

COMMERCE

FOR

Senior Secondary School

3

Practice Questions and Answers



EDUBASE

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QUESTIONS

TOPIC: ADVERTISING AND SALES PROMOTION

DIRECTION: Choose the correct answer from the lettered options.

1. Which of the following is a more suitable medium for advertising a new tractor?
 - A. Radio
 - B. Poster
 - C. Neon sign
 - D. Trade fair

2. An advertisement which seeks to persuade consumers to use a particular product in preference to another is _____.
 - A. competitive
 - B. direct
 - C. informative
 - D. indirect
 - E. persuasive

3. The management function that has to do with the recruitment of workers comes under _____.
 - A. administration
 - B. controlling
 - C. organising
 - D. planning
 - E. staffing

4. _____ involves the setting of a high initial price and later reducing it when the product is no longer a novelty or due to high competition.
 - A. Product line promotion
 - B. Promotion

- C. Marketing skimming
- D. Market penetrating pricing

5. The Legal document that gives an individual power to protect his own piece of invention is called _____

- A. copy right
- B. license
- C. patent right
- D. trade mark

6. An agreement between two or more persons with the intention to be enforceable by law is called _____

- A. transaction
- B. contract
- C. trade mark
- D. branding

7. Which of the following is an advertising function?

- A. Packaging
- B. Persuading
- C. Grading
- D. Segmenting

8. The element of a valid contract does not include ____

- A. capacity
- B. consideration
- C. counter offer
- D. legality
- E. offer and acceptance

9. The followings are methods by which a contract may be terminated EXCEPT

- A. breach of contract
- B. frustration
- C. occupation
- D. operation of law

10. A contract is said to be "null and void" if it has _____

- A. no legal effect
- B. offer and acceptance
- C. involves a husband and wife
- D. is not in writing
- E. is yet to be executed

11. The activities employed by organisations to promote a favourable relationship with people outside is known as _____

- A. human relation
- B. promotional activities
- C. publicity
- D. public relations

12. Provision of electricity, pipe borne water and good roads by Globacom Nigeria LTD is an example of _____

- A. human relations
- B. product advertising
- C. rural development
- D. sales promotion
- E. social responsibility

13. Any form of non-personal communication through the mass media that is paid for by an identified sponsor is known as a/an _____

- A. advertising
- B. exhibition
- C. pricing
- D. publicity
- E. sampling

TOPIC: ECONOMIC GROUPINGS

DIRECTION: Choose the correct answer from the lettered options.

1. Which of the following is NOT a foundational member of OPEC?
 - A. Iran
 - B. Kuwait
 - C. Saudi Arabia
 - D. Nigeria

2. The membership of ECOWAS as at October 2008 consists of _____.
 - A. 14 countries
 - B. 15 countries
 - C. 16 countries
 - D. 17 countries

3. The Council of Ministers as an organ of the ECOWAS has _____.
 - A. a representation of two ministers from each member state
 - B. a representation of the presidents of each country
 - C. a representation of four ministers from each member state
 - D. a representation of only the Nigerian and Ghanaian foreign ministers

4. The membership of African Development Bank (ADB) comprises _____.
 - A. west africa countries alone
 - B. all the africa countries
 - C. northern africa countries alone
 - D. none of the above

5. Which of the following organisations functions with respect to correcting a country's balance of payment deficit?

- A. ECOWAS
- B. UNICEF
- C. UNCTAD
- D. IMF
- E. EEC

6. UNCTAD means _____

- A. United Nations Commission for Technical Aid and Development
- B. United Nations Conference on Trade and Development
- C. United Nations Countries rendering Technical Assistance and Development
- D. United Nations Conference on Technological Association and Development

7. The Lake Chad Basin Commission was designed mainly to _____

- A. settle industrial disputes between Nigeria and Chad
- B. manage the basin so as to promote regional development
- C. promote African unity
- D. combat the water crises in the region

8. Which of the following is not an objective of ECOWAS?

- A. Elimination of tariffs
- B. Harmonisation of agricultural policies
- C. Evaluation of a common language
- D. Harmonisation of fiscal policies
- E. Development of communication facilities

9. Four member countries of the ECOWAS are

- A. the Gambia, Ghana, Togo and Mali
- B. Niger, Nigeria, Chad and Cote d'Ivoire

- C. Guinea, Guinea-Bissau, Tanzania and Cameroon
- D. Senegal, Cape Verde, Burkina Faso and Uganda.

10. The treaty which established the Lake Chad Basin Commission was signed by _____

- A. 4 countries
- B. 7 countries
- C. 2 countries
- D. 10 countries

11. Which of the following is NOT true about the International Monetary Fund (IMF)?

- A. It provides short term financial aids to member countries that are in balance of payment difficulties
- B. It makes every currency fully convertible
- C. It gives advice on financial policy
- D. It is an international agent of the Central Bank

12. ECOWAS as a sub-regional organisation has succeeded in doing all EXCEPT one of the following.

- A. Trade liberalisation
- B. Establishment of ECOBANK
- C. Full policy implementation
- D. Execution of joint projects

13. As at 2007, the Lake Chad Basin Commission had ----- countries as members.

- A. 4
- B. 5
- C. 7
- D. 10

14. The International Monetary Fund [IMF] was formed in _____.

- A. July, 1944
- B. February, 1964
- C. October, 1960
- D. match, 1949

15. The Organisation of Petroleum Exporting Countries was established in ____

- A. 1960
- B. 1961
- C. 1962
- D. 1963

16. Which of the following countries is NOT a member of the Lake Chad Basin Commission as at 2007?

- A. Nigeria
- B. Niger
- C. Ivory Coast
- D. Central African Republic

17. The headquarters of UNCTAD as at 2007 was located in

- A. New York
- B. Geneva
- C. Tokyo
- D. Versailles

18. The most important drive of the ECOWAS is to ____

- A. abolish trade restrictions
- B. harmonise agricultural policies
- C. eliminate custom duties
- D. promote economic cooperation and development

19. The signing of the treaty establishing the Lake Chad Basin Commission took place on

- A. 22 June, 1964
- B. 22 June, 1968
- C. 22 May, 1964
- D. 22 September, 1975

20. Which of the following countries is not a member of ECOWAS?

- A. Gambia
- B. Guinea
- C. Namibia
- D. Niger Republic

21. The treaty which established ECOWAS in 1975 was signed by _____

- A. 12 countries
- B. 16 countries
- C. 15 countries
- D. 17 countries

22. Which of the following is NOT an objective of the Lake Chad Basin Commission?

- A. Implementation of the navigation laws
- B. Development of irrigation schemes
- C. Removal of all obstacles to the movement of persons among member states
- D. Collection and dissemination of information among member states
- E. Settlement of disputes among member states

23. UNCTAD as an organ of the United Nations came into being in ____year.

- A. 1960
- B. 1945
- C. 1964

D. 1990

24. The treaty formally establishing ECOWAS provided for the following organs EXCEPT

- A. the Authority of the Heads of State and Government
- B. the Security Council
- C. the Tribunal of the community
- D. the Executive Secretariat

25. Commercial activities are greatly hindered among ECOWAS countries as a result of _____

- A. bad road network
- B. lack of common currency
- C. bad leadership
- D. colonial heritage

26. The capital of ECOWAS as at 2008 was located in _____

- A. Accra, Ghana
- B. Lome, Togo
- C. Lagos, Nigeria
- D. Abuja, Nigeria

27. Which of the following is NOT an objective of the Lake Chad Basin Commission?

- A. Implementation of the navigation laws
- B. Settlement of disputes among member states
- C. Removal of all obstacles to the movement of persons among member states
- D. Collection and dissemination of information among member states
- E. None of the above

28. what is the full meaning of I.M.F?

- A. International Money fund

- B. International Marketing Formation
- C. Internal Monetary fund
- D. Internal Money Fund
- E. International Monetary Fund

29. ECOWAS as a regional organisation was established on _____

- A. 28th January, 1976
- B. 28th May, 1975
- C. 28th May, 1976
- D. 28th January, 1975

30. As at 2010, ECOWAS is a regional group of _____ West African countries.

- A. 12
- B. 10
- C. 15
- D. 9

31. The headquarters of the Lake Chad Basin Commission as at 2008 was in

- A. Abuja, Nigeria
- B. Lagos, Nigeria
- C. Yaounde, Cameroon
- D. N'Djamena, Chad

32. Nigeria became a member of the Organisation of Petroleum Exporting Countries (OPEC) in _____

- A. 1969
- B. 1963
- C. 1971
- D. 1964

33. African Development Bank was formed in the year _____

- A. 1961
- B. 1962
- C. 1963
- D. 1964

34. Which of the following are members of ECOWAS?

- A. Ghana, Guinea, Gambia, Sudan
- B. Libya, Togo, Senegal, Mali
- C. Guinea, Guinea-Bissau, Togo, Mali
- D. Benin Republic, Namibia, Togo, Guinea

35. Membership of the ECOWAS affords its members the following benefits EXCEPT

- A. expansion of market
- B. easy movement of goods
- C. free advertisement
- D. free trade

36. Which of the following is a function of the African Development Bank (ADB)?

- A. Fixing and stabilising crude oil prices for African states
- B. Control of central banks in the African continent
- C. Financing of investment projects with the potential of socio-economic development for member countries
- D. Control of inflation in the African economy

37. UNCTAD is the principal organ of the _____

- A. UN General Assembly dealing with trade, investment and development issues
- B. UN Authority of Heads of State which mediates on trade conflicts around the world
- C. UN General Assembly dealing with technical assistance to African Countries
- D. World Bank which advises national government on best trade practices

38. Which of the following is NOT an objective of ECOWAS?

- A. Elimination of tariffs
- B. Harmonization of agricultural policies
- C. Evaluation of a common language
- D. Harmonization of fiscal policies
- E. Development of communication facilities

TOPIC: INTRODUCTION TO MARKETING

DIRECTION: Choose the correct answer from the lettered options.

1. The element of the marketing mix deals with how the manufacturer distributes his product, to the consumer is referred as _____

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

2. The cost of advertising a product is ultimately borne by the _____

- A. producer
- B. agent
- C. wholesaler
- D. retailer
- E. consumer

3. Which of the following basic utilities is NOT created by marketing?

- A. Ownership
- B. Place
- C. Possession
- D. Product

4. A disadvantage of advertising on the part of the consumer is that _____

- A. it makes them eligible for trade discount
- B. it makes them buy what they don't need
- C. it increases the cost of raw materials
- D. it promotes competition among firms

5. Which of the following is NOT a function of marketing boards in West Africa?

- A. Fixing of prices
- B. Buying of farm produce
- C. Implementation of government's agricultural policies
- D. Control of marketing companies

6. Bringing the right goods and services to consumer in the most efficient and profitable manner best explains _____ process

- A. advertising
- B. marketing
- C. promotion
- D. purchasing
- E. selling

7. Marketing activities start at the _____ stage

- A. idea
- B. production
- C. commercialization
- D. point of sale

8. The collection of controllable factors that can be used to influence the behaviour of customers or consumers is called _____

- A. sales promotion
- B. marketing mix
- C. packaging
- D. sales technique

9. Which of the following is NOT a means of sales promotion?

- A. Advertising
- B. Market research

- C. Public relations
- D. Personal selling

10. Which of the following constitutes the marketing mix?

- A. Price, product, place, promotion
- B. Production, personal selling, payment and promotion
- C. Promotion, place, production, payment
- D. Place, production, placement, pricing

11. When a market is divided into identifiable sub-markets, this activity is called _____

- A. Marketing mix
- B. Division of labour
- C. Specialisation
- D. Market segmentation

12. Which of the following media of advertisement combines sight with sound?

- A. Radio
- B. Newspapers
- C. Television
- D. Posters

13. The management process responsible for identifying, anticipating and satisfying customer's requirement profitably is known as _____

- A. consumerism
- B. marketing
- C. commerce
- D. production

14. Which of these is NOT a basic marketing function?

- A. Exchange

- B. Production
- C. Facilitation
- D. Information

15. Under which of the following types of advertising can branding be classified?

- A. Persuasive advertising
- B. Secretive advertising
- C. Competitive advertising
- D. Direct advertising

