- B. control of security agents within and out of the borders
- C. provision of dockyards for ship repairs and maintenance
- D. provision of transport system to facilitate imports and exports

12. A document recording the transactions of an organization with its customer for a specified period which normally shows the indebtedness of one to the other is a _____.

- A. statement of account

- B. consular invoice
- C. proforma invoice
- D. statement affairs

13. In response to an inquiry from a customer, a wholesaler is expected to send back _____.

- A. a consignment note
- B. an order
- C. a quotation
- D. an advice note

14. A carton of noodles valued at ₦2,000 was invoiced at ₦200 only. The accounting procedure to correct this error is to issue _____.

- A. an invoice for ₦200
- B. a debit note for ₦2,000
- C. a credit note for ₦1,800
- D. a debit note for ₦1,800

15. Tourists with no fixed address in a town may receive their letters from post office through a _____.

- A. poste restante

- B. parcel post
- C. private mail bag
- D. recorded delivery

16. Endowment policy in insurance business is an aspect of _____.

- A. accident insurance policy
- B. fidelity guarantee insurance policy
- C. motor vehicle insurance policy
- D. life assurance policy

17. Insurance against burglary is an example of _____.

- A. indemnity insurance
- B. fidelity guarantee insurance
- C. non-insurable risk
- D. non-indemnity insurance

18. The principle which requires the insurance company to disclose to the proposer all material facts of the risk to be covered is _____.

- A. subrogation
- B. proximate cause

C. uberrimae fidei

D. contribution

19. The insurance principle that allows an insurance company to take over the rights of the insured once he has been compensated is _____.

A. indemnity

B. proximate cause

C. utmost good faith

D. subrogation

20. A trader who experienced loss through fire can be restored by _____.

A. an insurance company

B. a trade association

C. the bank

D. an advertising agency

21. The distribution of petroleum products in Nigeria is through _____.

A. rail

B. road

C. sea

D. air

22. The deliberate effort geared towards discarding some cargoes in order to lighten the vessel is _____.

A. caveat emptor

B. uberrimae fidei

C. demurrage

D. jettison

23. The major aim of establishing a public corporation is to _____.

A. establish a monopoly

B. provide essential services

C. provide employment opportunities

D. encourage specialization

24. The coming together of a manufacturing business with a firm that markets its products is _____.

A. backward integration

B. a consortium

C. forward integration

D. a syndicate

25. An association of voluntary organizations that work together for a common aim while retaining their independence is a _____.

A. syndicate

B. merger

C. cartel

D. consortium

26. The document that explains the types of shares available for sale to the public is _____.

A. a prospectus

B. an invoice

C. an open indent

D. a closed indent

27. Which of the following attracts only interest but leaves the capital unpaid?

A. a long-term loan

B. a development bond

C. a redeemable bond

D. an irredeemable bond

28. A loan to a customer with a cheque account at a bank in which the account is allowed to go into debit is _____.

A. overdraft

B. advance

C. interest

D. commission

29. Part payments made on allotted shares by subscribers is usually the _____.

A. subscribed capital

B. authorized capital

C. issued capital

D. called-up capital

30. The net profit is the excess of gross profit and sources of income over all the expenses. This implies that net profit is _____.

A. the difference between gross profit and trade expenses

B. the different between gross profit and net sales

C. sales less cost of sales including sales returns

D. opening stock add purchases less closing stock

31. A form of money with face value which is greater than the value of the metal content is _____.

A. legal tender

B. bank notes

C. token money

D. commodity money

32. An agent who transacts business with the broker in the stock exchange is a _____.

A. stag

B. bull

C. del credere

D. jobber

33. A document sent by a broker to his client to confirm a purchase

of sale made on his behalf is _____.

A. delivery note

B. consignment note

C. transfer form

D. contract note

34. Cum div differs from ex div in that, the latter _____.

A. entitles the purchaser to receive a company's current dividend

B. entitles the vendor to receive a company's current dividend

C. confirms a purchase or sale made on behalf of a share holder

D. is a document used to transfer ownership of shares

35. The payment made by a speculator to the buyer when he is unable to deliver stocks on the agreed date is _____.

A. arbitrage

B. Franco

C. contango

D. backwardation

36. Which of the following regulates and controls the activities in the Nigerian Stock Exchange?

- A. BPE
- B. SEC
- C. NDIC
- D. CBN

37. The principle of management that emphasizes on the number of subordinates under the direct supervision of a manager is _____.

- A. span of control
- B. unity of command
- C. scalar chain
- D. unity of direction

38. Marketing differs from selling in that, the latter only creates _____.

- A. possession utility
- B. marginal utility

C. form utility

D. place utility

39. A business that focuses attention on the quality of the goods produced by precisely knowing what the consumers desire is said to be operation the _____.

