THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF EDUCATION AND VOCATIONAL TRAINING

FORM TWO SECONDARY EDUCATION EXAMINATION, 2002

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 in the box provided.

(i) The main aim of production is to

A. earn profit

B. satisfy human wants

C. expand markets

D. advertise goods

(ii) A trader who links producers and retailers is

A. broker

B. consumer

C. wholesaler

D. agent

(iii) The reward for entrepreneurship is

A. wage

B. interest

C. profit

D. rent

(iv) A rightward shift of the demand curve indicates

A. fall in demand

B. increase in demand

C. fall in supply

D. increase in supply

(v) A shop selling goods through catalogues and postal services is

A. mobile shop

B. mail order business

C. tied shop

D. multiple shop

(vi) Goods that are used once are

A. durable goods

B. capital goods

C. non-durable goods

D. producer goods

(vii) A note sent by buyer to seller for overcharge is

A. credit note

B. receipt

C. debit note

D. invoice

(viii) Trade and aids to trade together form

A. economics

B. commerce

C. industry

D. specialization

(ix) Stock level below which goods should not fall is

A. maximum stock

B. minimum stock

C. average stock

D. closing stock

(x) Selling goods to other countries is

A. import trade

B. export trade

C. home trade

D. retail trade

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) Payment for use of capital (ii) Exchange without money (iii) Buying goods abroad (iv) Selling goods abroad (v) Storage of imported goods before duty payment (vi) Buying goods in bulk (vii) Selling goods in small quantities (viii) Risk bearer in business (ix) Promotion of sales (x) Price paid for land	A. Export trade B. Import trade C. Wholesaler D. Retailer E. Barter trade F. Bonded warehouse G. Interest H. Entrepreneur I. Advertising J. Rent K. Profit L. Public warehouse M. Invoice N. Transportation O. Commerce

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

(i) The total revenue minus total cost gives .....

(ii) Goods from abroad are .....

(iii) The path goods follow from producer to consumer is .....

(iv) The reward for labour is .....

(v) Selling goods at reduced price is .....

(vi) Goods for final consumption are .....

(vii) The ability to satisfy wants is .....

(viii) Trade within the country is .....

(ix) Goods stored awaiting sale are .....

(x) The organizer of production is .....

SECTION B (30 MARKS)

4. Briefly explain

(a) Division of labour

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(b) Supply

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(c) Mobile trader

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(d) Consumer

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(e) Discount

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5. State five functions of retailers.

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SECTION C (40 MARKS)

6. The following information relates to Mlimani Stores.

Opening stock Tshs 48,000

Purchases Tshs 212,000

Closing stock Tshs 52,000

(a) Calculate cost of goods sold.

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(b) Calculate average stock.

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(c) Determine the rate of stock turn.

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7. Explain five causes of increase in demand.

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