15. Under which of the following types of advertising can branding be classified?

- A. Persuasive advertising
- B. Secretive advertising
- C. Competitive advertising
- D. Direct advertising

16. Which of the following points at pricing policy?

- A. Market skimming
- B. Market segmentation
- C. Market research
- D. Market consultation

17. Which of the following is not a function of a Post Office?

- A. Selling stamp for postage
- B. Delivery of registered letters
- C. Poste restante services for travellers
- D. Issuance of standing order

18. The rationale behind all marketing activities is _____

- A. to conduct research
- B. to improve sales
- C. to foster public image
- D. to enhance consumer protection

19. Which of the following is a method of sales promotion?

- A. Radio jingles
- B. Poster display
- C. Trade fair
- D. Television broadcast

20. Branding is a tool for _____

- A. competitive advertising
- B. consumerism
- C. marketing research
- D. pricing policy

21. Which of the following media may NOT be suitable for advertising women's apparels?

- A. Television
- B. Technical journals
- C. Radio
- D. Newspaper
- E. Bills boards

22. Which of the following is not a marketing function?

- A. Branding
- B. Advertising
- C. Sales Promotion
- D. Warehousing

E. Blending

23. Trade fairs and exhibitions are organised for the purpose of _____

- A. personal selling
- B. itinerant trade
- C. sales promotion
- D. market segmentation

24. All activities geared towards making goods and services known to consumers is called _____

- A. sales promotion
- B. advertising
- C. information dissemination
- D. trading

25. The act of bringing a product and its benefits to the attention of the prospective buyer is _____

- A. distribution
- B. merchandising
- C. packaging
- D. promotion
- E. branding

26. The division of a market into identifiable sub-markets for the purpose of reaching target customers is _____

- A. Product mix
- B. Marketing mix
- C. Market segmentation
- D. Product differentiation
- E. Marketing concept

27. Which of the following is NOT an after-sales service?

- A. Warranty
- B. Delivery
- C. Trade discount
- D. Installation

28. The set of measures pursued by an organization to maintain goodwill in its environment is known as _____

- A. public relations
- B. motivation
- C. social responsibilities
- D. sales promotion
- E. merchandizing

29. The aspect of the marketing mix that is concerned with putting the right quantity of products in the right location at the appropriate time is _____

- A. advertising
- B. pricing
- C. place
- D. promotion

30. The concept of branding affects the consumer in the following ways EXCEPT

- A. informing the consumers about the existence of a particular product
- B. encouraging standardised pricing
- C. controlling of information
- D. simplifying buying and saving time in the selection of goods

31. The form of advertising that facilitates impulse buying is known as _____

- A. direct advertising
- B. persuasive advertising

- C. mass advertising
- D. informative advertising

32. The act of bringing a product and its benefits to the attention of the prospective buyer is _____

- A. distribution
- B. merchandizing
- C. packaging
- D. promotion
- E. branding

33. The division of a market into identifiable sub-markets for the purpose of reaching target customers is _____

- A. market segmentation
- B. marketing mix
- C. sub-market segmentation
- D. product differentiation
- E. marketing concept

34. Which of the following is NOT a marketing mix?

- A. Product
- B. Promotion
- C. Persuasion
- D. Price
- E. Place

35. The activity of dressing goods attractively for increased consumer patronage is known as _____

- A. packaging
- B. promotion

- C. branding
- D. marketing

36. The cost of advertising a product is ultimately borne by the _____

- A. producer
- B. agent
- C. wholesaler
- D. retailer
- E. consumer

37. Which of the following is not a common trade strategy in West Africa?

- A. Itinerant trade
- B. Self-service
- C. After-sale service
- D. Party selling

38. An advertising which tends to create more market for its product at the expense of a close substitute is called _____

- A. persuasive advertising
- B. competitive advertising
- C. substitutive advertising
- D. direct advertising

39. The distribution of free samples and gift items to consumers is termed_____

- A. sales promotion
- B. personal selling
- C. merchandizing
- D. consumer orientation

40. The advertisement of cosmetics in women's magazine is a good example of _____

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

41. The philosophy that marketing should begin and end with the customer is known as marketing _____

- A. concept
- B. mix
- C. plan
- D. segmentation
- E. strategy

42. Which of the following is a function of advertising?

- A. Promotion of exchange
- B. Maintenance of quality
- C. Enhancement of market information
- D. Reduction of competition

43. Which of the following is MOST important when introducing a new product to the market?

- A. Market research
- B. Sales promotion
- C. Market segmentation
- D. After-sale service

44. Which of the following is a set-back for newspaper advertising?

- A. Display of picture
- B. Presentation in local languages
- C. Limited coverage
- D. Cheap form of advertisement

45. Which of the following reflects customer service?

- A. Home delivery
- B. Hoarding
- C. Packaging
- D. Branding

46. The marketing practice where several manufacturers of soap decide to come together to advertise can be referred to as _____.

- A. Field marketing
- B. Mass advertising
- C. Manufacturing advertising
- D. Institutional advertising

47. The problems of marketing boards in Nigeria includes the following EXCEPT

- A. government interference
- B. price fluctuation in the world market
- C. problem of underproduction
- D. illiteracy

48. The planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its public is known as _____

- A. sales promotion
- B. marketing
- C. public relations
- D. trade relations

49. The assignment of identifiable marks on goods is known as _____

- A. pre-packaging
- B. branding
- C. standardizing

D. grading

50. Which of the following is not an advantage of branding?

- A. Prevents adulteration of products
- B. Saves cost of advertising
- C. Ensures standardization of products
- D. Creates false buying for consumers

51. Which of the following is best adopted when introducing new products?

- A. Pre-packaging
- B. Personal selling
- C. Use of vending machines
- D. Self-service

52. Which of the following has nothing to do with a product?

- A. Warranty
- B. Durability
- C. Branding
- D. Skimming
- E. Packaging

53. The business activity that directs the flow of goods and services from the producers to the final consumers is called _____

- A. production
- B. marketing
- C. consumerism
- D. sales promotion

54. The deliberate and sustained efforts to maintain a good image of a company is known as _____

- A. personal relations
- B. public relations
- C. professional relations
- D. industrial relations

55. Which of the following is NOT a marketing function?

- A. Assembling
- B. Selling
- C. Hoarding
- D. Storage
- E. Buying

56. The body charged with the responsibility of assisting farmers in the purchasing, grading and marketing of various agricultural products in the country is known as _____

- A. Price control board
- B. Marketing board
- C. Farmer's association
- D. Cooperative society

57. Which of the following is NOT a type of advertising?

- A. Persuasive advertising
- B. Mass advertising
- C. Television advertising
- D. Competitive advertising

58. Firms wishing to defend established products as well as launch new ones will make use of _____

- A. franchising
- B. product differentiation
- C. branding

D. advertising

59. The objective of good advertising is to _____

- A. copy other competitors
- B. improve the quality of a product
- C. convince prospective buyers to buy
- D. increase competition among firms

60. The process which provides businesses with basic information required for decisions on its business and its product is termed

- A. market segmentation
- B. marketing mix
- C. market research
- D. market strategy

61. The basic idea behind the marketing concept is _____

- A. consumer exploitation
- B. physical distribution
- C. consumer orientation
- D. producer protection

62. A financing arrangement that allows one take possession of a thing while making instalmental payments on it, with legal ownership transferred only after it is paid for is called _____

- A. Hire purchase
- B. Credit purchase
- C. Credit sales
- D. Instalmental purchase
- E. All of the above

63. The modern trend in retailing that guarantees direct personal contact of the sellers with the potential buyers with the view to making a sale is called ____

- A. personal selling
- B. self-service
- C. marketing
- D. sales promotion

64. When facts about the uses and where a particular product can be obtained is relayed in advertising, it can be best described as ____

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

65. The marketing activity that stimulates immediate demand for a product is ____

- A. sales promotion
- B. publicity
- C. consumer relations
- D. personal selling

66. The set of measures pursued by an organisation to maintain goodwill in its environment is known as ____

- A. public relations
- B. motivation
- C. social responsibilities
- D. sales promotion
- E. merchandising

67. Branding is preferable for all of the following reasons EXCEPT that it

- A. saves the cost of advertising

- B. ensures standardisation of products
- C. can create false buying for the consumer
- D. aids easy selection of products

68. Which of the following media is the MOST suitable for advertising tool kits?

- A. Furniture catalogues
- B. Fashion magazines
- C. Technical journals
- D. Newspapers
- E. Bill boards

69. The practice of offering a commodity for sale at an unprofitable price in order to attract buyers to a shop is known as _____

- A. auction sale
- B. loss leader
- C. price ring
- D. marketing segmentation

70. The practice of selling below the cost price to attract customers to a shop is known as _____

- A. hedging
- B. loss leader
- C. skimming
- D. under-invoicing

71. If MTN embarks on an activity in order to boost the organisations image, it is regarded as _____

- A. advertising
- B. public relations
- C. marketing

D. sales promotion

72. A detailed estimate of a construction work submitted in response to an advertisement is a _____

A. local purchase order

B. quotation

C. price list

D. tender

TOPIC: LEGAL ASPECTS OF BUSINESS

DIRECTION: Choose the correct answer from the lettered options.

1. The Corporate Affairs Commission is legalised by virtue of the ____
 - A. Company and Allied Matters Act 1990
 - B. Company Act 1968
 - C. Company and Allied Matters Decree 1982
 - D. Corporate Body Registration Act 1990

2. The Corporate Affairs Commission is ____
 - A. a public limited liability company
 - B. established by an act of parliament
 - C. a private limited liability company
 - D. wield the same power as the Federal High Court

3. A liquidator is a ____
 - A. person appointed to dispose off the assets of a company
 - B. person who proposing to buy the assets of a company
 - C. person that undertake the formation of a company
 - D. person that have all the assets of a company

4. Entrusting the management of a company to the courts to enable the settlement of the company's obligations is an indication of what ?
 - A. Distress
 - B. Closure
 - C. Bankruptcy
 - D. Liquidation

5. Who among the following sells goods on behalf of his principal with a promise to be responsible for bad debts?

- A. Broker
- B. Factor
- C. Commission Agent
- D. Forwarding and Clearing Agent
- E. None of the above

6. In the law of contract, consent to a proposed agreement is termed _____

- A. offer
- B. acceptance
- C. effect
- D. contract seal

7. The distinctive design that readily identifies a company or its product is known as _____

- A. patents
- B. copy rights
- C. trade mark
- D. brand name

8. Who among the following sells goods on behalf of his principal with a promise to be responsible for bad debts?

- A. Broker
- B. Factor
- C. Del Credere Agent
- D. Forwarding and Clearing Agent
- E. Commission Agent

9. The body that regulates the registration of new companies in Nigeria is known as _____

- A. Company Registration Association of Nigeria (CRAN)

- B. Corporate Affairs Commission (CAC)
- C. Commission for the Registration of Companies (CRC)
- D. Corporate Affairs Council (CAC)

10. Which of the following government agency in Nigeria seeks to eradicate the trafficking of hard drugs?

- A. NAFDAC
- B. Ministry of Health
- C. NDLEA
- D. Ministry of Defence

11. The statutory head of the Corporate Affairs Commission [CAC] is known as the _____

- A. Registrar-General
- B. Chief Liason Officer
- C. Controller-General
- D. Management Consultant

12. Which of the following is NOT a right of the consumer?

- A. Discount
- B. Safety
- C. Choice
- D. Value

13. Which of the following ensures that the generally accepted quality of a product is maintained?

- A. Price Control Board
- B. Chamber of Commerce
- C. Food and Drugs Act
- D. Standards Organization of Nigeria
- E. Manufacturers' Association of Nigeria

14. A contract entered into with an underage is said to be

- A. improper
- B. valid
- C. invalid
- D. discharged
- E. void

15. When one party fails to perform his part of a contract, the contract is discharged by _____

- A. disagreement
- B. operations of the law
- C. non-performance
- D. breach
- E. frustration

