
BGCSE
COMMERCE
EXAMINATION PAPERS
UNDERSTAND • PRACTICE • SUCCEED

THE
OPENHANDED
CLASSROOM

LEARN MORE. ACHIEVE MORE. SMILE MORE.

BGCSE
CLASSES

- Exam-Focused Learning
- Past Papers & Strategies
- Stronger Understanding
- Better Grades, Brighter Future

CLICK HERE

SAT
CLASSES

- Smart Test Strategies
- Stronger Scores
- Time Management Skills
- College & Scholarship Ready

CLICK HERE

BJC
CLASSES

- Clear, Simple Explanations
- Focus on Understanding
- Help That Fits Your Pace
- Build Confidence, Get Results

CLICK HERE

EXPERT TEACHING. PROVEN RESULTS.

LEARN SMARTER. ACHIEVE MORE.

FOCUSED SUPPORT. REAL RESULTS.

THEOPENHANDEDCLASSROOM:
(242) 426-8891

EXAM-REAL. EXAM-PROVEN.

FREE LISTENING COMPREHENSION AUDIO FILES

THE EXACT AUDIO USED IN PAST BJC & BGCSE EXAMS

REAL EXAMS
The exact listening comprehension audio from past papers.

REAL PREPARATION
Hear what you'll hear in the real exam.

REAL RESULTS
Practise with purpose. Improve your confidence and performance.

AVAILABLE FOR:

- BJC ENGLISH
- BGCSE ENGLISH LANGUAGE
- BJC FRENCH
- BJC SPANISH
- BGCSE FRENCH
- BGCSE SPANISH

WHY THESE AUDIO FILES MATTER

EXACT AUDIO
The exact recordings used in past BJC & BGCSE exams.

EXAM FAMILIARITY
Get used to the real voices, speed, accents and exam conditions.

STRATEGIC ADVANTAGE
Walk in confident knowing exactly what to expect.

100% FREE
High quality. No cost. Just results.

CLICK HERE

DOWNLOAD • START PRACTISING

BETTER PREPARATION.
BETTER RESULTS.

You've got this!

PAST EXAMS. REAL AUDIO. BETTER PREP. GREATER CONFIDENCE.

2221/1 **BGCSE**

School Number	Candidate Number
Surname and Initials	

COMMERCE

PAPER 1 2221/1

Friday 18 JUNE 2021 9:00 A.M. – 11:00 A.M.

Additional materials:
None

MINISTRY OF EDUCATION NATIONAL EXAMINATIONS

BAHAMAS GENERAL CERTIFICATE OF SECONDARY EDUCATION

INSTRUCTIONS TO CANDIDATES

Do not open this booklet until you are told to do so.

Write your School Number, Candidate Number, Surname and Initials at the top of this booklet.

Answer **ALL** questions.

INFORMATION FOR CANDIDATES

Calculators are allowed.

The number of marks available is shown in brackets [ ] at the end of each question or part question.

FOR EXAMINER'S USE ONLY	
Section A – M/C Questions 1–20	
Section B – Matching Questions 21	
Section C – Structured Questions 22–27	
Total Marks 100	

This question paper consists of 18 printed pages and 2 blank pages.

SECTION A

MULTIPLE CHOICE
(20 marks)

INSTRUCTIONS: Read each question carefully. Choose the **ONE** answer you know is correct. Circle the letter in the booklet. There is **ONLY ONE** correct answer. Answer **ALL** questions.

1. LL Wholesale operates from large warehouses, allows credit and delivers goods to its retail customers. What type of wholesaler is LL Wholesale?

   A. cash and carry
   B. general
   C. merchant
   D. specialist [1]

2. Heather wrote the amount of a cheque in words as '*one thousand five hundred and sixty and 00/100*' and then *$1 160.00* in figures. How is the bank most likely to respond to this cheque?

