

ZimSec Commerce

Paper 1

2002

O'Levels

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Question 1

Mass production means

1. a large output is made using a small labour force
2. making parts that can be used in many similar articles
3. many people concentrating on specific tasks
4. the work of human beings is now done by machines

Question 2

Which is not a problem of barter?

1. some goods are difficult to divide
2. some goods are perishable
3. there has to be a double coincidence of wants
4. valuation of goods is difficult

Question 3

The advantage of branding is that goods

1. are easy to advertise
2. are easy to handle
3. can be easily displayed
4. have a long shelf life

Question 4

What is the advantage of a department store to a retailer?

1. buying goods in bulk
2. more security personnel
3. self selection offered
4. variety of stock

Question 5

A feature of retail co-operative societies is that they

1. are located on the outskirts of town
2. are run by a management committee
3. have low overhead costs
4. provide a delivery service to customers

Question 6

Which feature distinguishes a supermarket from a hypermarket?

1. large parking area
2. check out points close to the exit
3. the use of self- service
4. wide aisles between shelves

Question 7

Why do small scale retailers continue to exist when there is so much competition from large retailers?

1. they advertise on a large scale
2. they employ specially trained staff
3. they offer personal service to customers
4. they order stock directly from manufacturers

Question 8

Which service do wholesalers provide to manufacturers only?

1. finding markets
2. giving information
3. providing finance
4. transporting goods

Question 9

Wholesalers have survived in business by

1. buying on cash basis from manufacturers
2. providing personal service
3. using vending machines
4. operating on a cash and carry basis

Question 10

The document used to make additional charges to what appears on the invoice is the

1. advice note
2. credit note
3. debit note
4. pro-forma invoice

The table below shows the foreign trade figures for country Y. **Use the information to answer questions 11 and 12.**

	Goods	Services
Imports (in \$m)	320	300
Exports (in \$m)	330	270

Question 11

What is country Y's trade balance?

1. - \$30m
2. \$10m
3. -\$10m
4. \$30m

Question 12

What is country Y's balance of payments

1. -\$30m
2. -\$20m
3. \$20m
4. \$30m

Question 13

What measures can a country take to correct an unfavourable balance of payments?

1. discourage all trade with other countries
2. encourage citizens to tour other countries
3. encourage local producers to increase exports
4. increase the value of its imports

Question 14

'This product is harmful if swallowed'. This statement is an example of the consumers'

1. right to be heard
2. right to be informed
3. right to choose
4. right to redress

Question 15

How can consumers protect themselves when buying goods?

1. ask the Consumer Council of Zimbabwe to investigate their complaints
2. read and understand contracts before signing
3. report all cases of cheating to the police
4. take products to the Standards Association of Zimbabwe for testing

Question 16

The document which is issued when the necessary amount of capital has been raised by a public limited company is the

1. articles of association
2. certificate of incorporation
3. certificate of trading
4. statutory declaration

Question 17

The day to day running of a private limited company is done by the

1. board of directors
2. managing director
3. debenture holders
4. Shareholders

Use the information below to answer questions 18 and 19.

Trading figures for B. Kay, a small trader, are shown below.

Sales = \$9 000

Cost of goods sold = \$4 000

Cost of average stock = \$2000

Total expenses = \$3 000

Question 18

What is B. Kay's gross profit?

1. \$1 000
2. \$3 000
3. \$5 000
4. \$7 000

Question 19

What is B. Kay's rate of turnover?

1. 4.5 times
2. 2 times
3. 1.5 times
4. 0.5 times

Question 20

What information appears in the articles of association of a company?

1. a statement of the limited liability of shareholders
2. the address of the registered office
3. the amount of capital to be raised by share issue
4. the procedure for calling a general meeting of shareholders

Question 21

Which commercial bank service is used to pay varying amounts charged at irregular intervals?

1. bank drafts
2. credit transfer
3. direct debit
4. standing order

Question 22

In commercial banking, which statement is true of a deposit account?

1. it is offered by commercial banks only
2. notice of withdrawal is required
3. the account holder has access to overdraft facilities
4. the account holder must have a cheque book

Question 23

A bank loan is

1. an informal way of borrowing
2. available to current account holders only
3. given to an applicant who provides security
4. usually a form of short term borrowing

Question 24

Factoring of debts is done by

1. accepting houses
2. clearing houses
3. discount houses
4. finance house

Question 25

Which insurance policy allows a manufacturer to cover injury to clients within his premises?

1. employers' liability
2. fidelity guarantee
3. public liability
4. consequential loss

Question 26

The insurance experts who use statistics to calculate the premiums payable on policies are called

1. actuaries
2. assessors
3. brokers
4. underwriters

Question 27

Mr Able's house presently valued at \$120 000 is insured for \$100 000. A fire occurs and repairs to the house cost \$60 000. How much will Mr Able receive as compensation from the insurers?

1. \$100 000
2. \$72 000
3. \$60 000
4. \$50 000

Question 28

A trader insures his shop against fire but the shop is later destroyed by a storm. Which doctrine makes it impossible for the trader to get compensation?

1. subrogation
2. proximate cause
3. contribution
4. average clause

Question 29

Which postal service allows the addressee to respond without having to pay for the postage?

1. business reply
2. poste restante
3. recorded delivery
4. registered mail

Question 30

The advantage of using video- conferencing is that

1. a written message can be sent
2. messages can be received even when the office is closed
3. information can be printed in colour
4. travel costs are saved

Question 31

The telecommunication facility which enables staff within a building to be contacted is

1. radio-paging
2. prestel
3. telex
4. facsimile

Question 32

In areas where there are no street deliveries of mail, it is advisable to use

1. express mail service
2. franking machines
3. parcel post
4. private boxes

Question 33

What is the work of a port authority?

1. collecting customs duty
2. compiling records of imports and exports
3. controlling bonded warehouses
4. providing customs and immigration offices

Question 34

Which type of ship allows loaded vehicles to be driven on and off the ship?

1. coastal ship
2. liner ship
3. ro-ro ship
4. tramp ship

Question 35

Why are insurance charges low for goods transported by air?

1. air transport is free from accidents
2. most of the goods carried are perishable
3. the goods are in transit for a short period
4. there are now big aircrafts which carry large loads

Question 36

Which document is not a contract of carriage?

1. airway Bill
2. bill of lading
3. consignment note
4. delivery note

Question 37

By storing goods whose production is seasonal, warehousing performs the function of

1. breaking bulk
2. hoarding goods
3. increasing prices
4. stabilizing prices

Question 38

Bonded warehouses

1. allow goods to be manufactured
2. are only found at border posts
3. are owned by the government
4. are used to store dutiable goods

Question 39

Mail order businesses do most of their advertising through

1. Catalogue
2. Journals
3. Magazines
4. newspapers

Question 40

“M and P Products: We bring value to life!” This type of advertising is

1. competitive
2. disparaging
3. generic
4. informative