16. Which of the following gives a music composer the exclusive control over the use of his artistic creation?

- A. Registration
- B. Copyright
- C. Trade mark
- D. Patent right

17. Which of the following can be regarded as an offer?

- A. an acceptance
- B. an invitation to treat
- C. a rejection
- D. a consideration

18. A counter-offer in a contract which is regarded as _____

- A. an acceptance

- B. an invitation to treat
- C. a rejection
- D. a consideration

19. Which of the following is NOT a right of the consumer?

- A. Safety
- B. Choice
- C. Discount
- D. Value

20. Which of the following is NOT an element of a valid contract?

- A. Legality
- B. Formality
- C. Capacity
- D. Efficiency
- E. Offer and acceptance

21. When one party fails to perform his part of a contract, the contract is discharged by _____

- A. agreement
- B. operations of the law
- C. breach
- D. exemption
- E. frustration

22. Which of the following is not an instrument for protecting the consumer?

- A. Price Control Board
- B. Rent Tribunal
- C. Business Merger
- D. Sale of Goods Act

E. Food and Drugs Act

23. Which of the following is not a concrete element of a valid contract?

- A. Offer
- B. Acceptance
- C. Contractual capacity
- D. Trade discount

24. The doctrine of consumer sovereignty assumes that _____

- A. the consumer is the key determinant of what should be produced at suitable prices
- B. the consumer dictates the price
- C. the producer cannot do without the consumer
- D. the consumer is the ultimate decision maker

25. Which of the following is NOT a statutory function of the Corporate Affairs Commission (CAC)?

- A. Monitoring activities relating to business registration
- B. Investigating issues related to companies and the general public
- C. Stating the names of directors of a proposed company
- D. Ratification of business names

26. Which of the following provides that goods supplied must be of merchantable quality?

- A. Law of Contract
- B. Law of Sales of Goods
- C. Sale of Goods Act
- D. Food and Drugs Act
- E. Hire Purchase Act

27. The Prices and Income Board is saddled with the responsibility of

- A. fixing market prices and reward for labour

- B. controlling trade unions
- C. regulating prices and reward for labour
- D. enforcing regulation of trade associations

28. Which of the following is NOT a party to a contract?

- A. Contractee
- B. Promisor
- C. Promisee
- D. Obligor
- E. Lessee

29. Which of the following is NOT a means of consumer protection?

- A. Price control
- B. Sale of Goods Act
- C. Trade Description Act
- D. Tax laws

30. If an organisation acts or exercises power outside the authority granted to it by its Memorandum of Association, such an action is termed _____

- A. ultra vires
- B. an infringement
- C. a redress
- D. caveat emptor

31. A contract entered into with an underaged is said to be _____

- A. proper
- B. valid
- C. void
- D. discharged
- E. normal

32. At the collapse of a business enterprise, the person appointed to dispose of the assets is called _____

- A. a broker
- B. an auctioneer
- C. a liquidator
- D. an auditor

33. The exclusive right given to the author of a book is called _____

- A. trade right
- B. copy right
- C. patent right
- D. book right

34. A merchant wholesaler is referred to as _____

- A. del-credere agent
- B. a broker
- C. rack jobber
- D. a factor

35. Which of the following provides that goods supplied must be of merchantable quality?

- A. Law of Contract
- B. Law of Agency
- C. Sale of Goods Act
- D. Food and Drugs Act
- E. Hire Purchase Act

36. The body which protects consumers against poor quality goods is known as _____

- A. Standard Organisation of Nigeria
- B. Consumer Protection Association
- C. Centre for the Protection of Human Rights

D. Nigeria Chamber of Commerce and Industry

37. Which of the following is NOT aimed at protecting the consumer?

- A. Hire purchase act
- B. Foods and drugs act
- C. Company's act
- D. Sale of goods act

38. If an individual invents a certain thing, he will be granted _____

- A. copyright
- B. patent right
- C. trade mark
- D. security vote

39. Which of the following is a basic requirement for a valid contract?

- A. Representation
- B. Consideration
- C. Interest
- D. Performance

40. Consumer protection manifests in all of the following EXCEPT

- A. sale of goods act
- B. price control
- C. excise duty
- D. trade description act

41. Customs authority in Nigeria performs the following functions EXCEPT

- A. supervision of bonded warehouse
- B. checking of illegal trafficking of currencies

- C. promoting smuggling activities
- D. providing adequate quarantine facilities for the import of live animals and plants.

42. Which of the following is NOT a right of the consumer?

- A. Safety
- B. Choice
- C. Discount
- D. Value

43. The body set up by the government to see to the regulation and enforcement of prices of commodities is called the _____

- A. Price Control Board
- B. Price Monitoring Team
- C. Trade and Income Board
- D. Standard Organisation Of Nigeria

44. A default after payment of one-third of the purchase price under the hire purchase agreement means that

- A. the seller can immediately repossess the goods
- B. the buyer has become the owner
- C. only the court can permit repossession
- D. the buyer has to return the goods

45. The Federal Government of Nigeria increased the price of fuel per litre some time ago. Who among the following bear the final burden of the increased price?

- A. Fuel distributors
- B. Fuel tanker drivers
- C. Private car owners
- D. Taxi drivers

46. Which of the following connotes 'value' in law?

- A. Offer
- B. Acceptance
- C. Capacity
- D. Consideration
- E. Legality

47. Which of the following connotes 'value' in law?

- A. Offer
- B. Acceptance
- C. Capacity
- D. Consideration
- E. Legality

48. A contract is said to be void when it _____

- A. has been terminated
- B. has been rectified
- C. has no legal effect
- D. is a simple contract
- E. has been frustrated

49. A contract is said to be void when it

- A. is a complex contract
- B. has been terminated
- C. has no legal effect
- D. is a simple contract
- E. has been frustrated

50. If a trader falsifies the description made about his goods, he is culpable under the _____

- A. sale of goods act
- B. trade description act
- C. price control act
- D. hire purchase act

51. Which of the following is not regarded as business law?

- A. Law of contract
- B. Sale of goods act
- C. Marriage act
- D. Agency
- E. Hire purchase act

52. The agreement between two parties which gives rise to enforceable rights and obligation is known as _____

- A. a contract
- B. a warrant
- C. a policy
- D. a constitution

53. Which of the following agents guarantees payment for transactions entered into on behalf of the principal?

- A. Auctioneer
- B. Factor
- C. Broker
- D. Del credere

TOPIC: PURCHASE AND SALE OF GOODS

DIRECTION: Choose the correct answer from the lettered options.

1. Which of the following is regarded as a document of description in international trade?

- A. Export invoice
- B. Certificate of origin
- C. Consular invoice
- D. Certificate of insurance

2. Which of the following is a document of title?

- A. Air-way bill
- B. Bill of lading
- C. Carter party
- D. Freight note
- E. Indent

3. A book of original entry for recording purchases returns is called _____

- A. sales day book
- B. receipt
- C. returns outward book
- D. money order

4. Which of the following is sent in reply to a letter of enquiry?

- A. Quotation
- B. Order
- C. Consular invoice
- D. Advice note

5. The Nigerian Standard Organisation which took care of consumer protection was established in 1971 as an integral part of _____

- A. Federal Ministry of Industries
- B. Federal Ministry of Commerce
- C. Federal Ministry of Science and Technology
- D. Federal Ministry of Health

6. In international trade, when the price quoted includes all cost including the ship and loading of goods in it, it is indicated as _____

- A. F.O.R
- B. F.A.S
- C. C.I.F.
- D. F.O.B.

7. A written document issued by one person to another to acknowledge that money or valuable property has been received is a _____

- A. sales day book
- B. sales invoice
- C. purchases invoice
- D. receipt

8. Which of the following indicates that buyers should be careful in their business transactions?

- A. Fidelity guarantee
- B. Caveat emptor
- C. Uberrimae fidei
- D. Consumerism

9. A document which gives the particulars of goods carried on board a ship at a particular period is known as _____

- A. certificate of origin

- B. bill of lading
- C. waybill
- D. manifest
- E. consignment note

10. _____ is an itemized bill for goods sold or services provided, containing individual prices, the total charge, and the terms

- A. An invoice
- B. credit note
- C. Debit note
- D. Advice note

11. A means of payment is a negotiable instrument if

- A. the title of ownership can be passed to the receiver
- B. the instrument is issued by a reputable bank
- C. it is not crossed by the drawer
- D. it is authorized by the central bank
- E. it is paid only through a bank account

12. The abbreviation C.O.D means?

- A. Cash On Drawback
- B. Cash On Delivery
- C. Carriage Order on Delivery
- D. Cash Or Debt
- E. None of the above

13. Which of the following refers to a price reduction based on the size of order?

- A. Cash discount
- B. Trade discount
- C. Seasonal discount

- D. Cash on delivery
- E. Quantity discount

14. Cash discount is given to a customer to encourage him to pay promptly, while trade discount is given to boost his _____

- A. continuous patronage
- B. festive bonus
- C. more productivity
- D. non-cash payment

15. F.O.Q in commerce means?

- A. Free On Quay
- B. Free On Query
- C. Frequently Observed Questions
- D. Free On Quest
- E. None of the above

16. Which of the following is a more convenient means of payment in foreign trade?

- A. Bill of lading
- B. Letter of credit
- C. Bill of exchange
- D. Cheque

17. A bill of exchange drawn on a bank payable on demand is a _____

- A. bankdraft
- B. cheque
- C. standing order
- D. money order
- E. letter of credit

18. Tax imposed on locally made goods is regarded as ____
- A. export duty
 - B. excise duty
 - C. import duty
 - D. specific duty
19. Which of the following makes a currency note a legal tender?
- A. Scarcity
 - B. Homogeneity
 - C. Durability
 - D. Acceptability
20. If a quotation issued to Adewale Enterprises is marked 'CWO', it means that ____
- A. no discount is allowed
 - B. shipment of goods is included
 - C. no credit facility is allowed
 - D. the price quoted is non-negotiable
21. Goods that are quoted 'loco price' by a particular seller indicates ____
- A. that goods sold cannot be returned
 - B. that the price quoted includes transportation charge, freight insurance and shipping
 - C. discount has been given
 - D. the seller has sold the goods on credit
22. A consignment note is used when ____
- A. goods are wrapped and labelled for easy identification
 - B. goods are despatched to agents through transporters
 - C. damaged goods are been returned
 - D. there is over-invoicing

Use the information to answer the question.

23. A retailer receives a trade discount of '2/10 net 15' for ₦10,000 worth of goods purchased. If he pays within fifteen (15) days. How much is he expected to remit to the wholesaler?

- A. ₦20,000
- B. ₦9,800
- C. ₦10,000
- D. ₦9,000

24. Which of the following is both a means of payment in local and foreign trade?

- A. Bankdraft
- B. Letter of credit
- C. Traveller's cheque
- D. Letter of hypothecation

25. Which of the following is an example of a non-insurable risk?

- A. Speculation
- B. Burglary
- C. Fire
- D. Accident

26. Trade Description Act of 1968 protects the consumer against _____

- A. false description of goods in terms of quality and quantity
- B. misleading advertisements and handbills
- C. landlord and their agents in the administration of tenancy agreement
- D. exploitation by trade associations

27. A recognition of the principle that the consumer is sovereign is one of the principles of _____

- A. Altruism

- B. Consumerism
- C. Accounting
- D. State control

28. Which of the following is not an evident feature of a cheque?

- A. The date of issue
- B. The amount to be paid
- C. The cheque number
- D. The drawee's name.

29. Which of the following is not true of "Cash on Delivery"?

- A. The seller of the goods pays for the service
- B. It is a feature of mail-order business
- C. NITEL workers collect payment for the goods
- D. Mail-order customer possesses the goods as soon as he pays
- E. Seller's money is not tied up in bad debts

30. Impersonal accounts which record transactions relating to property or material objects is known as _____

- A. real account
- B. nominal account
- C. post-dated account
- D. personal account

31. A pro forma invoice is sent to inform a buyer about the _____ of goods.

- A. quantity
- B. prices
- C. designation
- D. quality

32. F.O.B. in international trade means _____

- A. Free Off Bunkering
- B. Free On Board
- C. Free Over Board
- D. Free On Base

33. When import duties are charged ad valorem, it is said to be _____

- A. based on the value of goods
- B. based on the demand for such goods
- C. based on the free trade agreement between the nations involved
- D. based on the best international standard practice

34. When the buyer of the goods will be responsible for the insurance charge only in international trade, it is indicated as _____

- A. F.O.Q
- B. C.F.
- C. F.O.R.
- D. F.O.B.