   A. call the drawer to check on the amount
   B. pay the bearer $1 160.00
   C. pay the bearer $1 560.00
   D. refuse to pay any amount [1]

3. What kind of sea transport is a tramp ship?

   A. carry mail and cargo
   B. ferry passengers from place to place
   C. have no set route or timetable
   D. move containers around [1]

4. Which one is **not** a guaranteed method of saving?

   A. certificate of deposit
   B. endowment assurance
   C. post office savings account
   D. stock market [1]

5. Which institution is a part of the Capital Market?

A. CC Bank
B. PI Cooperative Credit Union
C. BB Mortgage Corporation
D. LL Brokers [1]

6. Robert, a plumber, and Tommy, a tile layer, installed a new swimming pool for the local school. In which branch of production do they work?

A. direct
B. primary
C. secondary
D. tertiary [1]

7. Betty, in Grand Bahama, purchased supplies for her store from a manufacturer in London, England. Which form of payment should she use for her transaction?

A. bill of exchange
B. cash
C. cheque
D. credit note [1]

8. What is the most important reason for The Bahamas to continue to import consumer goods into the country?

A. to improve the Balance of Payment position
B. to increase government revenue through taxation
C. to protect home industries from foreign competition
D. to satisfy consumer demand for goods not produced in The Bahamas [1]

9. Mr. Rolle received an invoice from his supplier for goods totalling $670. He receives trade discount of 10% and his terms are 5% if paid within 7 days. How much would he pay if he paid within 7 days?

A. $569.50
B. $572.85
C. $603.00
D. $636.50 [1]

10. What is a basic function of The Bahamas Agricultural and Industrial Corporation (BAIC)?

A. assisting potential organisations in downsizing operations
B. producing items for international trade
C. offering financial resources to Bahamian entrepreneurs
D. providing public relations assistance for businesses [1]

11. Mrs. Grant made National Insurance contributions for 40 years and has now retired. She is now required to be verified at least twice each year. What does this mean?

A. ask former boss for evidence of being employed
B. host a retirement party
C. produce proof of identity
D. provide a recent photograph of herself [1]

12. T's Dry Goods wishes to borrow $5 000 with an annual interest rate of 6%. How much does this loan cost T's Dry Goods this year?

A. $300
B. $500
C. $700
D. $1 000 [1]

13. Which type of business does **not** have a separate legal identity from its owners?

A. cooperative
B. partnership
C. private limited company
D. public limited company [1]

14. Linda purchased a new office desk and chair for $3 869 on credit. Which credit facility is she likely to use?

A. credit card
B. credit sale agreement
C. hire purchase agreement
D. trade credit [1]

15. VG's Wholesalers sent the following Statement of Account to SS Flowers Store:

VG's Wholesalers				
STATEMENT OF ACCOUNT				
To: SS Flowers Store East Shirley Street Nassau, Bahamas				Date: 10/5/2021
Date	**Details**	**Debits $**	**Credits $**	**Balance $**
	Balance brought forward			85.83
13/4/21	Cheque		49.53	36.30
20/4/21	Invoice # 652	113.46		149.76
25/4/21	Cheque		30.48	119.28
27/4/21	Invoice # 712		2.88	116.40
Terms: 2½% Discount 7 Days				

According to this Statement of Account, what transaction took place on 20th April, 2021?

A. VG's Wholesalers sold goods
B. VG's Wholesalers paid for goods
C. VG's Wholesalers received goods
D. VG's Wholesalers returned goods to manufacturer [1]

16. Larry's is known as a '*shop of shops*'. What does this mean?

A. Larry's distributes goods as a wholesale.
B. Larry's is a hypermarket.
C. Larry's is a store for household items.
D. Larry's sells branded goods. [1]

17. In a trade dispute, which term **best** describes what happens if both sides agree to accept the verdict?

A. agreement
B. arbitration
C. conciliation
D. settlement [1]

18. HS Shoe Store offers a *Buy One Get One Free* promotion. What is the purpose of this promotion?

A. control the price of the products
B. improve the marketing mix
C. lessen the amount of stock held
D. reduce advertising costs [1]

