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COMMERCE

PAPER 1 2221/1

Thursday **29 MAY 2025** 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	
Total Marks 100	

This question paper consists of 16 printed pages.

SECTION A

MULTIPLE CHOICE
(20 marks)

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

1. Which of the following refer to all the natural resources found in the earth and sea?

   A. Land
   B. Labour
   C. Capital
   D. Entrepreneur [1]

2. Why are wholesale warehouses important to home trade?

   A. To provide retailers with their needs.
   B. To prevent deterioration of goods.
   C. To keep prices stable.
   D. To store goods for future use. [1]

3. Which of the following is **not** a reason to leave out the wholesaler in the distribution process?

   A. Large retailers can go direct to the producer.
   B. Independent retailer buying grocery from a large producer.
   C. Customer wants a product made based on their specifications.
   D. Producers have their own retail stores. [1]

4. Medical supplies are needed in New Providence after a Hurricane. Which method of transport should be used?

   A. Sea transport
   B. Road transport
   C. Rail transport
   D. Air transport [1]

5. When an entrepreneur is choosing a method of communication to reach their suppliers they must **not** take which of the following into consideration?

A. Urgency and Speed
B. Need for confidentiality
C. Location of the Sender
D. Relationship with their supplier [1]

6. Which of the following services rendered by the post office provides compensation if letter or parcel is lost or damaged?

A. Poste Restante
B. Datapost
C. Business Reply Service
D. Registered Post [1]

7. Which of the following advertising media is the most powerful and cost-effective method used by businesses?

A. Internet
B. Television
C. Radio
D. Newspaper [1]

8. Sarah owns a clothing store and bought a pair of pants for $34.50 from a supplier and sold the pants for $40.00. Which of the following is Sara's Profit-margin?

A. 12.50%
B. 13.75%
C. 14.50%
D. 15.94% [1]

9. Money caused people to be able to sell their surplus of goods and use it to buy their needs. Money became which of the following?

A. A measure of value
B. A store of value
C. A standard of postponed payments
D. A medium of exchange [1]

10. Which of the following is The Bahamas' leading financial institution?

A. Bank of the Bahamas
B. Commonwealth Bank
C. The Central Bank
D. Finance Corporation of the Bahamas [1]

11. Which of the following National Insurance Benefit requires no contributions to qualify for the benefit?

A. Industrial Injury
B. Sickness
C. Maternity
D. Unemployment [1]

12. What is another term for Balance of Trade?

A. Balance of Payment
B. Visible Trade
C. Invisible Trade
D. Foreign Trade [1]

13. Which of the following types of finance **does not** require a company to pay back the finance used to expand the company?

A. Finance from Insurance Companies
B. Finance from the Sale of Shares
C. Finance from Hire Purchase Companies
D. Finance from Pension Fund Companies [1]

14. In order for Limited Companies to get approval to commence trading they must submit which of the following documents to the Registrar of Companies?

A. Business License
B. Documentary Bill
C. Memorandum of Association
D. Statement of Account [1]

15. Which of the following documents is used internally within a business?

A. Tender
B. Order
C. Purchase Order
D. Requisition [1]

16. A supplier sent an invoice with **TERMS 5% 7 days** for goods costing $1400.00. Which of the following amounts will be paid if the customer pays in 5 days?

A. $1330.00
B. $$70.00
C. $1470.00
D. $98.00 [1]

17. Which of the following services are **not** provided by Commercial Banks?

A. Providing Currency and Bank Drafts
B. Issuing Credit and Debit Cards
C. Providing Overdrafts
D. Issuing Notes and Coins [1]

18. Public Limited Companies use investors' money in their business. Which of the following best describes what investors' money is used for in this type of company?

A. Pay off Loans
B. Expand and grow the business
C. Pay Board of Directors Salaries
D. Pay Corporate taxes [1]

19. Price Control is a Government intervention. Which of the following statements defines Price Control?

A. There is a limit on the price of a good
B. The minimum price retailers are required to sell a good
C. A method used to assist the less fortunate
D. Subsidy given to home countries to reduce prices [1]

20. What is the name of the first trade union to go on strike in The Bahamas?

A. The Bahamas Union of Teachers
B. The Public Service Union
C. The Public Utilities Union
D. The Taxi Cab Union [1]

TOTAL MARKS [20]

SECTION B

MATCHING QUESTIONS

21. In **Column A** there is a list of terms. In **Column B** there is a list of definitions. In the blank space provided write the **LETTER** of the definition which best defines each term in **Column A**.