35. The major procedures in the are enquiry _____

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

36. Which of the following does NOT originate from the debtor as a means of payment?

- A. Bank note
- B. Cheque
- C. Bill of exchange
- D. Promissory note

37. Bill of lading is also known as _____

- A. document of description
- B. document of title
- C. dock receipt
- D. custom's specification

38. Which of the following is not a source document?

- A. Ledger
- B. Cash register
- C. Debit note
- D. Credit note

39. A business document prepared at the selling of goods by the seller is often regarded as _____

- A. purchases invoice
- B. sales invoice
- C. source document
- D. sales note

40. Self-service is a feature of all of the following EXCEPT

- A. departmental stores
- B. hypermarkets
- C. itinerant trade
- D. multiple shops

4. F.O.B. in commerce means?

- A. Free On Board
- B. Free Over Board
- C. Freight Omissions Board
- D. Free Overhead Business

E. Fiduciary Open Business

42. Which of the following documents is used to correct an undercharge on a buyer's account by the seller?

- A. Credit note
- B. Debit note
- C. Receipt
- D. Invoice

43. 'Caveat emptor' as a term in consumer protection connotes that _____

- A. let the buyer beware
- B. the consumer is always right
- C. the producer must deliver the goods to the consumer's door step.
- D. the producer will bear any loss in the course of business transactions

44. A business document prepared when goods are sold to the buyer as an evidence of transaction is called _____.

- A. an invoice
- B. a debit note
- C. receipt
- D. sales invoice

45. Where the buyer is required to take charge of the insurance and shipment in foreign trade, it is indicated as _____

- A. C.I.F.
- B. F.O.R.
- C. F.O.Q.
- D. F.O.B.

46. The source document for obtaining authorisation for all payments whether by cash, cheque or letter is known as _____

- A. voucher
- B. return outwards journal
- C. purchases journal
- D. authority letter

47. Which of the following means of payment is easily accepted by a creditor in settlement of a debt?

- A. Cheque
- B. Bank draft
- C. Standing order
- D. Bank note
- E. Money note

48. Caveat Emptor means _____

- A. let the buyer beware
- B. good economy
- C. not for sale
- D. let the seller beware
- E. active trading

49. The Hire Purchase Act of 1975 provides for all of the following EXCEPT

- A. the cash sales price must be shown along with the hire purchase price
- B. that a hire purchaser is entitled to stop paying instalments and return the article if he has paid at least half the hire purchase price
- C. that if the hire purchaser is made to sign the hire purchase agreement in his own home, he has the right to cancel it within three days
- D. that the hire purchaser is entitled to stop paying his instalment and cancel the agreement whenever he likes

50. _____ is the end user of a product or service.

- A. Retailer

- B. Production process
- C. consumer
- D. wholsaler

51. A bill of exchange on maturity is allowed_____

- A. seven days of grace
- B. five days of grace
- C. four days of grace
- D. three days of grace

52. Which of the following acts does not serve as a measure for consumer protection in Nigeria?

- A. Sale of Goods Act 1893
- B. Trade Description Act 1968
- C. Misrepresentation Act 1968
- D. Land Use Act 1999

The correct answer is option [D]

53. In foreign trade, when a bank bill is quoted D/A, it means _____

- A. documents against acceptance bill
- B. documents against payment bill
- C. documents approved
- D. documents disapproved

54. The source document used for the authorisation for all payments whether by cash, cheque or letter is called _____

- A. a voucher
- B. a cheque
- C. a receipt
- D. credit transfer

55. Which of the following encourages prompt payment?

- A. Cash discount
- B. Trade discount
- C. Quantity discount
- D. C.O.D
- E. C.W.O

56. A document which contains a pictorial description as well as the current prices of goods offered for sale is called _____

- A. a quotation
- B. a price list
- C. a catalogue
- D. an order
- E. an invoice

57. The Nigerian Standard Organisation Decree as part of the effort at ensuring consumer protection was established in _____ year

- A. 1982
- B. 1971
- C. 1968
- D. 1960

58. A means of payment is a negotiable instrument if is _____

- A. the title of ownership can pass to the receiver
- B. the instrument is issued by a reputable bank
- C. it is not crossed by the drawer
- D. it is authorized by the Central Bank
- E. it is paid only through a bank account

59. 'Franco' means that the price quoted includes _____

- A. the cost of insurance, freight and all delivery charges to the importer's warehouse
- B. only the cost of insurance
- C. the cost of insurance and freight
- D. none of the above

60. Which of the following is NOT a means of payment in foreign trade?

- A. Telegraphic and cable transfer
- B. Guaranteed mail transfer
- C. Traveller's cheque
- D. Freight note

61. Which of the following is NOT contained in an advice note?

- A. Type of goods
- B. Price of goods
- C. Date of despatch
- D. Means of despatch

62. ____ is the act of recording business transactions so as to make information available to those who may want to make use of it.

- A. Commerce
- B. Business studies
- C. Communication
- D. Book-keeping

63. Which of the following encourages prompt payment?

- A. Cash discount
- B. Trade discount
- C. Quantity discount
- D. C.O.D
- E. C.W.O

64. A written order to the bank asking it to pay a specified sum to the person named on it is called _____

- A. a legal tender
- B. standing order
- C. cheque
- D. special directive

65. Which of the following should accompany a documentary bill of exchange?

- i Delivery note
- ii Cheque
- iii Certificate of insurance
- iv Letter of credit
- v Bill of lading

- A. i and ii only
- B. i and iii only
- C. ii and iii only
- D. all of the above

66. The abbreviated phrase E.& O.E means _____

- A. Errors and Omission Excepted
- B. Export and Omitted Entry
- C. Entrepot and Other Entries
- D. Export and Overboard Excepted

67. If the customer has been overcharged on the sales invoice, the document to prepare by the seller is _____

- A. debit note
- B. credit note
- C. sales journal
- D. purchases journal

68. Which of the following is a document of title?

- A. Air-way bill
- B. Bill of lading
- C. Carter party
- D. Freight note

Use the information provided to answer the question.

69. A wholesaler despatched 59 shirts, instead of 60 shirts paid for, by the retailer. Which of the following will be used to correct the error?

- A. Credit note
- B. Debit note
- C. Consignment note
- D. Advice note

ANSWERS

TOPIC: ADVERTISING AND SALES PROMOTION

DIRECTION: Choose the correct answer from the lettered options.

1. Which of the following is a more suitable medium for advertising a new tractor?

- A. Radio
- B. Poster
- C. Neon sign
- D. Trade fair

The correct answer is option[B]

2. An advertisement which seeks to persuade consumers to use a particular product in preference to another is _____

- A. competitive
- B. direct
- C. informative
- D. indirect
- E. persuasive

The correct answer is option[E]

3. The management function that has to do with the recruitment of workers comes under _____

- A. administration
- B. controlling
- C. organising
- D. planning
- E. staffing

The correct answer is option[E]

4. _____ involves the setting of a high initial price and later reducing it when the product is no longer a novelty or due to high competition.

- A. Product line promotion
- B. Promotion
- C. Marketing skimming
- D. Market penetrating pricing

The correct answer is option[C]

Market skimming is an approach under which a producer sets a high price for a new high-end product (such as an expensive perfume) or a uniquely differentiated technical product (such as one-of-a-kind software or a very advanced computer). Its objective is to obtain maximum revenue from the market before substitutes products appear. After that is accomplished, the producer can lower the price drastically to capture the low-end buyers and to thwart the copycat competitors.

5. The Legal document that gives an individual power to protect his own piece of invention is called _____

- A. copy right
- B. license
- C. patent right
- D. trade mark

The correct answer is option[C]

6. An agreement between two or more persons with the intention to be enforceable by law is called _____

- A. transaction
- B. contract
- C. trade mark
- D. branding

The correct answer is option [B]

7. Which of the following is an advertising function?

- A. Packaging

- B. Persuading
- C. Grading
- D. Segmenting

The correct answer is option[B]

8. The element of a valid contract does not include ____

- A. capacity
- B. consideration
- C. counter offer
- D. legality
- E. offer and acceptance

The correct answer is option[C]

9. The followings are methods by which a contract may be terminated EXCEPT

- A. breach of contract
- B. frustration
- C. occupation
- D. operation of law

The correct answer is option [C]

10. A contract is said to be "null and void" if it has _____

- A. no legal effect
- B. offer and acceptance
- C. involves a husband and wife
- D. is not in writing
- E. is yet to be executed

The correct answer is option[A]

11. The activities employed by organisations to promote a favourable relationship with people outside is known as _____

- A. human relation
- B. promotional activities
- C. publicity
- D. public relations

The correct answer is option[E]

12. Provision of electricity, pipe borne water and good roads by Globacom Nigeria LTD is an example of _____

- A. human relations
- B. product advertising
- C. rural development
- D. sales promotion
- E. social responsibility

The correct answer is option[E]

13. Any form of non-personal communication through the mass media that is paid for by an identified sponsor is known as a/an _____

- A. advertising
- B. exhibition
- C. pricing
- D. publicity
- E. sampling

The correct answer is option[A]

TOPIC: ECONOMIC GROUPINGS

DIRECTION: Choose the correct answer from the lettered options.

1. Which of the following is NOT a foundational member of OPEC?

- A. Iran
- B. Kuwait
- C. Saudi Arabia
- D. Nigeria

The correct answer is option [D]

2. The membership of ECOWAS as at October 2008 consists of _____

- A. 14 countries
- B. 15 countries
- C. 16 countries
- D. 17 countries

The correct answer is option [C]

ECOWAS members are; Cape Verde, The Gambia, Guinea Bissau, Mauritania, Senegal, Burkina Faso, Cote d'Ivoire, Mali, Niger, Ghana, Guinea, Liberia, Sierra Leone, Benin, Nigeria and Togo.

3. The Council of Ministers as an organ of the ECOWAS has _____

- A. a representation of two ministers from each member state
- B. a representation of the presidents of each country
- C. a representation of four ministers from each member state
- D. a representation of only the Nigerian and Ghanaian foreign ministers

The correct answer is option [A]

4. The membership of African Development Bank (ADB) comprises _____

- A. West Africa countries alone

- B. all the africa countries
- C. northern africa countries alone
- D. none of the above

The correct answer is option [B]

5. Which of the following organisations functions with respect to correcting a country's balance of payment deficit?

- A. ECOWAS
- B. UNICEF
- C. UNCTAD
- D. IMF
- E. EEC

The correct answer is option [D].

6. UNCTAD means _____

- A. United Nations Commission for Technical Aid and Development
- B. United Nations Conference on Trade and Development
- C. United Nations Countries rendering Technical Assistance and Development
- D. United Nations Conference on Technological Association and Development

The correct answer is option [B]

7. The Lake Chad Basin Commission was designed mainly to _____

- A. settle industrial disputes between Nigeria and Chad
- B. manage the basin so as to promote regional development
- C. promote African unity
- D. combat the water crises in the region

The correct answer is option [B].

8. Which of the following is not an objective of ECOWAS?

- A. Elimination of tariffs

- B. Harmonisation of agricultural policies
- C. Evaluation of a common language
- D. Harmonisation of fiscal policies
- E. Development of communication facilities

The correct answer is option [A]

9. Four member countries of the ECOWAS are
- A. the Gambia, Ghana, Togo and Mali
 - B. Niger, Nigeria, Chad and Cote d'Ivoire
 - C. Guinea, Guinea-Bissau, Tanzania and Cameroon
 - D. Senegal, Cape Verde, Burkina Faso and Uganda.

The correct answer is option [A]

10. The treaty which established the Lake Chad Basin Commission was signed by _____
- A. 4 countries
 - B. 7 countries
 - C. 2 countries
 - D. 10 countries

The correct answer is option [A].

