

**GENERAL CERTIFICATE OF EDUCATION**  
**PRE- MOCK EXAMINATION**

	<b>SUBJECT CODE NUMBER</b> 520	<b>PAPER NUMBER</b> 1
<b>CADIDATE NAME:</b>	<b>SUBJECT TITLE COMMERCE</b>	
<b>CANDIDATE NUMBER:</b>		
<b>CENTRE NUMBER:</b>	<b>DATE</b>	
<b>ORDINARY LEVEL</b>		

**Time Allowed: 50mins**

**SECTION A: (20mks)**

- 1) Which of the following is a branch of production?
  - a) Commerce
  - b) Agriculture
  - c) Shipping
  - d) None of the above
- 2) \_\_\_\_\_ are shares that do not carry any fixed rate of dividend
  - a) debentures
  - b) Preference shares
  - c) Ordinary shares
  - d) Original shares
- 3) It is the payment made by a borrower to a lender for the use of capital
  - a) percentage
  - b) interest
  - c) profit
  - d) none of the above
- 4) Low capital gearing is when
  - a) Risk capital is greater than loan capital
  - b) Loan capital is greater than risk capital
  - c) Profit is greater than low gearing capital
  - d) Capital is low
- 5) They are owned and managed by local authorities
  - a) State corporations
  - b) Municipal undertakings
  - c) GBHS Bessong Abang
  - d) Co-operatives
- 6) It is the transfer of ownership of state owned assets to individuals or private institutions
  - a) Personalisation
  - b) Individualism
  - c) Privatization
  - d) Nationalization

- 7) It is the buying and selling of goods and services within the same country.
- Commerce
  - Internal trade
  - Import trade
  - Foreign trade
- 8) A one stop shop where the buyer can find every food stuff and household goods he needs
- Departmental stores
  - A Kiosk
  - Supper market
  - All of the above
- 9) The stage of production engaged in the transformation of raw materials into finished or semi-finished goods.
- Tertiary production
  - Chocolate production
  - Secondary production
  - Primary production
- 10) Which of the following is a channel of distribution
- Wholesale
  - Retail
  - A and B
  - None of the above
- 11) Which of the following activities is carried out in the tertiary sector
- Speaking
  - Swimming
  - Finishing
  - Accounting
- 12) He buys goods in bulk from a manufacturer and sells in smaller quantities to the retailer.
- Fokou
  - Cosumer
  - Transport
  - Wholesaler
- 13) An amount given to a businessman to refund after a given time period
- A bonus
  - A loan
  - Capital
  - All of the above
- 14) It is an aid to trade which helps in the transportation of goods and people from one place to another
- A cargo
  - A truck
  - Transport
  - All of the above
- 15) It is good in carrying bulky goods over long distances than over short distances and it are equally very fast.
- Train
  - Strip
  - Motorbike
  - Helicopter

- 16)** It is a method of credit where equipment, machines, and premise are hired in return for a annual rent
- Leasing
  - Lending
  - Borrowing
  - renting
- 17)** A business organization in which two or more person bring their resources together to carrying out business with the aim of making profit
- Sole proprietor
  - Joint stock
  - Partnership
  - All of the above
- 18)** \_\_\_\_\_ is not complete until it reaches the final consumer
- Consumption
  - Production
  - Digestion
  - medicine
- 19)** An amount of money paid by a business to a company to cover his risk incase if he falls victim.
- Advance
  - Premium
  - Loan
  - “njangi”
- 20)** Which of the following cannot be insured?
- A car
  - A warehouse
  - Gambling
  - None of the above

**Section B: (10mks)**

Match the correct answer from the list below to the correct number after going through each of the questions. The answer on the answer column should be represented by a letter only.

<b><u>Answer list</u></b>	<b><u>Answer Column</u></b>
<b>a)</b> Bank	<b>1.</b> _____
<b>b)</b> Mobile phone	<b>2.</b> _____
<b>c)</b> Aeroplane	<b>3.</b> _____
<b>d)</b> Warehouse	<b>4.</b> _____
<b>e)</b> Insurer	<b>5.</b> _____
<b>f)</b> Retailer	<b>6.</b> _____
<b>g)</b> Export trade	<b>7.</b> _____
<b>h)</b> Bird	<b>8.</b> _____
<b>i)</b> Insurance	<b>9.</b> _____
<b>j)</b> Bilateral trade	<b>10.</b> _____
<b>k)</b> An insured	<b>11.</b> _____
<b>l)</b> Import trade	<b>12.</b> _____

- 1) It is a trade in which goods and services produced in a country are carried out of the country for sale
- 2) It is a trade between two countries e.g Cameroon and cape Verde
- 3) It is a place where goods are kept in bulk until they are needed by the consumer.
- 4) He is a person or expert employed by an insurance company to inform the public about the working of the insurance.
- 5) He buys in larger quantities from the wholesaler and sells in smaller quantities to consumers.
- 6) A person insuring with an insurance company
- 7) It is the most available and fastest means of voice communication.
- 8) It is an aid to trade that helps businessmen to safeguard their money and also enable them take loans.
- 9) \_\_\_\_\_ is the insuring company.
- 10) It is a means of air transport.

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**Time Allowed: One Hour**  
**Section C: (40mks)**

***Answer any two questions***

- 1) a. Give **FOUR** importance of insurance  
b. State and explain five factors that influence the amount of premium to be paid.  
c. Differentiate between insurable and non-insurable risk
- 2) Discuss the functions of a wholesaler;
  - a) To the manufacturer
  - b) To the retailer
- 3) a) If you were asked to import 10 second handed cars from Belgium to Cameroon, what method and means of transport will you use. Explain why  
b) Discuss the advantages and disadvantages of this method.

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