Candidate's Examination Number ……

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

0061 **COMMERCE**

Time: 2 Hours **Friday, 28th November 2014 p.m.**

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. **All** writing must be in blue or black ink.
5. Cellular phones and calculators are **not** allowed in the examination room.
6. Write your **Examination Number** at the top right corner of every page.

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

SECTION A (30 MARKS)

1. For each of the following items (i) - (x), choose the correct answer and write its letter in the box provided.

(i) The process of selling goods and services to other countries is called

(a) Home trade
(b) International trade
(c) Retail trade
(d) Export trade

(ii) The movement along a demand curve is caused by

(a) change in price of a commodity
(b) change in consumers' income
(c) change in quantity demanded
(d) change in consumers' taste

(iii) Which of the following is the best feature of the multiple shops?

(a) Providing self service to customers.
(b) Stocking variety goods from different producers.
(c) Stocking similar goods and often similar in appearance.
(d) Stocking similar goods under one roof and one management.

(iv) The main branches of production are

(a) Commerce, industry and trade
(b) Commerce, industry and public service
(c) Commerce, industry and direct services
(d) Commerce, industry and personal services

(v) The shops which sell products of one manufacturer only are called

(a) Supermarket shops
(b) Tied shops
(c) Single shops
(d) Mobile shops

(vi) Which of the following is a reward for land as a factor of production?

(a) Interest
(b) Profit
(c) Wage
(d) Rent

(vii) A warehouse where imported goods are kept waiting for customs clearance is called

(a) Specialized warehouse
(b) Bonded warehouse
(c) Public warehouse
(d) Private warehouse

(viii) Which of the following service is normally rendered by wholesalers to consumers?

(a) Providing capital
(b) Providing transport
(c) Providing advice
(d) Providing variety of goods

(ix) An art of making goods and services known to the public is known as

(a) marketing
(b) sales promotion
(c) advertising
(d) communication

(x) Any price above equilibrium price for a given commodity leads to

(a) excess supply
(b) decrease in supply
(c) decrease in demand
(d) excess demand

2. Match the items in **List A** with the correct responses in **List B** by writing the letter of the correct response below the number of the corresponding item in the table provided.

LIST A		LIST B
(i)	Buying and selling of goods and services inside or outside the country.	A Foreign trade
(ii)	Buying and selling of goods and services inside the country.	B Barter trade
(iii)	Buying of goods in bulk from the producer and selling them in reasonable quantities to retailers.	C Retail trade
(iv)	Buying and selling of goods where by exchange involves goods by goods.	D Warehousing
(v)	Selling of goods and services to other countries	E Trade
(vi)	Activities that facilitate buying and selling of goods and services inside and outside the country.	F Transportation
(vii)	Buying of goods from the wholesalers in large quantities and selling them to the consumers in smaller quantities.	G Commerce
(viii)	Buying of goods and services from outside the country.	H Wholesale trade
(ix)	Buying and selling of goods and services beyond a country's boundaries.	I Auxiliary to trade
(x)	The movement of goods and services from one place to another whether inside or outside the country.	J Advertising
		K Export trade
		L Production
		M Communication
		N Import trade
		O Home trade

ANSWERS

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

3. Complete the following sentences by filling in the blanks with the correct word(s):
   (i) Goods which are used in production of other goods in production process are called _____

   (ii) The path through which products follow from the producer to the final consumer is known as _____

(iii) The table which shows the quantity of goods supplies against their prices is called _____

(iv) Small scale retailers who move from place to place carrying their goods on their shoulders are called _____

(v) _____ is an ability of a commodity to satisfy human needs or wants.

(vi) The costs of production which do not change according to the level of output are called _____

(vii) Creation of goods and services to satisfy human wants is known as _____

(viii) An arrangement of stocks in a warehouse in a way that old stocks can easily be identified from new one is known as _____

(ix) Goods which are used directly by the final consumers are categorized as _____

(x) A large building which is specifically made for the storage of goods before use is called _____

SECTION B (30 Marks)

4. Briefly describe the following terms:
   (a) Luxury needs

   _____

   _____

   _____

   (b) Constructive industries

   _____

   _____

   _____

   (c) Deferred payment

   _____

   _____

   _____

(d) Consumers

(e) Stock administration

5. (a) Who is a "trader"?

(b) Briefly explain five functions of a wholesaler.

(i)

(ii)

(iii)

(iv)

(v)

SECTION C (40 Marks)

6. The following details were extracted from the book of Makoko for the year ending 31/07/2014.
   Purchases……Shs. 500,000
   Opening Stock……Shs. 80,000
   Closing Stock…… Shs. 40,000
   Minimum Stock Level……. kg. 120
   Daily sales volume…… kg. 80
   Delivery time…… 5 days

   By using the information given above, calculate the following showing clearly all the workings.
   (a) Average stock

   (b) Costs of good sold

   (c) Rate of stock turn

   (d) Order point

7. (a) Define the term "specialization".

(b) Explain six disadvantages of specialization.