The countries are Cameroon, Chad, Niger and Nigeria.

11. Which of the following is NOT true about the International Monetary Fund (IMF)?
- A. It provides short term financial aids to member countries that are in balance of payment difficulties
 - B. It makes every currency fully convertible
 - C. It gives advice on financial policy
 - D. It is an international agent of the Central Bank

The correct answer is option [D]

12. ECOWAS as a sub-regional organisation has succeeded in doing all EXCEPT one of the following.

- A. Trade liberalisation
- B. Establishment of ECOBANK
- C. Full policy implementation
- D. Execution of joint projects

The correct answer is option [C]

13. As at 2007, the Lake Chad Basin Commission had ----- countries as members.

- A. 4
- B. 5
- C. 7
- D. 10

The correct answer is option [B].

The members of Lake Chad Basin Commission are: Cameroon, Central African Republic, Chad, Niger and Nigeria

14. The International Monetary Fund [IMF] was formed in _____.

- A. July, 1944
- B. February, 1964
- C. October, 1960
- D. March, 1949

The correct answer is option [A]

15. The Organisation of Petroleum Exporting Countries was established in _____

- A. 1960
- B. 1961
- C. 1962
- D. 1963

The correct answer is option [A]

16. Which of the following countries is NOT a member of the Lake Chad Basin Commission as at 2007?

- A. Nigeria
- B. Niger
- C. Ivory Coast
- D. Central African Republic

The correct answer is option [C].

17. The headquarters of UNCTAD as at 2007 was located in

- A. New York
- B. Geneva
- C. Tokyo
- D. Versailles

The correct answer is option [B]

18. The most important drive of the ECOWAS is to _____

- A. abolish trade restrictions
- B. harmonise agricultural policies
- C. eliminate custom duties
- D. promote economic cooperation and development

The correct answer is option [D]

19. The signing of the treaty establishing the Lake Chad Basin Commission took place on

- A. 22 June, 1964
- B. 22 June, 1968
- C. 22 May, 1964
- D. 22 September, 1975

The correct answer is option [C]

20. Which of the following countries is not a member of ECOWAS?

- A. Gambia
- B. Guinea
- C. Namibia
- D. Niger Republic

The correct answer is option [C]

21. The treaty which established ECOWAS in 1975 was signed by _____

- A. 12 countries
- B. 16 countries
- C. 15 countries
- D. 17 countries

The correct answer is option [C]

The countries are; Benin, Burkina Faso, Cape Verde, Cote D' Ivoire, Gambia, Ghana, Guinea, Guinea Bissau Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

22. Which of the following is NOT an objective of the Lake Chad Basin Commission?

- A. Implementation of the navigation laws
- B. Development of irrigation schemes
- C. Removal of all obstacles to the movement of persons among member states
- D. Collection and dissemination of information among member states
- E. Settlement of disputes among member states

The correct answer is option [B]

23. UNCTAD as an organ of the United Nations came into being in _____year.

- A. 1960
- B. 1945
- C. 1964
- D. 1990

The correct answer is option [C]

24. The treaty formally establishing ECOWAS provided for the following organs EXCEPT

- A. the Authority of the Heads of State and Government
- B. the Security Council
- C. the Tribunal of the community
- D. the Executive Secretariat

The correct answer is option [B]

25. Commercial activities are greatly hindered among ECOWAS countries as a result of ____

- A. bad road network
- B. lack of common currency
- C. bad leadership
- D. colonial heritage

The correct answer is option [B].

26. The capital of ECOWAS as at 2008 was located in _____

- A. Accra, Ghana
- B. Lome, Togo
- C. Lagos, Nigeria
- D. Abuja, Nigeria

The correct answer is option [D]

27. Which of the following is NOT an objective of the Lake Chad Basin Commission?

- A. Implementation of the navigation laws
- B. Settlement of disputes among member states
- C. Removal of all obstacles to the movement of persons among member states
- D. Collection and dissemination of information among member states
- E. None of the above

The correct answer is option [E]

28. what is the full meaning of I.M.F?

- A. International Money fund
- B. International Marketing Formation
- C. Internal Monetary fund
- D. Internal Money Fund
- E. International Monetary Fund

The correct answer is option [E]

GATT - General Agreement on Tariffs and Trade

EEC - European Economic Community

U.N.O - United Nations Organisation

I.M.F - International Monetary Fund

O.A.U - Organisation of Africa Unity

29. ECOWAS as a regional organisation was established on _____

- A. 28th January, 1976
- B. 28th May, 1975
- C. 28th May, 1976
- D. 28th January, 1975

The correct answer is option [B].

30. As at 2010, ECOWAS is a regional group of _____ West African countries.

- A. 12
- B. 10
- C. 15
- D. 9

The correct answer is option [C]

31. The headquarters of the Lake Chad Basin Commission as at 2008 was in

- A. Abuja, Nigeria

- B. Lagos, Nigeria
- C. Yaounde, Cameroon
- D. N'Djamena, Chad

The correct answer is option [D]

32. Nigeria became a member of the Organisation of Petroleum Exporting Countries (OPEC) in _____

- A. 1969
- B. 1963
- C. 1971
- D. 1964

The correct answer is option [C]

33. African Development Bank was formed in the year _____

- A. 1961
- B. 1962
- C. 1963
- D. 1964

The correct answer is option [D]

34. Which of the following are members of ECOWAS?

- A. Ghana, Guinea, Gambia, Sudan
- B. Libya, Togo, Senegal, Mali
- C. Guinea, Guinea-Bissau, Togo, Mali
- D. Benin Republic, Namibia, Togo, Guinea

The correct answer is option [C]

35. Membership of the ECOWAS affords its members the following benefits EXCEPT

- A. expansion of market
- B. easy movement of goods

- C. free advertisement
- D. free trade

The correct answer is option [C]

36. Which of the following is a function of the African Development Bank (ADB)?

- A. Fixing and stabilising crude oil prices for African states
- B. Control of central banks in the African continent
- C. Financing of investment projects with the potential of socio-economic development for member countries
- D. Control of inflation in the African economy

The correct answer is option [C]

37. UNCTAD is the principal organ of the _____

- A. UN General Assembly dealing with trade, investment and development issues
- B. UN Authority of Heads of State which mediates on trade conflicts around the world
- C. UN General Assembly dealing with technical assistance to African Countries
- D. World Bank which advises national government on best trade practices

The correct answer is option [A]

38. Which of the following is NOT an objective of ECOWAS?

- A. Elimination of tariffs
- B. Harmonization of agricultural policies
- C. Evaluation of a common language
- D. Harmonization of fiscal policies
- E. Development of communication facilities

The correct answer is option [D]

TOPIC: INTRODUCTION TO MARKETING

DIRECTION: Choose the correct answer from the lettered options.

1. The element of the marketing mix deals with how the manufacturer distributes his product, to the consumer is referred as _____

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

The correct answer is option[A]

2. The cost of advertising a product is ultimately borne by the _____

- A. producer
- B. agent
- C. wholesaler
- D. retailer
- E. consumer

The correct answer is option [E]

3. Which of the following basic utilities is NOT created by marketing?

- A. Ownership
- B. Place
- C. Possession
- D. Product

The correct answer is option [C]

4. A disadvantage of advertising on the part of the consumer is that _____

- A. it makes them eligible for trade discount
- B. it makes them buy what they don't need
- C. it increases the cost of raw materials
- D. it promotes competition among firms

The correct answer is option [B]

5. Which of the following is NOT a function of marketing boards in West Africa?

- A. Fixing of prices
- B. Buying of farm produce
- C. Implementation of government's agricultural policies
- D. Control of marketing companies

The correct answer is option [D]

6. Bringing the right goods and services to consumer in the most efficient and profitable manner best explains _____ process

- A. advertising
- B. marketing
- C. promotion
- D. purchasing
- E. selling

The correct answer is option[B]

7. Marketing activities start at the _____stage

- A. idea
- B. production
- C. commercialization
- D. point of sale

The correct answer is option [A]

8. The collection of controllable factors that can be used to influence the behaviour of customers or consumers is called _____

- A. sales promotion
- B. marketing mix
- C. packaging
- D. sales technique

The correct answer is option [B]

9. Which of the following is NOT a means of sales promotion?

- A. Advertising
- B. Market research
- C. Public relations
- D. Personal selling

The correct answer is option [B]

10. Which of the following constitutes the marketing mix?

- A. Price, product, place, promotion
- B. Production, personal selling, payment and promotion
- C. Promotion, place, production, payment
- D. Place, production, placement, pricing

The correct answer is option [A]

11. When a market is divided into identifiable sub-markets, this activity is called _____

- A. Marketing mix
- B. Division of labour
- C. Specialisation
- D. Market segmentation

The correct answer is option [D]

12. Which of the following media of advertisement combines sight with sound?

- A. Radio
- B. Newspapers
- C. Television
- D. Posters

The correct answer is option [C]

13. The management process responsible for identifying, anticipating and satisfying customer's requirement profitably is known as _____

- A. consumerism
- B. marketing
- C. commerce
- D. production

The correct answer is option [B]

14. Which of these is NOT a basic marketing function?

- A. Exchange
- B. Production
- C. Facilitation
- D. Information

The correct answer is option [B]

The basic marketing function involves assessing demand and moving goods and services to the final consumer for the purpose of satisfying wants and not primarily to produce.

15. Under which of the following types of advertising can branding be classified?

- A. Persuasive advertising
- B. Secretive advertising
- C. Competitive advertising
- D. Direct advertising

The correct answer is option [C]

15. Under which of the following types of advertising can branding be classified?

- A. Persuasive advertising
- B. Secretive advertising
- C. Competitive advertising
- D. Direct advertising

The correct answer is option [C]

16. Which of the following points at pricing policy?

- A. Market skimming
- B. Market segmentation
- C. Market research
- D. Market consultation

The correct answer is option [A]

17. Which of the following is not a function of a Post Office?

- A. Selling stamp for postage
- B. Delivery of registered letters
- C. Poste restante services for travellers
- D. Issuance of standing order

The correct answer is option [D]

18. The rationale behind all marketing activities is _____

- A. to conduct research
- B. to improve sales
- C. to foster public image
- D. to enhance consumer protection

The correct answer is option [B]

19. Which of the following is a method of sales promotion?

- A. Radio jingles
- B. Poster display
- C. Trade fair
- D. Television broadcast

The correct answer is option [C]

20. Branding is a tool for _____

- A. competitive advertising
- B. consumerism
- C. marketing research
- D. pricing policy

The correct answer is option [A]

Branding is a tool for competitive advertising because it differentiates similar product.

21. Which of the following media may NOT be suitable for advertising women's apparels?

- A. Television
- B. Technical journals
- C. Radio
- D. Newspaper
- E. Bills boards

The correct answer is option [B]

22. Which of the following is not a marketing function?

- A. Branding
- B. Advertising
- C. Sales Promotion
- D. Warehousing
- E. Blending

The correct answer is option [E]

23. Trade fairs and exhibitions are organised for the purpose of _____

- A. personal selling
- B. itinerant trade
- C. sales promotion
- D. market segmentation

The correct answer is option [C]

24. All activities geared towards making goods and services known to consumers is called _____

- A. sales promotion
- B. advertising
- C. information dissemination
- D. trading

The correct answer is option [B]

25. The act of bringing a product and its benefits to the attention of the prospective buyer is _____

- A. distribution
- B. merchandising
- C. packaging
- D. promotion
- E. branding

The correct answer is option [D]

26. The division of a market into identifiable sub-markets for the purpose of reaching target customers is _____

- A. Product mix
- B. Marketing mix
- C. Market segmentation
- D. Product differentiation

E. Marketing concept

The correct answer is option [C]

27. Which of the following is NOT an after-sales service?

- A. Warranty
- B. Delivery
- C. Trade discount
- D. Installation

The correct answer is option [C]

28. The set of measures pursued by an organization to maintain goodwill in its environment is known as _____

- A. public relations
- B. motivation
- C. social responsibilities
- D. sales promotion
- E. merchandizing

The correct answer is option [A]

29. The aspect of the marketing mix that is concerned with putting the right quantity of products in the right location at the appropriate time is _____

- A. advertising
- B. pricing
- C. place
- D. promotion

The correct answer is option [C]

30. The concept of branding affects the consumer in the following ways EXCEPT

- A. informing the consumers about the existence of a particular product
- B. encouraging standardised pricing

- C. controlling of information
- D. simplifying buying and saving time in the selection of goods

The correct answer is option [C].

