Candidate's Examination No. .....

THE UNITED REPUBLIC OF TANZANIA

MINISTRY OF EDUCATION AND VOCATIONAL TRAINING

FORM TWO SECONDARY EDUCATION EXAMINATION, 2013

0061 **COMMERCE**

TIME: 2 HOURS

INSTRUCTIONS

1. This paper consists of sections A, B and C.
2. Answer **ALL** questions.
3. **ALL** answers must 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 blue or black ink.
6. Cellphones and calculators are not allowed in the examination room.

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

This paper consists of 8 printed pages.

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SECTION A (30 MARKS)

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

(i) Commerce involves all activities that enable goods and services to move from the producer to the:
A. final consumer
B. manufacturer
C. retailer
D. wholesaler. ☐

(ii) If a great change in price brings about a small change in quantity demanded then the price elasticity of demand is:
A. constant
B. elastic
C. inelastic
D. unitary. ☐

(iii) A tractor used in agricultural activities is in the category of:
A. consumer goods
B. domestic goods
C. luxury goods
D. producer goods. ☐

(iv) The stock level when new goods are required in the warehouse is:
A. average stock
B. maximum stock
C. minimum stock
D. order point. ☐

(v) The exchange of money value of a good and service is:
A. brakeage
B. commission
C. interest
D. price. ☐

(vi) Marginal cost is defined as:
A. a change of fixed cost per unit of output
B. a change of total output due to additional unit of cost
C. a change in total sales due to additional unit of cost
D. distribution of total cost per unit of output.

(vii) A retail outlet which sells a product of only a manufacturer is termed as:
A. itenerant trader
B. multiple shop
C. tied shop
D. top shop.

(viii) Which of the following is **NOT** normally done by the wholesaler?
A. Breaking the bulk
B. Buying goods from producers
C. Market research
D. Selling goods to consumers.

(ix) Home trade is divided into:
A. export trade and import trade
B. foreign trade and international trade
C. retail trade and wholesale trade
D. trade and aids to trade.

(x) An agent who sales goods at a public auction is:
A. a broker
B. a del-credere agent
C. a factor
D. an auctioner.

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) A document authorizing the removal of goods from a warehouse	A. Advertising
(ii) A person who represents buyers and sellers in negotiating a purchase or sale without physical handling of goods	B. Bank
(iii) A product remains the property of the seller till all installments have been paid	C. Broker
(iv) A type of demand when the product is used for different purposes	D. Competitive demand
(v) An institution which is involved in financial transactions	E. Composite demand
(vi) Bread and butter, sugar and tea illustrate the type of interrelated demand	F. Development bank
(vii) Cost of goods sold divided by the average stock	G. Entrepreneur
(viii) Shops which are scattered in different parts of a country selling similar goods.	H. Hire purchase
(ix) The action through which a retailer discovers information about the needs of the customers	I. Joint demand
(x) The person who provides capital and bears risks of the business	J. Market research
	K. Multiple shops
	L. Rate of stock turn
	M. Stock turn over
	N. Warehouse shops
	O. Warehouse warrant.

ANSWERS

LIST A	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
LIST B										

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3. Complete each of the following statements by filling in the blanks with correct word(s):
   (i) A type of large scale retail trade having single shop is .....
   (ii) The allowance made by seller in order to encourage buyers to buy more goods is called .....
   (iii) The amount of the commodity that firms are willing and able to sell in the market at specific level of price and period of time is known as .....
   (iv) The factor of production which includes machinery, tools, buildings and raw materials for production is called .....
   (v) The list of various quantities of commodities bought at different level of prices at a specific period of time is termed as .....
   (vi) The movement of goods and services from a production area to the consumption area is termed as .....
   (vii) The process of dividing work according to skills of the worker is called .....
   (viii) The reward of labour is .....
   (ix) Trade that deals with selling of goods and services outside the country is known as .....
   (x) Traders who set up their businesses along side of the streets and large cities are termed as .....

SECTION B (30 MARKS)

4. Write short notes on each of the following terms:
   (a) Direct production
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   (b) Communication
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   (c) A catalogue
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(d) Fixed cost

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(e) Mobile shop

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5. (a) Who is a wholesaler?

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(b) Briefly explain five functions of a wholesaler.

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SECTION C (40 MARKS)

6. Study the given table and answer the questions that follow:

Price (Tshs)	200	400	600	800	1000
Quantity demanded (kgs)	1000	800	600	400	200

(a) Calculate the price elasticity of demand if the price changed from Tshs 400 to Tshs 600

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(b) Comment on your answer in (a) above.

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7. Briefly explain five points on the importance of studying Commerce.

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