ANSWER	COLUMN A	COLUMN B
1. ___________	Public Limited Company	**A.** Outlines the internal rules by which a company is operated.
2. ___________	Money Market	**B.** Receives dividend payments.
3. ___________	Partnership	**C.** Refers to a number of institutions that provide short-term loans.
4. ___________	Municipal Authority	**D.** The transfer of share ownership is not simple.
5. ___________	Capital Market	**E.** Type of business which shares their net profits with their members.
6. ___________	Private Limited Company	**F.** Concerned with local self-government.
7. ___________	Corporation	**G.** Allowed to have from 2 to 20 persons as members.
8. ___________	Consumer Cooperatives	**H.** Government-owned industries established to provide a particular good or service.
9. ___________	Shareholder	**I.** Refers to a number of institutions that provide long-term loans.
10. ___________	Articles of Association	**J.** The transfer of share ownership in this company is simple.

TOTAL MARKS [10]

[Turn over

SECTION C

STRUCTURED QUESTIONS
(70 marks)

INSTRUCTIONS: Answer the following questions in the spaces provided.

22. Explain the following terms:

(a) Freight Forwarder

____

____

____ [2]

(b) Industrial Market

____

____

____ [2]

(c) Distribution

____

____

____ [2]

(d) Global Trade

____

____

____ [2]

(e) Trade Credit

____

____

____ [2]

TOTAL MARKS [10]

23. Island Deliveries is a door-to-door delivery service. It recently expanded its fleet of vehicles and is recruiting new drivers.

(a) Which postal service might be the most suitable for Island Deliveries to use to send a contract of employment out to a new driver? Give a reason for your answer.

Postal Service: ____ [1]

Reason: ____

____

____ [1]

(b) Explain a situation in which a driver might use a telephone to contact Island Deliveries.

____

____

____ [2]

(c) A toy manufacturer is considering developing a new smart device for high school students. The Marketing Department has decided to conduct market research before developing the product.

(i) Define market research.

____

____

____ [1]

(ii) Recommend and describe a type of market research the toy manufacturer could use for its product.

____

____

____ [2]

(iii) Describe what is meant by branding as it relates to a product.

____

____

____ [2]

(iv) State the term that identifies the group to whom the product would be marketed to.

____ [1]

TOTAL MARKS [10]

24. Keianna Moore dreamed of opening her own baby store. Keianna's grandmother recently died and she inherited $50,000. She decided to use her inheritance to open the baby store, "Everything Baby".

(a) State what type of bank account Keianna Moore should open to deposit her inheritance to start the business? Give a reason for your choice.

Type: ____ [1]

Reason: ____

____

____ [1]

(b) If Keianna Moore needs more than $50,000 to start her business, identify where can she receive private financing from?

____ [1]

(c) Keianna Moore plans to buy from four different companies. She will buy $3,500 worth of stock from each of the companies per week.

(i) Calculate Keianna's total purchases for the week from the four different companies.

[2]

(ii) Calculate the total monthly purchases for Keianna from the companies.

[2]

(d) Keianna hopes to make a net profit of $30,000. She would like to save $10,000 for her store's future use. Provide **TWO** (2) reasons why Keianna should save some of the profits made for use in the future.

Reason 1: ____

____

____ [1]

Reason 2: ____

____

____ [1]

(e) Explain the term 'interest' as it relates to banking.

____

____

____ [2]

(f) An investor is any person or other entity who commits capital with the expectation of receiving financial returns.

Discuss **ONE** (1) reason why Keianna should get an investor (s) for her business.

____

____

____

____ [2]

(g) The Bahamas Government offers support to businesses through Government Grants. Explain the term Government Grants.

____

____

____ [2]

TOTAL MARKS [15]

[Turn over

25. The Bahamas' tourism industry was greatly affected by Covid-19. As a result, many hotels had to reduce the size of their operations resulting in massive lay-offs and reduced spending.

(a) Unionised workers who were laid off claimed that their Trade Union could have done more for them in the negotiation of severance packages.

(i) Justify the reason for Trade Unions to still be relevant in today's society.

____

____

____

____ [2]

(ii) What type of union is described in the text above?

____ [1]

(b) In the tertiary sector there are two broad groups of workers, those providing 'commercial services' and those offering 'direct services'.

(i) Identify the group where hotel workers are found.

____ [1]

(ii) Differentiate between Commercial Services and Direct Services.

____

____

____

____

____ [2]

(c) There are scarce or limited resources which are used to meet our unlimited wants. The scarce or limited resources are collectively called The Factors of Production.