31. The form of advertising that facilitates impulse buying is known as _____

- A. direct advertiiting
- B. persuasive advertising
- C. mass advertising
- D. informative advertising

The correct answer is option [B]

32. The act of bringing a product and its benefits to the attention of the prospective buyer is _____

- A. distribution
- B. merchandizing
- C. packaging
- D. promotion
- E. branding

The correct answer is option [D]

33. The division of a market into identifiable sub-markets for the purpose of reaching target customers is _____

- A. market segmentation
- B. marketing mix
- C. sub-market segmentation
- D. product differentiation
- E. marketing concept

The correct answer is option [A]

34. Which of the following is NOT a marketing mix?

- A. Product
- B. Promotion
- C. Persuasion
- D. Price
- E. Place

The correct answer is option [C]

35. The activity of dressing goods attractively for increased consumer patronage is known as _____

- A. packaging
- B. promotion
- C. branding
- D. marketing

The correct answer is option [A]

36. The cost of advertising a product is ultimately borne by the _____

- A. producer
- B. agent
- C. wholesaler
- D. retailer
- E. consumer

The correct answer is option [E]

37. Which of the following is not a common trade strategy in West Africa?

- A. Itinerant trade
- B. Self-service
- C. After-sale service
- D. Party selling

The correct answer is option [D]

38 An advertising which tends to create more market for its product at the expense of a close substitute is called _____

- A. persuasive advertising
- B. competitive advertising
- C. substitutive advertising
- D. direct advertising

The correct answer is option [B]

39. The distribution of free samples and gift items to consumers is termed_____

- A. sales promotion
- B. personal selling
- C. merchandizing
- D. consumer orientation

The correct answer is option [A]

40. The advertisement of cosmetics in women's magazine is a good example of _____

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

The correct answer is option [A]

41. The philosophy that marketing should begin and end with the customer is known as marketing _____

- A. concept
- B. mix
- C. plan
- D. segmentation
- E. strategy

The correct answer is option[A]

42. Which of the following is a function of advertising?

- A. Promotion of exchange
- B. Maintenance of quality
- C. Enhancement of market information
- D. Reduction of competition

The correct answer is option [C].

43. Which of the following is MOST important when introducing a new product to the market?

- A. Market research
- B. Sales promotion
- C. Market segmentation
- D. After-sale service

The correct answer is option [A]

44. Which of the following is a set-back for newspaper advertising?

- A. Display of picture
- B. Presentation in local languages
- C. Limited coverage
- D. Cheap form of advertisement

The correct answer is option [C]

45. Which of the following reflects customer service?

- A. Home delivery
- B. Hoarding
- C. Packaging
- D. Branding

The correct answer is option [A]

46. The marketing practice where several manufacturers of soap decide to come together to advertise can be referred to as _____.

- A. Field marketing
- B. Mass advertising
- C. Manufacturing advertising
- D. Institutional advertising

The correct answer is option [B]

47. The problems of marketing boards in Nigeria includes the following EXCEPT

- A. government interference
- B. price fluctuation in the world market
- C. problem of underproduction
- D. illiteracy

The correct answer is option [C]

48. The planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its public is known as ____

- A. sales promotion
- B. marketing
- C. public relations
- D. trade relations

The correct answer is option [C]

49. The assignment of identifiable marks on goods is known as ____

- A. pre-packaging
- B. branding
- C. standardizing
- D. grading

The correct answer is option [B]

50. Which of the following is not an advantage of branding?

- A. Prevents adulteration of products

- B. Saves cost of advertising
- C. Ensures standardization of products
- D. Creates false buying for consumers

The correct answer is option [D].

51. Which of the following is best adopted when introducing new products?

- A. Pre-packaging
- B. Personal selling
- C. Use of vending machines
- D. Self-service

The correct answer is option [B]

52. Which of the following has nothing to do with a product?

- A. Warranty
- B. Durability
- C. Branding
- D. Skimming
- E. Packaging

The correct answer is option [D]

53. The business activity that directs the flow of goods and services from the producers to the final consumers is called _____

- A. production
- B. marketing
- C. consumerism
- D. sales promotion

The correct answer is option [B].

54. The deliberate and sustained efforts to maintain a good image of a company is known as _____

- A. personal relations
- B. public relations
- C. professional relations
- D. industrial relations

The correct answer is option [B]

Public relations is the process of ensuring that the public is given the most favourable impression about the image of the firm and to promote mutual understanding with the public.

55. Which of the following is NOT a marketing function?

- A. Assembling
- B. Selling
- C. Hoarding
- D. Storage
- E. Buying

The correct answer is option [C]

56. The body charged with the responsibility of assisting farmers in the purchasing, grading and marketing of various agricultural products in the country is known as _____

- A. Price control board
- B. Marketing board
- C. Farmer's association
- D. Cooperative society

The correct answer is option [B]

57. Which of the following is NOT a type of advertising?

- A. Persuasive advertising
- B. Mass advertising
- C. Television advertising
- D. Competitive advertising

The correct answer is option [C]

58. Firms wishing to defend established products as well as launch new ones will make use of _____

- A. franchising
- B. product differentiation
- C. branding
- D. advertising

The correct answer is option [D]

59. The objective of good advertising is to _____

- A. copy other competitors
- B. improve the quality of a product
- C. convince prospective buyers to buy
- D. increase competition among firms

The correct answer is option [C]

60. The process which provides businesses with basic information required for decisions on its business and its product is termed

- A. market segmentation
- B. marketing mix
- C. market research
- D. market strategy

The correct answer is option [C]

61. The basic idea behind the marketing concept is _____

- A. consumer exploitation
- B. physical distribution
- C. consumer orientation
- D. producer protection

The correct answer is option [C]

62. A financing arrangement that allows one take possession of a thing while making instalmental payments on it, with legal ownership transferred only after it is paid for is called _____

- A. Hire purchase
- B. Credit purchase
- C. Credit sales
- D. Instalmental purchase
- E. All of the above

The correct answer is option [A]

63. The modern trend in retailing that guarantees direct personal contact of the sellers with the potential buyers with the view to making a sale is called _____

- A. personal selling
- B. self-service
- C. marketing
- D. sales promotion

The correct answer is option [A]

64. When facts about the uses and where a particular product can be obtained is relayed in advertising, it can be best described as _____

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

The correct answer is option [B]

65. The marketing activity that stimulates immediate demand for a product is _____

- A. sales promotion
- B. publicity
- C. consumer relations
- D. personal selling

The correct answer is option [A]

66. The set of measures pursued by an organisation to maintain goodwill in its environment is known as _____

- A. public relations
- B. motivation
- C. social responsibilities
- D. sales promotion
- E. merchandising

The correct answer is option [A]

67. Branding is preferable for all of the following reasons EXCEPT that it

- A. saves the cost of advertising
- B. ensures standardisation of products
- C. can create false buying for the consumer
- D. aids easy selection of products

The correct answer is option [C]

68. Which of the following media is the MOST suitable for advertising tool kits?

- A. Furniture catalogues
- B. Fashion magazines
- C. Technical journals
- D. Newspapers
- E. Bill boards

The correct answer is option [C]

69. The practice of offering a commodity for sale at an unprofitable price in order to attract buyers to a shop is known as _____

- A. auction sale
- B. loss leader

- C. price ring
- D. marketing segmentation

The correct answer is option [A]

70. The practice of selling below the cost price to attract customers to a shop is known as _____

- A. hedging
- B. loss leader
- C. skimming
- D. under-invoicing

The correct answer is option[B]

71. If MTN embarks on an activity in order to boost the organisations image, it is regarded as _____

- A. advertising
- B. public relations
- C. marketing
- D. sales promotion

The correct answer is option [B].

72. A detailed estimate of a construction work submitted in response to an advertisement is a _____

- A. local purchase order
- B. quotation
- C. price list
- D. tender

The correct answer is option [D]

TOPIC: LEGAL ASPECTS OF BUSINESS

DIRECTION: Choose the correct answer from the lettered options.

1. The Corporate Affairs Commission is legalised by virtue of the ____

- A. Company and Allied Matters Act 1990
- B. Company Act 1968
- C. Company and Allied Matters Decree 1982
- D. Corporate Body Registration Act 1990

The correct answer is option [A].

2. The Corporate Affairs Commission is ____

- A. a public limited liability company
- B. established by an act of parliament
- C. a private limited liability company
- D. wield the same power as the Federal High Court

The correct answer is option [B]

3. A liquidator is a _____

- A. person appointed to dispose of the assets of a company
- B. person who proposing to buy the assets of a company
- C. person that undertake the formation of a company
- D. person that have all the assets of a company

The correct answer is option [A]

4. Entrusting the management of a company to the courts to enable the settlement of the company's obligations is an indication of what?

- A. Distress
- B. Closure

- C. Bankruptcy
- D. Liquidation

The correct answer is option [D]

5. Who among the following sells goods on behalf of his principal with a promise to be responsible for bad debts?

- A. Broker
- B. Factor
- C. Commission Agent
- D. Forwarding and Clearing Agent
- E. None of the above

The correct answer is option [E]

6. In the law of contract, consent to a proposed agreement is termed ____

- A. offer
- B. acceptance
- C. effect
- D. contract seal

The correct answer is option [B]

7. The distinctive design that readily identifies a company or its product is known as ____

- A. patents
- B. copy rights
- C. trade mark
- D. brand name

The correct answer is option [C]

8. Who among the following sells goods on behalf of his principal with a promise to be responsible for bad debts?

- A. Broker

- B. Factor
- C. Del Credere Agent
- D. Forwarding and Clearing Agent
- E. Commission Agent

The correct answer is option [C]

9. The body that regulates the registration of new companies in Nigeria is known as _____

- A. Company Registration Association of Nigeria (CRAN)
- B. Corporate Affairs Commission (CAC)
- C. Commission for the Registration of Companies (CRC)
- D. Corporate Affairs Council (CAC)

The correct answer is option [B]

10. Which of the following government agency in Nigeria seeks to eradicate the trafficking of hard drugs?

- A. NAFDAC
- B. Ministry of Health
- C. NDLEA
- D. Ministry of Defence

The correct answer is option [C]

NAFDAC - National Agency for Food, Drug Administration and Control

NDLEA - National Drug Law Enforcement Agency

11. The statutory head of the Corporate Affairs Commission [CAC] is known as the _____

- A. Registrar-General
- B. Chief Liason Officer
- C. Controller-General
- D. Management Consultant

The correct answer is option [A].

