

COMMERCE
NECO
PAST QUESTIONS AND
ANSWERS

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1. The price of an item is N 300 with a trade discount of 20%, What is the selling price?

- A. N180
- B. N240
- C. N300
- D. N360
- E. no option

Correct answer is option B

2. A hire purchase transaction becomes a sale when the hirer

- A. pays full cost of the goods
- B. agrees with the hire purchase terms
- C. takes possession of the goods
- D. pays part of the installments

Correct answer is option A

3. An electronic system of communication which serves as the international information bank is called

- A. an e-mail
- B. a satellite
- C. a telex
- D. the Internet

Correct answer is option D

4. Personal selling is important to a business because it can be used to

- A. distract competitors
- B. distribute free samples
- C. sell custom-made products
- D. effect labour-oriented pricing

Correct answer is option B

5. A system in which a group of persons are appointed to carry out special duties of policy and decision-making is referred to as the

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

Correct answer is option C

6. The major advantage of using a vending machine is that

- A. all sales are automatic
- B. it operates for 24 hours
- C. it has a time limit
- D. it is easily accessible

Correct answer is option D

7. The quickest and most accurate means of communication is

- A. fax
- B. telegram
- C. express mail
- D. railex

Correct answer is option B

8. An association of two or that each cannot handle alone is

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

Correct answer is option B

9. Sole proprietors finance their businesses through

- A. bonds and savings
- B. savings and bank overdrafts
- C. loans and mortgages
- D. bank overdrafts and leasing

Correct answer is option D

10. A major disadvantage of the mainframe computer is its

- A. speed
- B. durability
- C. cost
- D. capacity

Correct answer is option C

11. One of the primary functions of the thrift, credit and loans cooperative society is to

- A. educate its members
- B. disburse money to its members
- C. encourage investment among members
- D. protect members' valuables

Correct answer is option C

12. One objective of privatization is the

- A. provision of infrastructure
- B. provision of education and health facilities
- C. efficient use of resources
- D. protection and development of communities

Correct answer is option C

13. A non-insurable risk is exemplified by
- A. speculation and loss of profit through competition
 - B. gambling and whole-life insurance
 - C. bad debts and consequential loss insurance
 - D. open cover contract and constructive total loss

Correct answer is option A

14. The contribution of a department towards the attainment of corporate goals is its
- A. span of control
 - B. scalar principles
 - C. unity of command
 - D. unity of objective

Correct answer is option B

15. A mutual compromise between the central bank and other banks on strategies for economic activities is reached through
- A. cash liquidity ratio
 - B. the reserve ratio
 - C. moral suasion
 - D. open-market operations

Correct answer is option C

16. The branding of manufacturers goods aids
- A. market segmentation
 - B. demand and supply
 - C. price discrimination
 - D. product differentiation

Correct answer is option D

17. The factors responsible for large scale production of durable goods are

- A. capital and infrastructure
- B. land and infrastructure
- C. labour and capital
- D. equipment and labour

Correct answer is option A

18. An element of the marketing mix that is concerned with feature and quality is

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

Correct answer is option C

19. The construction of dams, irrigation drains and navigation major responsibility of the

- A. Upper-Nigeria River Basin Commission
- B. Nigeria Basin Commission
- C. Economic Community of West African states
- D. Lack Chad Basic Commission

Correct answer is option B

20. Free editorial space or time not paid for by an organization is called

- A. sales promotion
- B. publicity
- C. public relations
- D. advertisement

Correct answer is option B

21. The profit received by a member of a cooperative society is

- A. a rebate
- B. an allowance
- C. a dividend
- D. a share

Correct answer is option C

22. The individuals who conceive the idea of a company and undertake to fulfill the legal requirements for the venture are the

- A. shareholders
- B. promoters
- C. directors
- D. entrepreneur

Correct answer is option B

23. Information and communication technology is advantageous to the banking industry because

- A. overhead cost is reduced
- B. the number of customers increases
- C. service delivery is fast
- D. interest rates are raised

Correct answer is option C

24. Foreign trade transactions are carried out through the use of

- A. commercial papers
- B. bank drafts drawn by commercial banks on their foreign branches
- C. irrevocably confirmed letters of credit
- D. letters of credit authenticated by embassies

Correct answer is option C

25. A country's balance of payments is divided into

- A. current and capital accounts
- B. current and foreign accounts
- C. creditor's and debtor's accounts
- D. export and import accounts

Correct answer is option A

26. A factor that hinders the achievement of ECOWAS objectives is

- A. the absence of a common market
- B. lack of a common language
- C. the difference in political ideology
- D. lack of a common territory

Correct answer is option C

27. Which of the following is the best form of sales promotion?

- A. Billboard
- B. Bell ringing
- C. Publicity
- D. Demonstration

Correct answer is option C

28. A legal document representing a promise by a company to pay back a loan over a period of time is referred to as a

- A. warrant
- B. bond
- C. share certificate
- D. title deed

Correct answer is option B

29. A document issued by financial organizations to enable holders to buy goods on credit is called

- A. ATM card
- B. coupon
- C. luncheon voucher
- D. credit card

Correct answer is option D

30. Kola who had an accident was taken to hospital by Kemi. Kola promised to give Kemi N 500 when discharged. Kola failed to fulfil his promise. Which of the following is legally correct?

- A. Kemi cannot sue Kola
- B. Kemi can sue Kola
- C. Kola can deny the promise
- D. Kola can offer something else

Correct answer is option C