Candidate's Examination Number .....

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

061 **COMMERCE**

Time: 2 Hours **Monday, 23rd November 2015 a.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. All communication devices 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' INTIALS**
1		
2		
3		
4		
5		
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7		
TOTAL		

PM-RALG 2015

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SECTION A (30 Marks)

Answer **all** questions in this section.

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

(i) Warehouses which belongs to manufacturers, wholesalers or individuals are categorized as

A bonded warehouse
B specialized warehouse
C private warehouse
D public warehouse.

(ii) The appropriate channel to distribute perishable goods to final consumers is from

A producers, wholesalers, retailers to the final consumers
B producers, wholesalers to final consumers
C producers, large scale retailers to final consumers
D producers, small scale retailers to final consumers.

(iii) Which of the following is considered as disadvantage of division of labour?

A Unemployment.
B High degree of choice.
C Employment opportunity.
D Efficiency.

(iv) The exchange of goods and services is referred as

A Aids to trade
B Trade
C Barter trade
D Commerce.

(v) Demand curve is normally slopes from

A left to right upwards
B right to left downwards
C right to left upwards
D left to right downwards.

(vi) Which of the following is an example of retailers who do not have permanent premises?

A Single shop.
B Tied shop.
C Mobile shop.
D Multiple shops.

(vii) Which of the following is a reward for capital as a factor of production?

A Wage.
B Interest.
C Profit.
D Rent.

(viii) If the price elasticity of demand is greater than 1, the demand is said to be

A elastic
B perfectly elastic
C inelastic
D unitary.

(ix) Which of the following is a good example of perishable goods?

A Processed coffee.
B Wheat flour.
C Natural Flowers.
D Processed vegetables.

(x) If the average stock is shs. 120,000 and cost of sales is shs. 480,000, the stock turn rate will be?

A 0.25 times.
B Shs 600,000.
C Shs 360,000.
D 4 times.

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

List A	List B
(i) Arranging of stocks in stores in such a way that the old stock can easily be distinguished from new stock.	A Stock taking
(ii) Quantity of a certain supply that should always be in stock to safeguard sales against unforeseen delays of delivery.	B Opening stock
(iii) The average number of stock level within a given period of time.	C Order point
(iv) The level of stock which is arrived immediately after receipt of new deliveries.	D Minimum stock level
(v) Checking and keeping records of the quantity and value of items in stock.	E Receiving of stock
(vi) Making a list of all stocks held at the end of a given	F Care of stock
	G Stock control
	H Maximum stock level

trading period. (vii) The process of sorting out of spoilt items, clearing and dusting of all goods in store. (viii) The value of goods or merchandise in stocks held at the beginning of the financial trading period. (ix) The level of stock at which placing of a new stock must be done. (x) Management of stock in a business to ensure that always goods for selling are available without running out of stock or overstocking.	I Closing stock J Rate of stock turn K Average stock L Issuing of stock M Stock level N Placing of items O Stock administration

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 correct word(s).

(i) An aid to trade whose major aim is to compensate the insured who suffered losses out of the stated risk is called _____.

(ii) Industries which are involved in changing the form of raw materials into finished goods are classified as _____.

(iii) The quantity of goods that producers are willing and able to offer for sale at a given price in a given period of time is known as _____.

(iv) In hire purchase agreement, whenever the buyer failed to pay only the last installment the property bought will remains in the hands of the _____.

(v) _____ are the costs of production which change as the output changes.

(vi) Trade which involves exchange of goods by goods commercially is termed as _____.

(vii) Wholesalers who handle a particular type of goods but offer a greater variety within their particular field are known as _____.

(viii) The responsiveness of demand for a product to a change in price represents _____.

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(ix) Human needs which consist of food, shelter and clothes are called _____.

(x) _____ are retailers who sit next to bus stand, market place, public/private halls or around the schools offering small items like sweets, fresh fruits, pen, drinks, etc. to customers.

SECTION B (30 Marks)

Answer **all** questions in this section.

4. Briefly describe the following terms:
   (a) Foreign trade
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   .....
   .....

   (b) Supermarkets
   .....
   .....
   .....

   (c) De-credere agents
   .....
   .....
   .....

   (d) Direct services
   .....
   .....
   .....

   (e) Departmental stores
   .....
   .....
   .....

5. (a) What is meant by the term retail trade?
   .....
   .....

(b) Briefly explain five functions of retailers.

(i) .....

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(ii) .....

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(iii) .....

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(iv) .....

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(v) .....

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SECTION C (40 Marks)

Answer **all** questions in this section.

6. (a) Briefly describe four types of demand.

(i) .....

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(ii) .....

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(iii) .....

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(iv) .....

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(b) Explain four factors that cause change in demand for a certain product.

(i) .....

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(ii) .....

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(iii) .....

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(iv) .....

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7. (a) List five main branches of aids to trade.

(i) .....

(ii) .....

(iii) .....

(iv) .....

(v) .....

(b) Explain the importance of commerce in our daily life. Give five points.

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