12. Which of the following is NOT a right of the consumer?

- A. Discount
- B. Safety
- C. Choice
- D. Value

The correct answer is option [A]

13. Which of the following ensures that the generally accepted quality of a product is maintained?

- A. Price Control Board
- B. Chamber of Commerce
- C. Food and Drugs Act
- D. Standards Organization of Nigeria
- E. Manufacturers' Association of Nigeria

The correct answer is option [D]

14. A contract entered into with an underaged is said to be

- A. improper
- B. valid
- C. invalid
- D. discharged
- E. void

The correct answer is option [E]

15. When one party fails to perform his part of a contract, the contract is discharged by

- A. disagreement
- B. operations of the law
- C. non-performance
- D. breach

E. frustration

The correct answer is option [D]

16. Which of the following gives a music composer the exclusive control over the use of his artistic creation?

A. Registration

B. Copyright

C. Trade mark

D. Patent right

The correct answer is option [B]

17. Which of the following can be regarded as an offer?

A. an acceptance

B. an invitation to treat

C. a rejection

D. a consideration

The correct answer is option [B]

18. A counter-offer in a contract which is regarded as _____

A. an acceptance

B. an invitation to treat

C. a rejection

D. a consideration

The correct answer is option [C]

19. Which of the following is NOT a right of the consumer?

A. Safety

B. Choice

C. Discount

D. Value

The correct answer is option [C]

20. Which of the following is NOT an element of a valid contract?

- A. Legality
- B. Formality
- C. Capacity
- D. Efficiency
- E. Offer and acceptance

The correct answer is option [D]

21. When one party fails to perform his part of a contract, the contract is discharged by _____

- A. agreement
- B. operations of the law
- C. breach
- D. exemption
- E. frustration

The correct answer is option [C]

22. Which of the following is not an instrument for protecting the consumer?

- A. Price Control Board
- B. Rent Tribunal
- C. Business Merger
- D. Sale of Goods Act
- E. Food and Drugs Act

The correct answer is option [C]

23. Which of the following is not a concrete element of a valid contract?

- A. Offer
- B. Acceptance

- C. Contractual capacity
- D. Trade discount

The correct answer is option [D]

24. The doctrine of consumer sovereignty assumes that _____

- A. the consumer is the key determinant of what should be produced at suitable prices
- B. the consumer dictates the price
- C. the producer cannot do without the consumer
- D. the consumer is the ultimate decision maker

The correct answer is option [A]

25. Which of the following is NOT a statutory function of the Corporate Affairs Commission (CAC)?

- A. Monitoring activities relating to business registration
- B. Investigating issues related to companies and the general public
- C. Stating the names of directors of a proposed company
- D. Ratification of business names

The correct answer is option [C]

26. Which of the following provides that goods supplied must be of merchantable quality?

- A. Law of Contract
- B. Law of Sales of Goods
- C. Sale of Goods Act
- D. Food and Drugs Act
- E. Hire Purchase Act

The correct answer is option [C]

27. The Prices and Income Board is saddled with the responsibility of

- A. fixing market prices and reward for labour
- B. controlling trade unions

- C. regulating prices and reward for labour
- D. enforcing regulation of trade associations

The correct answer is option [C]

28. Which of the following is NOT a party to a contract?

- A. Contractee
- B. Promisor
- C. Promisee
- D. Obligor
- E. Lessee

The correct answer is option [A]

29. Which of the following is NOT a means of consumer protection?

- A. Price control
- B. Sale of Goods Act
- C. Trade Description Act
- D. Tax laws

The correct answer is option [D]

30. If an organisation acts or exercises power outside the authority granted to it by its Memorandum of Association, such an action is termed _____

- A. ultra vires
- B. an infringement
- C. a redress
- D. caveat emptor

The correct answer is option [A]

31. A contract entered into with an underaged is said to be _____

- A. proper
- B. valid

- C. void
- D. discharged
- E. normal

The correct answer is option [C]

32. At the collapse of a business enterprise, the person appointed to dispose of the assets is called _____

- A. a broker
- B. an auctioneer
- C. a liquidator
- D. an auditor

The correct answer is option [C]

33. The exclusive right given to the author of a book is called _____

- A. trade right
- B. copy right
- C. patent right
- D. book right

The correct answer is option [B]

34. A merchant wholesaler is referred to as _____

- A. del-credere agent
- B. a broker
- C. rack jobber
- D. a factor

The correct answer is option [D]

Del-credere agent is liable to pay his principal for the goods he sold if the buyer refuses to pay

Brokers do not have possession of the goods but links his principal with potential buyer(s)

A factor is an agent who undertakes or guarantees a principal against any loss arising from buyers default in payments.

35. Which of the following provides that goods supplied must be of merchantable quality?

- A. Law of Contract
- B. Law of Agency
- C. Sale of Goods Act
- D. Food and Drugs Act
- E. Hire Purchase Act

The correct answer is option [C]

36. The body which protects consumers against poor quality goods is known as _____

- A. Standard Organisation of Nigeria
- B. Consumer Protection Association
- C. Centre for the Protection of Human Rights
- D. Nigeria Chamber of Commerce and Industry

The correct answer is option [A]

37. Which of the following is NOT aimed at protecting the consumer?

- A. Hire purchase act
- B. Foods and drugs act
- C. Company's act
- D. Sale of goods act

The correct answer is option [C]

38. If an individual invents a certain thing, he will be granted _____

- A. copyright
- B. patent right
- C. trade mark
- D. security vote

The correct answer is option [B]

39. Which of the following is a basic requirement for a valid contract?

- A. Representation
- B. Consideration
- C. Interest
- D. Performance

The correct answer is option [D]

40. Consumer protection manifests in all of the following EXCEPT

- A. sale of goods act
- B. price control
- C. excise duty
- D. trade description act

The correct answer is option [C]

41. Customs authority in Nigeria performs the following functions EXCEPT

- A. supervision of bonded warehouse
- B. checking of illegal trafficking of currencies
- C. promoting smuggling activities
- D. providing adequate quarantine facilities for the import of live animals and plants.

The correct answer is option [C]

42. Which of the following is NOT a right of the consumer?

- A. Safety
- B. Choice
- C. Discount
- D. Value

The correct answer is option [C]

43. The body set up by the government to see to the regulation and enforcement of prices of commodities is called the _____

- A. Price Control Board
- B. Price Monitoring Team
- C. Trade and Income Board
- D. Standard Organisation Of Nigeria

The correct answer is option [A]

44. A default after payment of one-third of the purchase price under the hire purchase agreement means that

- A. the seller can immediately repossess the goods
- B. the buyer has become the owner
- C. only the court can permit repossession
- D. the buyer has to return the goods

The correct answer is option [C]

45. The Federal Government of Nigeria increased the price of fuel per litre some time ago. Who among the following bear the final burden of the increased price?

- A. Fuel distributors
- B. Fuel tanker drivers
- C. Private car owners
- D. Taxi drivers

The correct answer is option [C]

46. Which of the following connotes 'value' in law?

- A. Offer
- B. Acceptance
- C. Capacity
- D. Consideration
- E. Legality

The correct answer is option [D]

47. Which of the following connotes 'value' in law?

- A. Offer
- B. Acceptance
- C. Capacity
- D. Consideration
- E. Legality

The correct answer is option [D]

48. A contract is said to be void when it ____

- A. has been terminated
- B. has been rectified
- C. has no legal effect
- D. is a simple contract
- E. has been frustrated

The correct answer is option [A]

49. A contract is said to be void when it

- A. is a complex contract
- B. has been terminated
- C. has no legal effect
- D. is a simple contract
- E. has been frustrated

The correct answer is option [B]

50. If a trader falsifies the description made about his goods, he is culpable under the ____

- A. sale of goods act
- B. trade description act

- C. price control act
- D. hire purchase act

The correct answer is option [B].

51. Which of the following is not regarded as business law?

- A. Law of contract
- B. Sale of goods act
- C. Marriage act
- D. Agency
- E. Hire purchase act

The correct answer is option [C]

52. The agreement between two parties which gives rise to enforceable rights and obligation is known as _____

- A. a contract
- B. a warrant
- C. a policy
- D. a constitution

The correct answer is option [A]

53. Which of the following agents guarantees payment for transactions entered into on behalf of the principal?

- A. Auctioneer
- B. Factor
- C. Broker
- D. Del credere

The correct answer is option [D]

An auctioneer is an agent who conducts an auction (An auction is a process of buying and selling goods or services by offering them up for bid, taking bids, and then selling the item to the winning bidder. In economic theory, an auction may refer to any mechanism or set of trading rules for exchange).

A broker is a party that mediates between a buyer and a seller. A broker who also acts as a seller or as a buyer becomes a principal party to the deal. Distinguish agent: one who acts on behalf of a principal.

A del credere (Italian for belief or trust) agent, in English law, is one who, selling goods for his principal on credit, undertakes for an additional commission to sell only to persons who are absolutely solvent.

TOPIC: PURCHASE AND SALE OF GOODS

DIRECTION: Choose the correct answer from the lettered options.

1. Which of the following is regarded as a document of description in international trade?

- A. Export invoice
- B. Certificate of origin
- C. Consular invoice
- D. Certificate of insurance

The correct answer is option [A]

2. Which of the following is a document of title?

- A. Air-way bill
- B. Bill of lading
- C. Carter party
- D. Freight note
- E. Indent

The correct answer is option [B]

The bill of lading is called a document of title because it empowers the importer to claim the goods on its presentation.

3. A book of original entry for recording purchases returns is called _____

- A. sales day book
- B. receipt
- C. returns outward book
- D. money order

The correct answer is option [C].

4. Which of the following is sent in reply to a letter of enquiry?

- A. Quotation

- B. Order
- C. Consular invoice
- D. Advice note

The correct answer is option [A]

5. The Nigerin Standard Organisation which took care of consumer protection was established in 1971 as an integral part of _____

- A. Federal Ministry of Industries
- B. Federal Ministry of Commerce
- C. Federal Ministry of Science and Technology
- D. Federal Ministry of Health

The correct answer is option [A]

6. In international trade, when the price quoted includes all cost including the ship and loading of goods in it, it is indicated as _____

- A. F.O.R
- B. F.A.S
- C. C.I.F.
- D. F.O.B.

The correct answer is option [D]

7. A written document issued by one person to another to acknowledge that money or valuable property has been received is a _____

- A. sales day book
- B. sales invoice
- C. purchases invoice
- D. receipt

The correct answer is option [D].

8. Which of the following indicates that buyers should be careful in their business transactions?

- A. Fidelity guarantee
- B. Caveat emptor
- C. Uberrimae fidei
- D. Consumerism

The correct answer is option [B]

Caveat emptor is Latin for "Let the buyer beware".[1] Generally caveat emptor is the property law doctrine that controls the sale of real property after the date of closing.

Uberrimae fidei is a class of agreements (such as insurance contracts) in which one party (the promisee, such as an applicant) is under a fundamental duty to disclose all material facts and surrounding circumstances that could influence the decision of the other party (the promisor, such as an insurance company) to enter the agreement. Non-disclosure or a partial-disclosure makes such agreements voidable. Latin for, utmost good faith.

Consumerism is the equating of personal happiness with the purchasing of material possessions and consumption.

Consumerism is often associated with criticisms of consumption starting with Thorstein Veblen.

9. A document which gives the particulars of goods carried on board a ship at a particular period is known as _____

- A. certificate of origin
- B. bill of lading
- C. waybill
- D. manifest
- E. consignment note

The correct answer is option [B]

10. _____ is an itemized bill for goods sold or services provided, containing individual prices, the total charge, and the terms

- A. An invoice
- B. credit note
- C. Debit note
- D. Advice note

The correct answer is option [A]

E. & O.E. stands for Errors and Omissions Excepted. The seller reserves the right to correct an error or omission that may be discovered on the invoice.

11. A means of payment is a negotiable instrument if

- A. the title of ownership can be passed to the receiver
- B. the instrument is issued by a reputable bank
- C. it is not crossed by the drawer
- D. it is authorized by the central bank
- E. it is paid only through a bank account

The correct answer is option [A]

12. The abbreviation C.O.D means?

- A. Cash On Drawback
- B. Cash On Delivery
- C. Carriage Order on Delivery
- D. Cash Or Debt
- E. None of the above

The correct answer is option [B]

13. Which of the following refers to a price reduction based on the size of order?

- A. Cash discount
- B. Trade discount
- C. Seasonal discount
- D. Cash on delivery
- E. Quantity discount

The correct answer is option [E]

14. Cash discount is given to a customer to encourage him to pay promptly, while trade discount is given to boost his _____

- A. continuous patronage
- B. festive bonus
- C. more productivity
- D. non-cash payment

The correct answer is option [A]

15. F.O.Q in commerce means?

- A. Free On Quay
- B. Free On Query
- C. Frequently Observed Questions
- D. Free On Quest
- E. None of the above

The correct answer is option [A]

16. Which of the following is a more convenient means of payment in foreign trade?

- A. Bill of lading
- B. Letter of credit
- C. Bill of exchange
- D. Cheque

The correct answer is option [B]

17. A bill of exchange drawn on a bank payable on demand is a _____

- A. bankdraft
- B. cheque
- C. standing order
- D. money order
- E. letter of credit

The correct answer is option [B]

18. Tax imposed on locally made goods is regarded as ____

- A. export duty
- B. excise duty
- C. import duty
- D. specific duty

The correct answer is option [B].

