THE UNITED REPUBLIC OF TANZANIA
NATIONAL EXAMINATIONS COUNCIL
FORM TWO SECONDARY EDUCATION EXAMINATION, 2008

0061 **COMMERCE**

TIME: 2 HOURS

INSTRUCTIONS

1. This paper consists sections A, B and C.
2. Attempt **ALL** questions.
3. Read carefully the instructions given under each section.
4. **ALL** answers should be written in the answer sheets provided.
5. Write your examination number on every page of your answer sheets.
6. **ALL** writing must be in blue/black ink.
7. Calculators and cellphones are **not** allowed in the examination room.

This exam consists of 06 printed pages

SECTION A (30 MARKS)

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

(i) The main purpose of Commerce is to bridge the gap between:
- A. producers and consumers
- B. retailers and consumers
- C. manufacturers and wholesalers
- D. wholesalers and retailers

(ii) Making goods for one's own consumption is termed as:
- A. direct production
- B. indirect production
- C. self employment
- D. self services

(iii) If a small change in price brings about a greater change in quantity demanded, the price elasticity of demand is said to be:
- A. constant
- B. elastic
- C. inelastic
- D. unitary

(iv) When there is an increase in supply, the supply curve always:
- A. remains constant
- B. shifts from left to right
- C. shifts from right to left
- D. shifts upward

(v) One of the following is the quality of the retailer:
- A. being honest
- B. making payments
- C. producing goods
- D. transporting goods

(vi) A wholesaler obtains goods from:
- A. consumers
- B. producers
- C. retailers
- D. manufacturers

(vii) A bonded warehouse is used to store:

A. goods against theft
B. goods which are dangerous or inflammable
C. imported goods of a particular manufacturer only
D. imported goods until a duty is paid on them

(viii) Domestic trade involves:

A. buying goods within the country
B. selling goods within the country
C. buying and selling goods within the country
D. buying and selling goods with other countries

(ix) The cost of production which changes as output changes is called:

A. average cost
B. fixed cost
C. total cost
D. variable cost

(x) Breaking the bulk means:

A. cutting down large quantities into small lots
B. cutting down small quantities into large ones
C. giving cash discount
D. raising price of commodities

2. Choose the correct term from group B which matches with the explanation in group A then write the letter against the number of the relevant explanation.

GROUP A		GROUP B
(i)	This is the act of performing only one activity by hand or machine with the aim of increasing production	A. Brokers
(ii)	The price for the use of land as a factor of production and other immovable assets like house.	B. Chain of distribution
(iii)	Agents who do not have physical possession of goods.	C. Consumer goods
(iv)	A document issued when goods have been bought or sold on credit basis.	D. Division of labour
(v)	The cost of producing one more unit of output.	E. Hawkers
(vi)	Goods which are highly demanded by high income earners.	F. Interest
(vii)	The travelling traders who carry their goods on bicycles or motorcycles and move from one place to another selling their goods.	G. Invoice
(viii)	Planning, monitoring purchases and keeping quantity of goods in reasonable proportion of sales.	H. Marginal cost
(ix)	It is owned by individual, institutions or government and are open to anybody wishing to store goods on payment.	I. Ostentation goods
(x)	The ways through which goods flow from the manufacturing point of view to consumption point of view	J. Private warehouse
		K. Public warehouse
		L. Rent
		M. Specialization
		N. Stock taking

3. Complete the following by filling in the blank with correct word(s)/term(s).

(i) _____ is the term used when payment for the goods supplied is made at the time goods are received.

(ii) _____ is the table which shows the quantities of commodities that a seller is willing to offer into the market for sale at different prices.

(iii) A written acknowledgement of cash or cheque that has been received is termed as _____.

(iv) _____ is a document that informs the buyer that his/her account has been credited by the seller, for the amount of overcharge in the invoice.

(v) _____ deals with the way societies choose to employ their limited resources which have alternative uses to produce goods and services.

(vi) Constructive, extractive and manufacturing are the branches of _____.

(vii) _____ is the collective name for all goods and services which are bought from another country.

(viii) _____ is the time for which goods remain on the average in stock.

(ix) Periodical valuing of all goods on hand is termed as _____.

(x) _____ are those needs which are satisfied by the use of services rather than goods.

SECTION B (30 MARKS)

4. Write short notes on the following:
   (a) Mail order business.
   (b) Tertiary level of production.
   (c) Equilibrium price.
   (d) Hyper market.
   (e) Cash discount.
5. Mention any five services rendered by the wholesaler to a manufacturer.

SECTION C (40 MARKS)

6. The following are the balances of Kantupeni Traders as at 31st December 2007.

Closing Stock	-	Tshs.	32,500/=
Purchases	-	Tshs.	25,000/=
Expenses	-	Tshs.	8,000/=
Sales	-	Tshs.	35,000/=
Opening stock	-	Tshs.	28,000/=

   Calculate:
   (a) Gross profit
   (b) Net profit
   (c) The rate of stock turn

7. Write an essay explaining five problems facing retailers in Tanzania.