19. Which type of advertising media would be **most** appropriate for a sole trader business advertising new stock?

A. flyers
B. newspaper
C. radio
D. television [1]

20. If customs duty on clothing is 35% in The Bahamas, how much is the total cost of imported clothing valued at $550?

A. $192.50
B. $357.50
C. $585.00
D. $742.50 [1]

TOTAL MARKS [20]

SECTION B

MATCHING QUESTIONS
(10 marks)

21. **Column A** has a list of terms. **Column B** has a list of definitions. In the space provided in the **ANSWERS** column write the **LETTER** from **Column B** that best defines the term in **Column A**.

ANSWERS	COLUMN A	COLUMN B
______	Public Limited Company	**A.** A business that can have between 2 and 20 persons as members.
______	Cooperative	**B.** An enterprise that has subsidiaries or branches in more than one country.
______	Multinational	**C.** Company that shares ownership and encourages investors to provide capital.
______	Private Limited Company	**D.** When one company exists to control other companies.
______	Franchise	**E.** A business that has at least two members and Ltd. in its name.
______	Partnership	**F.** Business owned and controlled by members.
______	Holding Company	**G.** An organisation governed by a council consisting of people who were successfully voted into office.
______	Building Society	**H.** A business formed by an Act of Parliament to provide services not undertaken by private enterprise.
______	Corporation	**I.** An agreement made between a large-scale firm and a sole trader to use the large-scale firm's name.
______	Municipal Authority	**J.** Competes with commercial banks to obtain deposits from savers.

TOTAL MARKS [10]

SECTION C

STRUCTURED QUESTION
(70 marks)

INSTRUCTIONS: Answer the following questions in the spaces provided.

22. Explain the following terms:

(a) mixed economic system

____

____

____ [2]

(b) shop steward

____

____

____ [2]

(c) tariff

____

____

____ [2]

(d) uninsurable risks

____

____

____ [2]

(e) standing order

____

____

____ [2]

TOTAL MARKS [10]

23. During times of disaster the government of The Bahamas sends much needed supplies to the numerous residents of affected islands. Both the Royal Bahamas Defence Force and the Royal Bahamas Police Force are also dispatched.

(a) What mode of transport would the Royal Bahamas Defence Force use to transport supplies?

______________________________ [1]

(b) Give **two** reasons why this mode of transport was chosen.

____

____

______________________________ [2]

(c) Food and water, clothing, shelter, and medical assistance are some basic needs after a devastating event.

Rank the needs above from **1** to **4** with **1** being the highest and **4** being the lowest in terms of priority for attention. Give **one** reason for the **top** priority need.

____

____

______________________________ [4]

REASON

____

____

______________________________ [1]

(d) Explain **one** reason why you would support the dispatch of both the Royal Bahamas Police Force and the Royal Bahamas Defence Force officers to these areas.

____

____

______________________________ [2]

TOTAL MARKS [10]

[Turn over

24. In today's society, companies flood the public with hundreds of advertisements intending to reach its target market.

(a)

Figure 1

(i) Which type of advertisement is demonstrated in Figure 1.

____ [1]

(ii) This product has a brand name associated with it. Give **two** characteristics of a *branded* item.

____

____

____ [2]

(iii) This product has been selling for $89.99 a pair with average weekly sales of 135 pairs. Calculate the average monthly revenue for this product. Show your working.

[2]

(b) (i) Before laws were passed to protect consumers, what was the rule that guided consumers wishing to make expensive purchases?

____ [1]

(ii) The product in Figure 1 says that it is designed for running.

Explain **one** reason why it was necessary for the manufacturer to attach such a description.

____

____

____

____ [2]

(c) The Bahamian government announced a ban on single use plastics after January 2020 in response to environmental concerns, particularly for marine life. Included in the ban was the release of balloons, a popular, but potentially dangerous, practice.

(i) As a consumer, which ***right*** and ***responsibility*** would Tammy be violating if she decides to release balloons for her daughter's birthday?

