

Worksheet 8: Applying understanding to commerce data used in examination questions answers

- 1 Fig. 1.1 shows some Balance of Payments data for country A in 2024. Country A's main exports are fish, clothing and tourism. Its main imports are electronics, insurance and oil.

Key term:	Total exports (\$m)	Total imports (\$m)
Visible trade	750	850
Invisible trade	435	580

Fig. 1.1 Extract from country A's Balance of Payments

Use Fig. 1.1 to help you answer the following questions.

- (a) Using examples from country A, state the difference between visible and invisible trade. [4]

Visible trade
is the trade in goods/tangibles (1 mark), e.g. fish/oil/clothing/electronics (1 mark)

Invisible trade
is the trade in services/non-tangibles (1 mark), e.g. tourism/insurance (1 mark)

- (b) Calculate the Balance of trade in 2024 for country A. Show your working. [2]

$$750(\$m) - 850(\$m) = -100(\$m) \text{ (2 marks)}$$



2 Fig. 2.1 shows some of a company's financial information.

The company's long-term capital has been raised with:

1 000 000 ordinary shares of \$1

4 000 000 8% preference shares of 50 cents

\$7 000 000 of 7% debentures

During the year, the company's accounts showed:

Sales revenue \$2 000 000

Production costs (excluding payments to debenture holders) \$500 000

Income tax \$50 000

Fig. 2.1 Extract from a company's country A's financial information

Use Fig. 2.1 to help you answer the following questions.

(a) (i) Which one of the sources of capital would give shareholders voting rights? [1]

Ordinary shares (1 mark)

(ii) How much does the company pay in interest to debenture holders each year? [1]

\$490 000 (2 marks)