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Question 1

- a. Explain five factors that delayed the growth of commerce in West Africa.
- b. Using appropriate headings, classify the following workers:
 - (i) oil driller;
 - (ii) potter;
 - (iii) policeman;
 - (iv) brewer;
 - (v) stock broker;
 - (vi) mason;
 - (vii) farmer.

Observation

Most candidates who attempted this question performed brilliantly. However, some candidates listed the points in (a) while others could not classify the workers in the appropriate headings.

The expected responses are.

- (a) Factors that delayed the growth of commerce in West Africa**
- Raising large amounts of capital needed to make commerce viable was a big challenge to the growth of commerce in West Africa.
 - The absence of good transport systems such as high-speed trains and sea vessels hindered the movement of goods between countries. /Poor road network in many countries and those linking West African countries is still a major hindrance to the development of commerce.
 - Poor telecommunication systems in urban and rural areas reduced the accessibility to internet and telephone services needed to improve commerce in West Africa.
 - Lack of insurance companies that could cover greater risks across West Africa caused delay in the growth of commerce.
 - Poor development of the stock market in West Africa impeded raising large amounts of capital that would have improved the development of commerce.

- Slow development of the commodity exchange market in many West African countries delayed the growth of commerce.
- The absence of adequate warehousing facilities which could have avoided the loss of goods due to spoilage or bad handling delayed the growth of commercial activities.
- Political instability in West Africa affected the development of commerce as commercial activities could not thrive in politically unstable environments.
- Inadequate investment in new production technology has greatly stalled the growth of commerce in West Africa.
- Low savings in West Africa did not enhance the growth of commerce.
- The rate of demand for goods and services was low and this affected the growth of commerce.

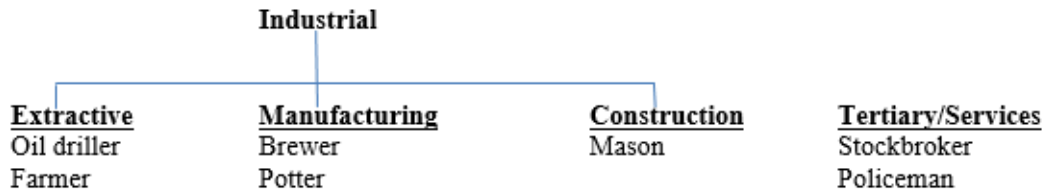
(b) **Classification of the following workers**

<u>Industrial</u>	<u>Commercial</u>	<u>Service</u>
Oil driller	Stockbroker	Policeman
Potter		
Brewer		
Mason		
Farmer		

Alternative solution 1

<u>Primary</u>	<u>Secondary</u>	<u>Tertiary Service</u>
Oil driller	Brewer	Stockbroker
Farmer	Mason	Policeman
Potter		

Alternative solution 2



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Question 2

Victor and Samba have been partners for two years. They have had disagreements throughout the period and Sambo requested for dissolution of the partnership so that he could start a sole proprietorship.

- (a) State five problems Sambo could face as a sole trader.
- (b) State five benefits Samba could enjoy if he remained in the partnership.

Observation

This is an applied question. Many candidates did not situate their answers in the context of the question. They did not understand that the question require them to state the problem associated to sole proprietorship and advantages of partnership in (a) and (b) respectively.

The expected responses are.

- (a) **Problems Samba would face as a sole trader**
 1. Inadequate capital for continuous operation and expansion.
 2. His death or incapacitation might lead to the end of the business.
 3. The presence of bigger businesses could result in the closure of his business due to competition.
 4. The risk of unlimited liability would increase.
 5. The ideas his partner was bringing would no longer be available.
 6. Sale of goods on credit to customers could lead to closure of the business because of bad debts.
 7. Inability to separate business funds from personal funds.
- (b) **Benefits Samba would enjoy if he remained in the business**
 1. There is the advantage of division of labour as both partners would concentrate on the part of the business they know better.

2. More funds would be available to the business.
3. The partners would bring in their individual expertise into the business.
4. Joint decision making makes partnership better.
5. Samba will continue to share business risks if he remains in the partnership.
6. The goodwill already developed for the business would be enjoyed.

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Question 3

- a. State four functions of warehousing.
- b. State two features of each of the following retail outlets:
 - (i) chain store;
 - (ii) mobile shop;
 - (iii) mail order business.

Observation

Most candidates who attempted this question did well.

The expected responses are.

(a) Functions of warehousing

- Provision of security for goods.
- Provision of storage facilities to prevent damage or deterioration.
- Provision of facilities for blending, packaging, and branding of goods.
- Provision of facilities for storing goods so that production can continue.
- To keep dutiable goods until duty on them is paid.
- Enhancing stability of prices by making products available all year round.
- Provision of pest control services.
- Provision of documentation on goods being stored.
- It makes provision for stock taking at regular intervals.

