THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF EDUCATION AND VOCATIONAL TRAINING

FORM TWO SECONDARY EDUCATION EXAMINATION, 2001

0061 **COMMERCE**

Time: 2 Hours.

INSTRUCTIONS

1. This paper consists of sections **A**, **B** and **C**.
2. Answer **ALL** questions.
3. **ALL** answers should be written in the spaces provided.
4. Write your examination number at the top-right corner of every page
5. **ALL** writing must be in **black** or **blue** ink.
6. Cellular phones and calculators are not allowed in the examination room.

FOR EXAMINER'S USE ONLY		
QUESTION NUMBER	**SCORE**	**EXAMINER'S INITIIALS**
1		
2		
3		
4		
5		
6		
7		
TOTAL		
CHECKER'S INITIALS		

SECTION A (30 MARKS)

1. For each of the following items, choose the correct answer and write its letter.

(i) Commerce mainly deals with

A. creation of goods

B. distribution of goods

C. consumption of goods

D. destruction of goods

(ii) Goods used to make other goods are known as

A. consumer goods

B. luxury goods

C. capital goods

D. free goods

(iii) The reward for labour is

A. rent

B. interest

C. profit

D. wage

(iv) A fall in price normally causes

A. decrease in demand

B. increase in demand

C. decrease in supply

D. no change in demand

(v) A trader who sells goods from door to door is called

A. retailer

B. hawker

C. broker

D. wholesaler

(vi) Goods which spoil easily are referred to as

A. durable goods

B. capital goods

C. perishable goods

D. consumer goods

(vii) The document prepared by the seller showing goods sold on credit is

A. receipt

B. invoice

C. debit note

D. credit note

(viii) Buying and selling within a country is called

A. foreign trade

B. international trade

C. home trade

D. export trade

(ix) A warehouse owned by the government and open to the public is

A. private warehouse

B. bonded warehouse

C. public warehouse

D. cold storage

(x) The ability of a good to satisfy human wants is

A. scarcity

B. utility

C. demand

D. supply

2. Choose the correct term from List B which matches with the explanation in List A, then write the letter below the number of the relevant explanation in the table provide.

LIST A	LIST B
(i) Buying goods in large quantities from producers (ii) Payment for use of land (iii) Exchange of goods without use of money (iv) Selling goods to final consumers (v) Storage of goods until required (vi) Risk bearer and organizer of production (vii) Document authorizing removal of goods from warehouse (viii) Cost that remains constant regardless of output (ix) Promotion of goods and services (x) Movement of goods from one place to another	A. Retail trade B. Wholesaler C. Rent D. Barter trade E. Warehousing F. Entrepreneur G. Warehouse warrant H. Fixed cost I. Advertising J. Transportation K. Commerce L. Stock turn M. Invoice N. Broker O. Public warehouse

Answers

3. Complete each of the following statements by filling in the blanks with correct word(s)

(i) Trade that involves other countries is called _____

(ii) The reward for capital is _____

(iii) Goods kept for future sale are known as _____

(iv) The selling price minus cost price gives _____

(v) The process of valuing stock periodically is _____

(vi) Goods bought for resale are _____

(vii) The point at which demand equals supply is _____

(viii) A trader who sells goods on commission is a _____

(ix) The cost per unit of output is called _____

(x) The study of how people satisfy unlimited wants using scarce resources is _____

SECTION B (30 MARKS)

4. Write short notes on

(a) Retail trade

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(b) Consumer goods

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(c) Advertising

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(d) Fixed cost

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(e) Warehouse

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5. Explain five services rendered by wholesalers to retailers.

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SECTION C (40 MARKS)

6. The following table shows price and quantity demanded of maize flour.

Price per bag (Tshs):	20000	25000	30000
Quantity demanded(bags):	600	450	300

(a) Calculate the price elasticity of demand when price rises from Tshs 20,000 to Tshs 30,000.

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(b) Comment on the elasticity obtained.

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7. Explain five advantages of home trade.

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