RIGHT

____ [1]

RESPONSIBILITY

____ [1]

(ii) The Consumer Protection Act 2002 established legal structure to support and protect Bahamian consumers. Give **three** ways that this ban on plastics serves to 'protect' consumers.

____

____

____

____

____ [3]

(d) Describe **two** other ***rights*** of consumers as outlined in the Consumer Protection Act of The Bahamas.

____

____

____

____ [2]

TOTAL MARKS [15]

25. Ann Brown is the owner of TS Convenience Store. She purchased goods costing $1 850 from PP Wholesale Ltd. and pays her bill by cheque #219 drawn on CB Bank, Prince Charles Road. PP Wholesale Ltd. deposits the cheque into its account with FS Bank, Walker Road Branch.

Study the flow chart below for the 'clearing' of the cheque.

(a) Enter the letter of the transaction statement from page 14 in the appropriate box to complete the flow chart. [6]

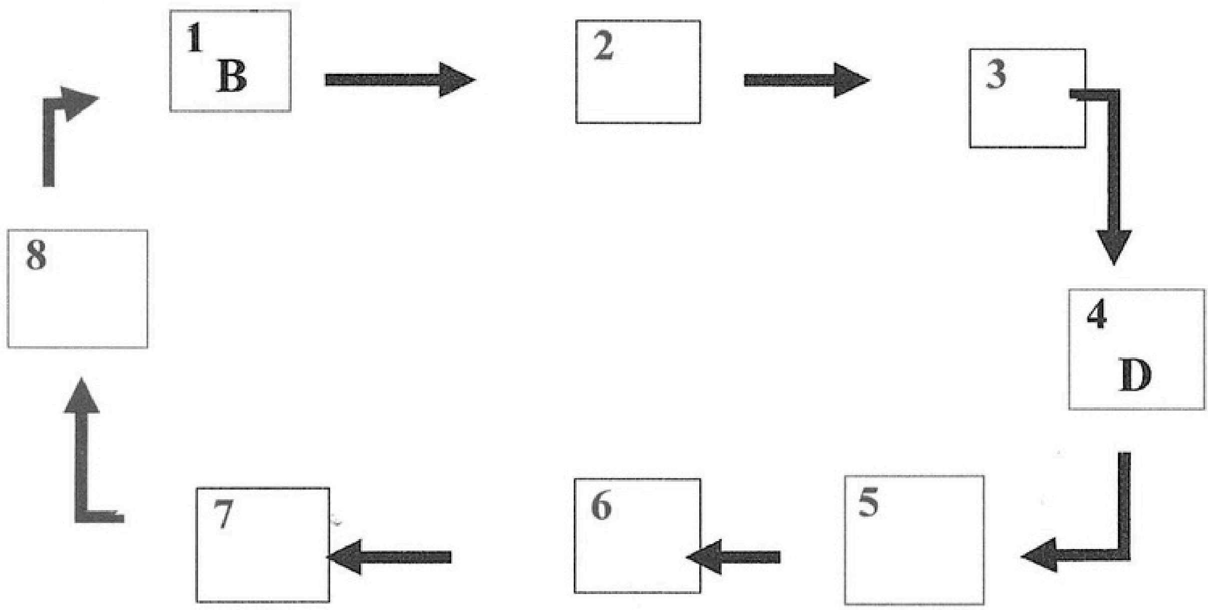

Figure 2

TRANSACTIONS:

A. CB Bank, Prince Charles Road deducts $1 850 from Ann Browns account.

B. Ann Brown, the drawer.

C. Ann Brown writes a cheque on her bank, CB Bank, Prince Charles Road gives the cheque to PP Wholesale Ltd.

D. FS Bank, Walker Road Branch sends the cheque to the Clearing House.

E. CB Bank, Prince Charles Road branch returns the cancelled cheque to Ann Brown.

F. FS Bank, Walker Road branch adds $1 850 to PP Wholesale Ltd.'s account.

G. CB Bank picks up the cheque at the Clearing House.

H. PP Wholesale Ltd., (the payee) endorses the cheque and deposits it in its bank, FS Bank, Walker Road branch.

(b) The central financial institution in The Bahamas is the Central Bank of The Bahamas.