- A. product mix
- B. promotion mix
- C. marketing concept
- D. product orientation

40. The physical and psychological satisfaction a customer derives from the purchase of goods and services is _____.

- A. price mix
- B. product mix
- C. marketing mix
- D. promotion mix

41. Which of the following aspects of marketing stimulates buying by providing free gifts?

- A. a personal selling
- B. sales promotion
- C. advertising
- D. publicity

42. Which of the following is used as pricing policy?

- A. labelling
- B. packaging
- C. market selection
- D. market skimming

43. Mr. Taiwo entered into a contract to let a car to Mr. Bunmi for his wedding for two days. However, the car had an accident before the first day. Mr. Bunmi attempted to claim damages but failed. This implies the contract was terminated by _____.

- A. bankruptcy
- B. frustration
- C. breach
- D. lapse of time

44. Hire purchase is advantageous to the seller in that _____.

- A. it elevates his living standard
- B. his turnover will increase
- C. people pay in instalment
- D. it enhances high level of patronage

45. The difference between a factor and a broker is that the former _____.

- A. is licensed to sell goods on auction
- B. has a lien on the goods he possesses
- C. is not in possession of the goods
- D. cannot sell in his own name

46. A contract which is devoid of legal effect is _____.

- A. void contract
- B. unenforceable contract
- C. voidable contract
- D. valid contract

47. The three functional units of a modern computer are _____.

- A. input, processor and output units
- B. processor, FOTRAN and output units
- C. black box, output and input units
- D. basic, COBOL and output units

48. Which of the following computers can be used in weather forecast?

- A. Hybrid computer
- B. Digital computer
- C. Mainframe computer
- D. Analog computer

49. A Digital Versatile Disk is an example of a _____.

- A. transmission control protocol
- B. microprocessor
- C. file transfer protocol
- D. computer storage device

50. The social responsibility factor of an organization is geared towards _____.

- A. contributing to the sustenance and development of its host community
- B. operating without disrupting the very essence of the environment
- C. tackling the socio-economic problems of the state
- D. meeting the needs and demands of the shareholders

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JAMB COMMERCE PAST QUESTIONS (PT.5)

1. A proforma invoice is not required when _____.

- A. dealing regularly with a customer
- B. quoting for the supply of goods
- C. goods are sent on approval
- D. final prices are uncertain

2. A distinguishing characteristic of a limited liability company is that _____.

- A. is a collection of many sole proprietors
- B. can sue and be sued
- C. is a multiple partnership
- D. has limited resources

3. Construction activities include the building of houses and roads as well as _____.

- A. shoe-making
- B. black smiting
- C. brick laying
- D. car assembling

4. Which of the following information is contained in the Articles of Association of a limited liability company?

- A. Objectives of the company
- B. Rights and obligations of directors
- C. Amount of share capital
- D. Limitation of liability of share holders

5. Which of the following contributed least to the evolution of commercial activities in Nigeria?

- A. Development of banks
- B. Development of transportation
- C. Development of currencies
- D. Development of trader's union

6. One of the factors which critically determines the choice of occupation is _____.

- A. skill
- B. training

- C. interest
- D. aptitude

7. Tourists with no fixed address in a town may receive letters from the post office through _____.

- A. poste restante
- B. recorded delivery
- C. post master
- D. parcel post

8. On liquidation of a public limited liability company, the residual owners are the _____.

- A. debenture holders
- B. creditors
- C. preference shareholders
- D. ordinary shareholders

9. The major factors that facilitate merchandising are _____.

- A. banking_ insurance and transportation
- B. management, insurance, and advertising

C. communication, advertising, and banking

D. trading, warehousing and production

10. The pivot on which the wheel of commerce rotates is _____.

- A. tariff
- B. taxation
- C. price
- D. trade

11. The major procedures in the purchase and sale of goods are enquiry _____.

- A. order, sale and invoice
- B. quotation, order and invoice
- C. placement, order and invoice
- D. bargain, order and invoice.

12. An advantage of hire purchase to the customer is the _____.

- A. low interest rate chargeable
- B. increase in turn over and profits

C. economics of scale in production

D. possession of goods before payment

13. The agency in Nigeria which ensures that products conform to government quality specifications is the _____.

A. Nigerian Consumers Association

B. Standards Organization of Nigeria

C. Nigerian Chamber of Commerce

D. Manufacturer's Association of Nigeria

14. The most widely used computer language that focuses on solving science oriented problems is _____.

A. COBOL

B. ADA

C. BASIC

D. FORTRAN

15. An essential factor for evaluating the different sources of funds for a business is the _____.

A. ownership structure of the business concern

B. burden of cost and repayment

C. size and the type of the business

D. decree establishing the business

16. In the primary market, new shares are issued through _____.

A. personal selling, publicity and advertising

B. advertising, a prospectus and a bill of exchange

C. a prospectus, an offer for sale and placing

D. a prospectus, offer for sale and a bill of exchange

17. One of the advantages of commercialization is that it _____

A. increases the salaries of workers

- B. encourages entrepreneurship
- C. gives workers on-the-job training
- D. motivates government to establish more business

18. Given:	₦
Sales	15,000
Opening stock	5,600
Purchases	9,700
Closing stock	4,400
Gross profit	4,500
Net profit	2,000

From the above data, calculate the rate of turn over.