(b) Features of the following retail outlets

i. Chain store

- These are stores with many branches.
- They sell the same line of products.
- They have one management.
- Goods bought in one branch could be returned to another branch.
- They operate similar shop fronts.
- Staff could be transferred from one branch to another with ease.

ii. Mobile shop

- The seller and the goods are mobile.
- They sell variety of products.
- The seller can reach many areas that are motorable.
- They provide convenience for buyers as it makes varieties available in rural settings.
- They attract customers by playing music, blowing horns and using public address systems.

iii. Mail order business

- They rely on the post office and courier service for orders and delivery of goods.
- Goods are either sold on cash on delivery or cash with order.
- Orders are placed by customers according to the terms of sale by filling forms.
- Catalogues are used to show detail description of the goods, sizes and prices.

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Question 4

- a. As an employee of the stock exchange market, explain to a group of investors, five securities they could trade in.
- b. State five duties of an agent to his principal.

Observation

Some candidates listed the securities without explaining them in (a). They were able to provide correct responses in (b) part of the question.

The expected responses are.

(a) **Securities traded on the stock exchange market**

1. Shares: They are units of ownership of capital of a company. Owners of these shares could decide to sell them on the stock exchange.
2. Bonds/Gilt-edged: They are securities of governments or private firms issued to raise capital.
3. Stocks: They are bundles of shares which could be transferred in smaller units.
4. Debentures: They are documents acknowledging loans given to companies. They bear the seal of the company issuing the debenture.
5. Government securities: These are securities issued by government and bear fixed rates of interest.
6. Convertible loans: They are loans with fixed rate of interest with an option to convert it to an ordinary share later or collect cash at maturity.
7. Option/derivative: It is an agreement that provides instruments at a specific price for future deliveries.

(b) **Duties of an agent to his principal**

1. He must obey lawful instructions by his principal.
2. He should exercise reasonable care, skill and diligence in the performance of his duties.

3. He must act in good faith and honesty for the benefit of the principal.
4. He should not delegate his duties to someone else.
5. He must not make any secret gain beyond his commission.
6. He must render account to the principal when required to do so.
7. He is accountable to the principal for any gain made beyond his remuneration.
8. He provides necessary business information to his principal.

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Question 5

- (a) Differentiate between indent and quotation.
- (b) State four functions of each of the following organizations:
- (i) export promotion council;
 - (ii) customs and exercise authority.

Observation

Most candidates who attempted this question performed poorly. Some could not properly differentiate indent and quotation. For (b) part of the question, some candidate wrote the functions of custom authority for export promotion council. The expected responses are.

(a) Differences between indent and quotation

Indent is the document used to place order for the purchase of goods in international trade by the buyer while quotation is a document which originates from the seller in local trade as a reply to inquiry, stating the terms under which the goods requested can be supplied.

Or

Indent is used in international trade while quotation is used in domestic trade.

Or

Indent is an order for goods in international trade while quotation is a reply to a letter of inquiry.

Or

An indent is sent by the buyer while a quotation is sent by the seller.

(b) **Functions of the following organizations**

i. **Export promotion council**

- It assists exporters in obtaining export financing facilities, insurance and credit guarantee schemes for businessmen.
- It helps in the development and export of raw materials and semi-processed products derived from agriculture and mining industries in the country.
- It organizes training workshops and seminars in export management and international marketing for personnel and agencies engaged in foreign trade.
- It explores ways of penetrating into new markets abroad by advising and supporting private sector firms to participate in overseas trade fairs and exhibitions.
- It organizes local workshops, seminars, and conferences for producers.

ii. **Customs and Excise Authority**

- It collects import, export and excise duties.
- It generates statistics for the government for budgetary purposes.
- It ensures the arrest of smugglers.
- It ensures that contraband and harmful goods are not brought into the country.
- It manages bonded warehouses to ensure that correct duties are paid.
- It issues licences to importers for items under restriction.

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Question 6

- (a) What is tourism?
- (b) State one negative effect of tourism on the following:
- (i) economy;
 - (ii) society;
 - (iii) environment.
- (c) State two positive effects of tourism on each of the following:
- (i) economy;
 - (ii) society;
 - (iii) environment.

Observation

Most candidates performed well in (a) part of the question. Many candidates mixed up the answers in (b) and (c) parts of the question. They could not relate the question to advantages and disadvantages of tourism as it affects the economy, society and environment.

The expected responses are.

(a) Tourism is the movement of individuals from one place to another to seek for pleasure.

(b) **Negative effects of tourism on each of the following:**

i. **Economy**

- It leads to rise in prices due to extra demand at tourist sites.
- It leads to increase in the cost of buildings because of increase in the demand for estates.

ii. **Society**

- Social vices are most prevalent at tourist sites.

- Tourist activities usually contaminate cultural values of the host countries.

iii. **Environment**

- Tourism brings about destruction to the natural habitats at tourist sites.
- Continuous use of the lawns creates footpaths.
- Littering may also occur as tourists continuously frequent tourist sites.
- There is also congestion and environmental pollution from vehicles and cruise ships that travel to tourist destinations.
- There is too much pressure on local resources such as water and electricity which could lead to shortages in areas visited.