Name and explain the importance of **two** supervisory functions this institution carries out with other banks.

____

____

____

____

____ [4]

TOTAL MARKS [10]

26. J's Grocers, is a successful chain of retail stores. It sells organic foods. These include meat and fruits obtained through a commodities market located in Florida. J's Grocers warehouses its goods in a regional distribution centre located east of downtown Freeport.

(a) The most suitable distribution route for J's Grocers is:

PRODUCER ⟹ RETAILER ⟹ CONSUMER

Explain **two** reasons for the omission of the wholesaler in this distribution route.

____ [4]

(b) Why would J's Grocers choose to warehouse goods at a regional distribution centre?

____ [2]

(c) What is a commodity market?

____ [1]

(d) Give **three** benefits for J's Grocers to be able to participate in a commodity market.

____ [3]

TOTAL MARKS [10]

27. MX Ltd., a local dealer, is insuring two newly-acquired delivery trucks. Each vehicle has a Certificate of Motor Insurance as shown below.

CERTIFICATE OF MOTOR INSURANCE

Sunny Isle Insurers, Ltd.

1. **Document Number: FCGB0816425**

2. **Description of Vehicle**
C. Any Motor Vehicle the property of the Document Holder or in their custody or control or for which they are legally responsible.

3. **Name of Document Holder**
Midex Ltd.

4. **Effective Date of the Commencement of Insurance for the purpose of the Acts**
01/01/2021

5. **Date of expiry of Insurance**
01/01/2022

6. **Person or Classes of Persons entitled to drive as defined below:**
D. Any person who is driving with the document holder's consent.

Provided that the person driving holds a licence to drive the Vehicle or has held and is not disqualified from holding or obtaining such a licence.

7. **Limitations to use as defined below**
P. Use only for Private Hire meaning the conveyance of passengers for hire or reward.
S. Social, Domestic, and Pleasure purposes only.
V. For the business or trade purposes of the Document Holder.

8. **The document does not cover**
ii) Racing, pace-setting, speed trials, motor rallies, competitions or trials.
iii) In connection with the motor trade.
iv) Towing for reward a mechanically propelled vehicle.
v) Semi-Trailer being part of an articulated vehicle.

I hereby certify that the Document to which this Certificate relates satisfies the requirements of the relevant law applicable in **The Commonwealth of The Bahamas**.

Sunny Isle Insurers Ltd.
#10 East Shirley Street
Nassau, Bahamas

For and behalf of the Underwriters subscribing to
Sunny Isle Insurers Authorized Dealers

B.D. Carpenter
Underwriter

Advice to Third Parties
"Nothing contained in this certificate affects your right as Third Party to make a claim"

NOTE: YOU SHOULD REFER TO YOUR POLICY FOR FULL DETAILS OF YOUR INSURANCE COVER

(a) (i) According to the insurance certificate, when does the present coverage for the vehicle expire?

____ [1]

(ii) Why is it necessary for MX Ltd. to have coverage for this period?

____ [1]

(b) (i) Based on the certificate, who is allowed to drive the company's vehicles?

____ [1]

(ii) How does this **benefit** MX Ltd.?

____ [1]

(c) The annual premium for each vehicle is $600 and VAT is 12%. Calculate how much MX Ltd. would pay to insure both vehicles. Show your working.

[2]

(d) Give **three** possible reasons for the level of the annual insurance premium for each vehicle.

____

____

____

____ [3]

(e) Item 8 outlines what this document '*does not cover*'.

Give **two** possible reasons for the insurance company not covering the risks noted in **Item (ii)**.

[2]

(f) (i) Name the underwriter for this insurance risk.

[1]

(ii) Describe the role of the underwriter.

[3]

TOTAL MARKS [15]

End]

BLANK PAGE