COMMERCE (2015)

FORM TWO NATIONAL ASSESSMENT ANSWERS

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SECTION A:

1.

i	ii	iii	iv	v	vi	vii	viii	ix	x
A	D	A	B	D	C	B	A	B	D

2.

LIST A	i	ii	iii	iv	v	vi	vii	viii	ix	x
LIST B	N	D	K	H	O	A	F	B	C	G

3.

(i) Insurance

(ii) Manufacturing Industries

(iii) Quantity Supplied

(iv) Seller

(v) Variable Costs

(vi) Barter Trade

(vii) Specialized Wholesaler

(viii) Price Elasticity of Demand

(ix) Basic Needs

(x) Street Traders

SECTION B:

4.

(a) **Foreign Trade:** also known as international trade**,** is a trade (buying and selling of goods and services) between two or more countries.

(b) **Supermarket:** a shop that sell different variety of goods under self-service and mostly at a cheap price.

(c) **Del-cledere Agent:** an agent how promise a principal to pay for uncertain expenses like bad debts. He is paid a total of commission ***plus*** del-cledere commission.

(d) **Direct Services:** is a branch of production whereby services like Doctoring Counseling, Teaching, Security and Jurisdiction are involved apart from commercial services.

(e) **Departmental Store:** a retail outlet involves number of shops under a single roof and under single management. Each shop sells different class of goods. ***Eg.*** When Hardware Shop, Toys Shop, Home Furniture Shop all found in a single roof of a building sharing the same floor.

5.

(a) Retail Trade: is also known as retailing, is a process of selling goods to final consumers. Or is a trade that concerns with buying

(b) **Five functions of Retailer**

i. Buying goods from wholesaler

ii. Storing the goods – he store goods in their special storage facilities

iii. Selling goods – he sales goods to the final consumers

iv. Advising consumers – he provide advices to consumers about the quality, quantity and price of goods to be bought basing on the customers' ability to purchases

v. Promoting goods – he promotes goods to customers by persuading them to buy.

SECTION C:

6.

(a) Types of Demand:

i. ***Substitute demand*** is a demand for goods which gives the same level of satisfaction to consumer. Example: Uhai and Seqwa, Azam Cola and Pepsi and of the type.

ii. ***Complimentary or Joint Demand*** is a demand for goods which can be used together. Example Shoes and Socks, Vehicles and Petrol, Mattress and Blanket and so on.

iii. ***Composite demand*** is a demand for goods which have more than one use. Example: Wheat Flour, Water, Smart Phone and of the like.

iv. ***Derived demand*** is a demand for goods which can be used to create other goods like Electricity, Water, Flour, and Machines

(b) Factors that cause change in demand of a certain product:

i. Change in price of goods – when the price of goods raises the quantity demanded decreases and vice versa is true.

ii. Change in income level – when the income level of consumer increases the demand increase and when it decreases the demand also decreases.

iii. Change in price of other related goods – when the price of other related goods increase the demand of other related goods increases and when it decrease the demand of other related goods also decreases.

iv. Change in population – the higher the population the higher the demand for goods and services and vice versa is true.

v. Change in taste and preference – if the taste of a product falls the demand decreases and when a taste becomes good the demand increases

vi. Change in fashion

vii. Change in government policy

7.

(a) Five Branches of Aids to Trade:

i. Transportation

ii. Communication

iii. Insurance

iv. Banking

v. Warehousing

(b) Importance of Commerce

i. Commerce helps to fill the gap between producers and consumers

ii. Commerce enable production to be continuous

iii. Commerce enables goods to reach the point of consumption

iv. Commerce provides employments

v. Commerce facilitates exchange and distribution of goods