- A. 218 times
- B. 3.50 times
- C. 3.00 times
- D. 2.00 times

19. Which of the following confirms the accuracy of the duty charged on imported goods?

- A. Consular invoice
- B. An indent
- C. Shipping note

20. The type of communication from a superior to a subordinate in an organization is referred to as _____.

- A. downward communication
- B. horizontal communication
- C. lateral communication
- D. upward communication

21. The safety and quality of products are the social responsibility of _____.

- A. the Manufacturer's Association of Nigeria
- B. the Corporate Affairs Commission
- C. business organization
- D. the Standard Organization of Nigeria

22. The members of ECOWAS include _____.

- A. Togo, Nigeria and Ghana
- B. Burkina Faso, Nigeria, Niger and Mauritania

C. Guinea, Mali, Cameroon and Nigeria

D. Nigeria, Chad, Gabon and Cape Verde

23. One of the functions of Nigeria Ports Authority is the provision of _____.

A. facilities to ensure that goods get to their destinations

B. courier services to ensure specific delivery

C. shelter for operators of cargoes

D. facilities to enhance the speedy loading and offloading of cargoes

24. A document which advertises the shares of a company is known as _____.

A. deed

B. prospectus

C. dividend warrant

D. memorandum of satisfaction

25. An association to which all Chambers of Commerce in Nigeria are affiliated is the _____.

A. National Association of Chambers of Commerce

B. Nigeria Labour Congress

C. Nigeria Stock Exchange

D. Nigeria Association of Chambers of Commerce, Industry, Mines and Agriculture

26. An aspect of commerce that facilitates the distribution of product is _____.

A. advertising

B. branding

C. transportation

D. trading

27. Unresolved disputes between the employer and employees are usually referred to the _____.

A. industrial arbitration tribunal

B. disciplinary committee

C. code of conduct bureau

D. personal unit

28. A chain store usually combines the features of _____.

- A. hyper markets and stalls
- B. multiple shops and hyper markets
- C. multiple shops and departmental shops
- D. mail order business and multiple shop

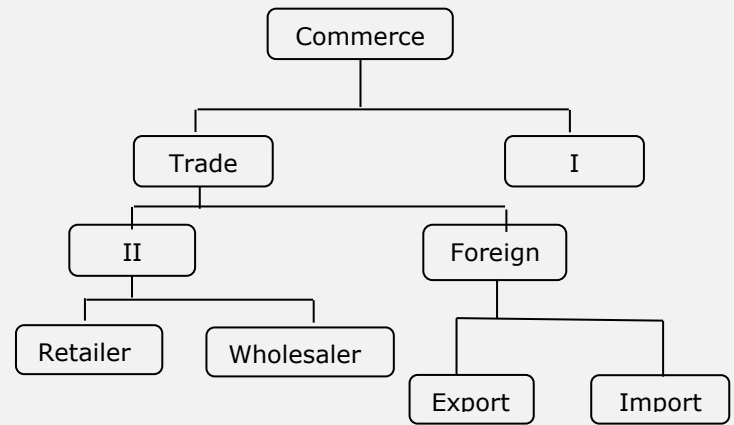
29. Which of the following is a matter of personal preference on the part of a superior officer?

- A. Delegation of authority
- B. Unity of direction
- C. Span of control
- D. Unity of command

30. Manufacturing and constructive activities are classified under _____.

- A. direct-service
- B. primary production
- C. tertiary production
- D. secondary production

31.



From the diagram above, what does **I** stand for?

- A. Publicity
- B. Home trade
- C. Aids to trade
- D. Advertising.

32. The three main classification of occupation are _____.

- A. industry, commerce and services
- B. manufacturing, industry and trading
- C. farming, banking and trading
- D. construction, trade and services

33. The person who undertakes life assurance is said to be an _____.

- A. assurer
- B. insurer
- C. insured
- D. assured

34. A business organization must always consider the overall effect of its actions on the _____.

- A. profit
- B. society
- C. product
- D. competitor

35. An undertaking given by a person to another assuring his integrity is _____.

- A. subrogation
- B. insurable interest
- C. proximate clause
- D. fidelity guarantee

36. Which of the following is a quality of money?

- A. scarcity
- B. availability
- C. convertibility
- D. indivisibility

37. The distribution of petroleum products in Nigeria is through _____.

- A. the bank
- B. air
- C. sea
- D. road

38. The business that focuses attention on the quality of the goods produced by precisely knowing what the consumers desire is said to be operating the _____.

- A. marketing concept
- B. promotion mix
- C. product orientation
- D. product mix

39. A floating policy is an example of _____.

- A. marine insurance
- B. motor insurance
- C. fire insurance
- D. actuaries insurance

40. The art of soap making is an example of a _____.

- A. construction occupation
- B. tertiary occupation
- C. primary occupation
- D. secondary occupation

~~DISCLAIMER~~

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