(c) **Positive effects of tourism on each of the following:**

i. **Economy**

- Tourism provides employment and therefore generates income for those engaged in it.
- Businesses engaged in tourism also pay taxes to government and this helps in the growth of the economy.
- Tourism provides foreign exchange for the economy.

ii. **Society**

- Tourism creates pride for peoples' cultures and traditions by encouraging sharing of local customs and traditions.
- It creates cross cultural understanding between people of different origins.
- Peace and unity will exist among people of different cultures due to mutual understanding.
- It enhances the provision of social services at tourist sites.

iii. **Environment**

- Many tourists are interested in watching beautiful scenery and wildlife and there is pressure on communities to conserve habitats and wildlife.
- Natural landscapes of tourist sites are protected.
- It leads to beautification of the environment.

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Question 7

- a. State two differences between marketing and selling.
- b. List four main elements of marketing mix.
- c. Country Z has decided to leave the Economic Community of West African State (ECOWAS). As the adviser on regional group, explain four benefits the country could derive from remaining in the group.

Observation

Most candidates who attempted the question did well in parts (a) and (b) of the question. For part (c), many candidates could not relate the question to the advantages of being a member of ECOWAS. They could not apply that knowledge.

The expected responses are.

(a)

Differences between marketing and selling		
	Marketing	Selling
i	It refers to activities that are used by the companies to promote the exchange of goods and services.	It refers to a process where goods or services are exchanged for money.
ii	It involves finding the wants of the customers and fulfilling them.	It involves creating products or services and selling them to customers
iii	It focuses on the needs and wants of the customers.	It focuses on the sellers' objectives.
iv	It identifies the market first.	It identifies the significance of the product or the service first.

v	It seeks to convert needs of customers into products.	It seeks to convert products into cash.
vi	Marketing efforts aims at the satisfaction of customers.	It aims at maximizing revenue and profit.

(b) **Main elements of the marketing mix**

1. Product
2. Price
3. Promotion
4. Place/distribution

(c) **Benefits the country would derive if it remained in ECOWAS**

1. It would benefit from assistance in industrial development.
2. It would benefit from free movement of goods and services once tariffs are phased out.
3. It would benefit from advantages of using a common currency when it is instituted.
4. It would benefit from infrastructural development such as roads, railways, electricity, and telecommunication infrastructure.
5. It would benefit from exchange of technology among member states.
6. It would receive assistance in maintenance of stability in the event of crisis.
7. It would enable the country to foster unity with member states.

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Question 8

The following information was extracted from the books of Lompat Ventures as at December 31, 2022.

	₦
Stock as at 01/01/22	37,500
Stock as at 31/12/22	15,000
Goods bought	30,000
Sales	70,000
Wages and salaries	2,500
Rent and rates	3,500
Transportation	2,600
Debtors	100,000
Creditors	50,000
Bank overdraft	60,000
Cash at bank	25,000

Calculate:

1. net profit;
2. working capital;
3. rate of stock turnover.

Observation

Candidates who attempted the question did well.

The expected responses are:

(i) Lompat Ventures Trading Profit and Loss a/c for the year ended 31st December, 2022

	₦		₦
Opening stock	37,500	Sales	<u>70,000</u>
Add: Purchases	<u>30,000</u>		
Goods available	67,500		
Less closing stock	<u>15,000</u>		
Cost of goods sold	52,500		
Gross profit c/d	<u>17,500</u>		
	<u>70,000</u>	Gross profit b/d	<u>17,500</u>
Wages and salaries	2,500		
Rents and rates	3,500		
Transportation	2,600		
Net profit c/d	<u>8,900</u>		
	<u>17,500</u>		<u>17,500</u>

Alternative for 8iLompat Ventures Trading Profit and Loss a/c for the year ended 31st December, 2022

	₦	₦
Sales		<u>70,000</u>
<u>Less Cost of sales</u>		
Opening stock (1/1/2022)	37,500	
Add purchases(Goods bought)	<u>30,000</u>	
Goods available for sale	67,500	
Less closing stock	<u>15,500</u>	(52,500)
Gross profit		17,500
<u>Less expenses</u>		
Wages and salaries	2,500	
Rents and rates	3,500	
Transportation	<u>2,600</u>	(8,600)
Net profit c/d		<u>8,900</u>

(ii) Working capital = Current assets less current liability

	₦	₦
<u>Current assets</u>		
Closing stock	15,000	
Debtors	100,000	
Cash at bank	<u>25,000</u>	140,000
<u>Current liabilities</u>		
Creditors	50,000	
Bank overdraft	<u>60,000</u>	<u>110,000</u>
		<u>30,000</u>

(iii) Rate of stock turnover = $\frac{\text{Cost of goods sold}}{\text{Average inventory}}$

$$\begin{aligned} \text{Cost of goods sold} &= \text{Opening stock} + \text{purchases} - \text{closing stock} \\ &= 37,500 + 30,000 - 15,000 \\ &= 52,500 \end{aligned}$$

$$\begin{aligned} \text{Average stock} &= \frac{\text{Opening stock} + \text{Closing stock}}{2} \\ &= \frac{37,500 + 15,000}{2} \\ &= 26,250 \end{aligned}$$

$$\begin{aligned} \text{Therefore, Rate of stock turnover} &= \frac{52,500}{26,250} \\ &= 2 \text{ times} \end{aligned}$$

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