List **TWO** (2) factors of production and their payment.

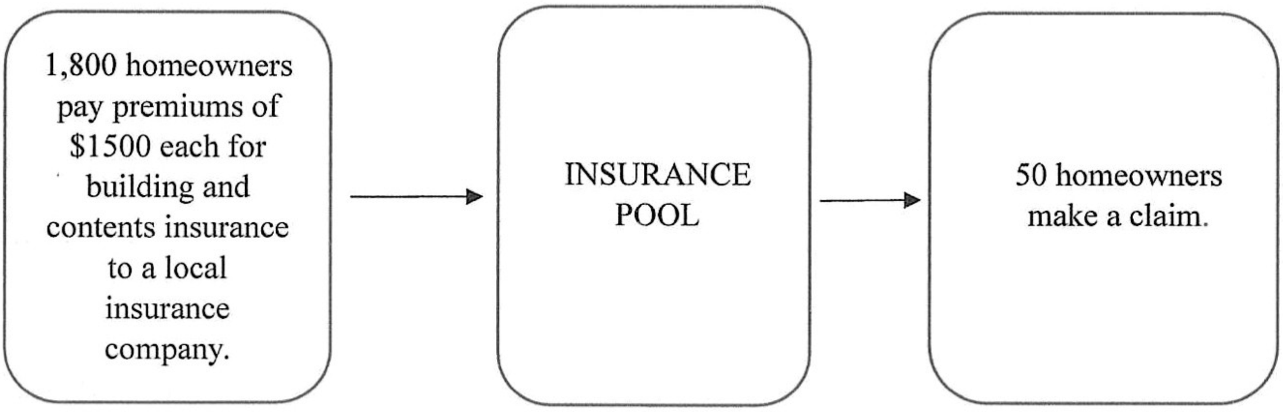
Factor ____________________ [1] Payment ____________________ [1]

Factor ____________________ [1] Payment ____________________ [1]

[4]

TOTAL MARKS [10]

26. The diagram below represents the pooling of risks for 1,800 homeowners.



(a) Define the term 'pooling of risks'.

____

____

____

____ [2]

(b) Calculate the total premiums paid to the insurance company by the homeowners. Show your working.

[2]

FACTORY BLAZE

Fire has destroyed the factory of Stylish Footwear on Main Street just weeks before the Christmas rush. The Chief Fire Official said that the fire was caused by an electrical fault in a storeroom and quickly spread throughout the factory. A spokesperson for Stylish Footwear said that extensive damage to buildings, machinery and stock means that production will be suspended for at least two months.

(c) Explain the effect on the insured's claim if the building was underinsured.

____

____

____ [2]

(d) Stylish Footwear intends to import new machinery to replace all of the machinery damaged in the fire. Explain the role of the customs authority in the international trade process.

____

____

____

____ [2]

(e) The footwear company sells its shoes to customers all around the world. They have decided to use an export house to sell their products. Explain the role of the export house for Stylish Footwear.

____

____

____

____ [2]

TOTAL MARKS [10]

27. Transportation is an important element to all parts of the chain of distribution.

(a) Outline the traditional distribution channel used to place goods in the hands of the consumer.

[1]

(b) All Natural Produce is a Producers' co-operative that provides agricultural goods to consumers both locally and abroad. Describe co-operatives.

____

____

____

____ [2]

All Natural Produce has prepared an invoice for The Corner Store.

INVOICE
All Natural Produce
Kings Highway
Georgetown, Exuma

No: 207

The Corner Store
Farmers Hill, Exuma

Date: 7th May, 2025

Terms: 5% 10 days
Otherwise Net

QUANTITY	DESCRIPTION	AMOUNT	PRICE
12	Case Avocadoes	$ 21.25	$
7	Case Mangoes	$30.50	$
4	Case Papayas	$19.75	$

Gross Invoice $ ____________________

Less 20% Trade Discount $ ____________________

Net Invoice $ ____________________

E&OE

(c) Calculate the Gross and Net Invoice amounts. Show your working.

(i) Gross Invoice

[4]

(ii) Net Invoice

[2]

(iii) Explain the purpose of the notation "E&OE" on this invoice.

____________________ [2]

(d) Justify **ONE** (1) reason why a business would remit payment on receipt of the statement of account rather that an invoice.

____________________ [2]

(e) The Corner Store is an independent retail shop that caters to neighboring communities in Farmers' Hill. Describe **TWO** (2) features of an independent shop.

Feature One: ____________________ [1]

Feature Two: ____________________ [1]

TOTAL MARKS [15]

End]