**THE UNITED REPUBLIC OF TANZANIA**

**MINISTRY OF EDUCATION AND VOCATIONAL TRAINING**

**FORM TWO SECONDARY EDUCATION EXAMINATION, 2004**

**0061** **COMMERCE**

**Time: 2 Hours.**

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## 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 facilitates

A. production only

B. consumption only

C. exchange of goods and services

D. specialization

(ii) A tied shop sells goods of

A. many manufacturers

B. one manufacturer

C. wholesalers

D. retailers

(iii) A decrease in supply curve shifts it

A. rightwards

B. upwards

C. leftwards

D. downwards

(iv) The reward for land is

A. wage

B. interest

C. rent

D. profit

(v) Goods which last long are

A. perishable

B. durable

C. free

D. producer

(vi) A document acknowledging receipt of cash is

A. invoice

B. receipt

C. debit note

D. credit note

(vii) Trade beyond national borders is

A. home trade

B. retail trade

C. foreign trade

D. local trade

(viii) A person acting on behalf of another is

A. consumer

B. agent

C. producer

D. trader

(ix) The cost that changes with output is

A. fixed cost

B. variable cost

C. average cost

D. marginal cost

(x) The meeting of buyers and sellers determines

A. utility

B. profit

C. price

D. demand

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 provided.

| LIST A | LIST B |
|---|---|
| (i) Selling goods abroad | A. Advertising |
| (ii) Buying goods in bulk | B. Retail trade |
| (iii) Storage facility | C. Transportation |
| (iv) Payment for labour | D. Wholesaler |
| (v) Exchange without money | E. Barter trade |
| (vi) Selling to final consumers | F. Wage |
| (vii) Movement of goods | G. Warehouse |
| (viii) Promotion of goods | H. Export trade |
| (ix) Risk taker | I. Entrepreneur |
| (x) Stock valuation | J. Stock taking |
| | K. Rent |
| | L. Interest |
| | M. Commerce |
| | N. Broker |
| | O. Import trade |

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

(i) Goods used in production are _____

(ii) Payment made after delivery is _____

(iii) The science of wealth is _____

(iv) Goods exchanged directly are _____

(v) The reward for risk is _____

(vi) Trade within borders is _____

(vii) A trader moving from place to place is _____

(viii) The stock held to avoid shortage is _____

(ix) The selling price less cost price is _____

(x) The process of creating goods is _____

## SECTION B (30 MARKS)

4. Write short notes on

(a) Stock turn

(b) Consumer needs

(c) Bonded warehouse

(d) Advertising

(e) Profit

5. Explain five disadvantages of specialization.

## SECTION C (40 MARKS)

6. A trader buys sugar at Tshs 2,000 per kg and sells it at Tshs 2,600 per kg. His monthly sales are 500 kg and monthly expenses are Tshs 120,000.

   (a) Calculate total revenue.

   (b) Calculate total cost.

   (c) Determine net profit.

7. Discuss five roles of commerce in economic development.

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