19. Which of the following makes a currency note a legal tender?

- A. Scarcity
- B. Homogeneity
- C. Durability
- D. Acceptability

The correct answer is option [D]

20. If a quotation issued to Adewale Enterprises is marked 'CWO', it means that ____

- A. no discount is allowed
- B. shipment of goods is included
- C. no credit facility is allowed
- D. the price quoted is non-negotiable

The correct answer is option [C]

21. Goods that are quoted 'loco price' by a particular seller indicates ____

- A. that goods sold cannot be returned
- B. that the price quoted includes transportation charge, freight insurance and shipping
- C. discount has been given
- D. the seller has sold the goods on credit

The correct answer is option [B]

22. A consignment note is used when ____

- A. goods are wrapped and labelled for easy identification
- B. goods are despatched to agents through transporters
- C. damaged goods are been returned
- D. there is over-invoicing

The correct answer is option [B]

A consignment note is a formal instruction to the transport firm to accept and carry the goods to the retailer or agent.

Use the information to answer the question.

23. A retailer receives a trade discount of '2/10 net 15' for ₦10,000 worth of goods purchased. If he pays within fifteen (15) days. How much is he expected to remit to the wholesaler?

- A. ₦20,000
- B. ₦9,800
- C. ₦10,000
- D. ₦9,000

The correct answer is option [C]

24. Which of the following is both a means of payment in local and foreign trade?

- A. Bankdraft
- B. Letter of credit
- C. Traveller's cheque
- D. Letter of hypothecation

The correct answer is option [A]

25. Which of the following is an example of a non-insurable risk?

- A. Speculation
- B. Burglary
- C. Fire
- D. Accident

The correct answer is option [A].

26. Trade Description Act of 1968 protects the consumer against _____

- A. false description of goods in terms of quality and quantity
- B. misleading advertisements and handbills
- C. landlord and their agents in the administration of tenancy agreement
- D. exploitation by trade associations

The correct answer is option [A]

27. A recognition of the principle that the consumer is sovereign is one of the principles of _____

- A. Altruism
- B. Consumerism
- C. Accounting
- D. State control

The correct answer is option [B]

28. Which of the following is not an evident feature of a cheque?

- A. The date of issue
- B. The amount to be paid
- C. The cheque number
- D. The drawee's name.

The correct answer is option [D].

29. Which of the following is not true of "Cash on Delivery"?

- A. The seller of the goods pays for the service
- B. It is a feature of mail-order business
- C. NITEL workers collect payment for the goods
- D. Mail-order customer possesses the goods as soon as he pays
- E. Seller's money is not tied up in bad debts

The correct answer is option [C]

30. Impersonal accounts which record transactions relating to property or material objects is known as _____

- A. real account
- B. nominal account
- C. post-dated account
- D. personal account

The correct answer is option [A].

31. A pro forma invoice is sent to inform a buyer about the _____ of goods.

- A. quantity
- B. prices
- C. designation
- D. quality

The correct answer is option [B]

32. F.O.B. in international trade means _____

- A. Free Off Bunkering
- B. Free On Board
- C. Free Over Board
- D. Free On Base

The correct answer is option [B]

33. When import duties are charged ad valorem, it is said to be _____

- A. based on the value of goods
- B. based on the demand for such goods
- C. based on the free trade agreement between the nations involved
- D. based on the best international standard practice

The correct answer is option [A]

34. When the buyer of the goods will be responsible for the insurance charge only in international trade, it is indicated as _____

- A. F.O.Q
- B. C.F.
- C. F.O.R.
- D. F.O.B.

The correct answer is option [B]

35. The major procedures in the are enquiry _____

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

The correct answer is option [A]

36. Which of the following does NOT originate from the debtor as a means of payment?

- A. Bank note
- B. Cheque
- C. Bill of exchange
- D. Promissory note

The correct answer is option [C]

37. Bill of lading is also known as _____

- A. document of description
- B. document of title
- C. dock receipt
- D. custom's specification

The correct answer is option [B]

38. Which of the following is not a source document?

- A. Ledger
- B. Cash register
- C. Debit note
- D. Credit note

The correct answer is option [A].

39. A business document prepared at the selling of goods by the seller is often regarded as _____.

- A. purchases invoice
- B. sales invoice
- C. source document
- D. sales note

The correct answer is option [B].

40. Self-service is a feature of all of the following EXCEPT

- A. departmental stores
- B. hypermarkets
- C. itinerant trade
- D. multiple shops

The correct answer is option [C]

41. F.O.B. in commerce means?

- A. Free On Board
- B. Free Over Board
- C. Freight Omissions Board
- D. Free Overhead Business
- E. Fiduciary Open Business

The correct answer is option (A)

42. Which of the following documents is used to correct an undercharge on a buyer's account by the seller?

- A. Credit note
- B. Debit note
- C. Receipt
- D. Invoice

The correct answer is option [B].

43. 'Caveat emptor' as a term in consumer protection connotes that _____

- A. let the buyer beware
- B. the consumer is always right
- C. the producer must deliver the goods to the consumer's door step.
- D. the producer will bear any loss in the course of business transactions

The correct answer is option [A]

44. A business document prepared when goods are sold to the buyer as an evidence of transaction is called _____

- A. an invoice
- B. a debit note
- C. receipt
- D. sales invoice

The correct answer is option [C].

45. Where the buyer is required to take charge of the insurance and shipment in foreign trade, it is indicated as _____

- A. C.I.F.
- B. F.O.R.
- C. F.O.Q.
- D. F.O.B.

The correct answer is option [C]

46. The source document for obtaining authorisation for all payments whether by cash, cheque or letter is known as _____

- A. voucher
- B. return outwards journal
- C. purchases journal
- D. authority letter

The correct answer is option [A].

47. Which of the following means of payment is easily accepted by a creditor in settlement of a debt?

- A. Cheque
- B. Bank draft
- C. Standing order
- D. Bank note
- E. Money note

The correct answer is option [D]

48. Caveat Emptor means _____

- A. let the buyer beware
- B. good economy
- C. not for sale
- D. let the seller beware
- E. active trading

The correct answer is option [A]

49. The Hire Purchase Act of 1975 provides for all of the following EXCEPT

- A. the cash sales price must be shown along with the hire purchase price
- B. that a hire purchaser is entitled to stop paying instalments and return the article if he has paid at least half the hire purchase price
- C. that if the hire purchaser is made to sign the hire purchase agreement in his own home, he has the right to cancel it within three days

D. that the hire purchaser is entitled to stop paying his instalment and cancel the agreement whenever he likes

The correct answer is option [D]

50. _____ is the end user of a product or service.

- A. Retailer
- B. Production process
- C. consumer
- D. wholersaler

The correct answer is option [C]

51. A bill of exchange on maturity is allowed _____

- A. seven days of grace
- B. five days of grace
- C. four days of grace
- D. three days of grace

The correct answer is option [D]

A bill of exchange or "Draft" is a written order by the drawer to the drawee to pay money to the payee. The most common type of bill of exchange is the cheque, which is defined as a bill of exchange drawn on a banker and payable on demand. Bills of exchange are used primarily in international trade, and are written orders by one person to his bank to pay the bearer a specific sum on a specific date sometime in the future.

52. Which of the following acts does not serve as a measure for consumer protection in Nigeria?

- A. Sale of Goods Act 1893
- B. Trade Description Act 1968
- C. Misrepresentation Act 1968
- D. Land Use Act 1999

The correct answer is option [D]

53. In foreign trade, when a bank bill is quoted D/A, it means _____

- A. documents against acceptance bill
- B. documents against payment bill
- C. documents approved
- D. documents disapproved

The correct answer is option [A]

54. The source document used for the authorisation for all payments whether by cash, cheque or letter is called _____

- A. a voucher
- B. a cheque
- C. a receipt
- D. credit transfer

The correct answer is option [A].

55. Which of the following encourages prompt payment?

- A. Cash discount
- B. Trade discount
- C. Quantity discount
- D. C.O.D
- E. C.W.O

The correct answer is option [A]

C.O.D - Cash On Delivery

C.W.O - Cash With Order

Quantity discounts - These are price reductions given for large purchases.

Cash discount are intended to speed payment and thereby provide liquidity to the firm. They are sometimes used as a promotional device. An example 2/10 net 30 - this means the buyer must pay within 30 days of the invoice date, but will receive a 2% discount if they pay within 10 days of the invoice date.

Trade discounts (also called functional discounts) - These are payments to distribution channel members for performing some function. Examples of these functions are warehousing and shelf stocking. Trade discounts are often combined to include a series of functions, for example 20/12/5 could indicate a 20% discount for warehousing the product,

an additional 12% discount for shipping the product, and an additional 5% discount for keeping the shelves stocked. Trade discounts are most frequent in industries where retailers hold the majority of the power in the distribution channel (referred to as channel captains).

56. A document which contains a pictorial description as well as the current prices of goods offered for sale is called _____

- A. a quotation
- B. a price list
- C. a catalogue
- D. an order
- E. an invoice

The correct answer is option [C]

57. The Nigerian Standard Organisation Decree as part of the effort at ensuring consumer protection was established in _____ year

- A. 1982
- B. 1971
- C. 1968
- D. 1960

The correct answer is option [B]

58. A means of payment is a negotiable instrument if is _____

- A. the title of ownership can pass to the receiver
- B. the instrument is issued by a reputable bank
- C. it is not crossed by the drawer
- D. it is authorized by the Central Bank
- E. it is paid only through a bank account

The correct answer is option [A]

59. 'Franco' means that the price quoted includes _____

- A. the cost of insurance, freight and all delivery charges to the importer's warehouse

- B. only the cost of insurance
- C. the cost of insurance and freight
- D. none of the above

The correct answer is option [A]

60. Which of the following is NOT a means of payment in foreign trade?

- A. Telegraphic and cable transfer
- B. Guaranteed mail transfer
- C. Traveller's cheque
- D. Freight note

The correct answer is option [D]

61. Which of the following is NOT contained in an advice note?

- A. Type of goods
- B. Price of goods
- C. Date of despatch
- D. Means of despatch

The correct answer is option [B]

An advice note is a document prepared by the wholesaler and sent to the retailer informing him that, the goods (or part of them) have been despatch.

62. ____ is the act of recording business transactions so as to make information available to those who may want to make use of it.

- A. Commerce
- B. Business studies
- C. Communication
- D. Book-keeping

The correct answer is option [D].

63. Which of the following encourages prompt payment?

- A. Cash discount
- B. Trade discount
- C. Quantity discount
- D. C.O.D
- E. C.W.O

The correct answer is option [A]

64. A written order to the bank asking it to pay a specified sum to the person named on it is called _____

- A. a legal tender
- B. standing order
- C. cheque
- D. special directive

The correct answer is option [C].

65. Which of the following should accompany a documentary bill of exchange?

- i Delivery note
- ii Cheque
- iii Certificate of insurance
- iv Letter of credit
- v Bill of lading

- A. i and ii only
- B. i and iii only
- C. ii and iii only
- D. all of the above

The correct answer is option [A]

66. The abbreviated phrase E.& O.E means _____

- A. Errors and Omission Excepted
- B. Export and Omitted Entry

- C. Entrepot and Other Entries
- D. Export and Overboard Excepted

The correct answer is option [A]

67. If the customer has been overcharged on the sales invoice, the document to prepare by the seller is _____

- A. debit note
- B. credit note
- C. sales journal
- D. purchases journal

The correct answer is option [B].

68. Which of the following is a document of title?

- A. Air-way bill
- B. Bill of lading
- C. Carter party
- D. Freight note

The correct answer is option [B]

69. A wholesaler despatched 59 shirts, instead of 60 shirts paid for, by the retailer. Which of the following will be used to correct the error?

- A. Credit note
- B. Debit note
- C. Consignment note
- D. Advice note

The correct answer is option [A]

A credit note is a document sent to the buyer by the seller informing the buyer that his account has been credited as a result of an error discovered in the invoice which overcharged him.