Candidate's Examination Number .....

THE UNITED REPUBLIC OF TANZANIA
NATIONAL EXAMINATIONS COUNCIL
FORM TWO NATIONAL ASSESSMENT

061 **COMMERCE**

Time: 2:30 Hours **Monday, 21st November 2016 p.m.**

Instructions

1. This paper consists of section A, B and C.
2. Answer **all** questions.
3. **All** answers must be written in the spaces provided.
4. **All** writing must be written 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 EXAMINERS' USE ONLY		
QUESTION NUMBER	**SCORE**	**EXAMINERS' INITIALS**
1		
2		
3		
4		
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6		
7		
TOTAL		

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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*) A wholesaler who operate on a very large scale business and supply goods to retailers in all parts of the country is known as

A nationwide wholesaler
B specialized wholesalers
C general wholesalers
D regional wholesalers.

(*ii*) Which of the following presents a disadvantage of barter system?

A Double coincidence of wants.
B Divisibility.
C Standard of deferred payments.
D Indivisibility.

(*iii*) An official document used to correct undercharge of an invoice is called

A debit note
B credit note
C consignment note
D delivery note

(*iv*) Which of the following group presents a broad classification of occupations?

A Trade and production.
B Industrial, commercial and tertiary.
C Extractive, manufacturing and constructive industries.
D Trade, aids to trade and industrial.

(v) Prices below equilibrium price reflect

A excess demand
B excess supply
C decrease in demand
D increase in supply.

(vi) An agent who sells goods of his principal in his own name is called

A commission agent
B broker
C factor
D del-credere agent.

(vii) Which of the following presents the main feature of multiple shops?

A Many shops selling different kind of goods owned by one person.
B Many shops selling the same kind of goods and owned by one person.
C Many shops under one building selling different kind of goods.
D Many shops selling similar products from different producers.

(viii) Examples of free goods are

A Tanzania Broadcasting, ITV and Star TV
B refrigerator, tractors and tailoring machine
C roads, public hospitals and public schools
D rainfall, sun shine and air.

(ix) Which of the following is **not** included in commerce flow chart?

A Insurance. B Warehousing.
C Production. D Transportation.

(x) What is the correct formula used to calculate working capital of the business?

A Opening stock plus closing stock divide by two.
B Current assets less current liabilities.
C Current assets less current liabilities plus fixed assets.
D Total assets less current assets.

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

	List B
(i) A building where goods are stored while waiting for their use or distribution.	A Auction of warehouse
(ii) The amount of money refunded as import duties paid if imported goods are re-exported within the time.	B Warrant
(iii) A building owned by an individual or business which is available for use by others for charge.	C Tax collection
(iv) A building where goods are stored and owned by specific businesses for their own use.	D In-bond notes
(v) Warehouse used for storage of goods whose import tax had not been paid.	E Bill of entry
(vi) A document issued to the owner of the goods after goods have been received into the public warehouse.	F Customs duties
(vii) The process of storing goods or raw materials in a warehouse until they are needed.	G Private warehouse
(viii) A document prepared by the importer who wants to take delivery of the goods in bonded warehouse.	H Warehouse
(ix) Taxes which are paid for imported goods before they leave the bonded warehouse.	I Customs drawback
(x) A document which shows the amount of goods which are in a warehouse for particular importer.	J Warehousing
	K Public warehouse
	L Bonded warehouse

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 term(s).
   (i) Goods and services that are sold outside the country are termed as .....

   (ii) The industries dealing with assembling of already manufactured goods into finished goods are called .....

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(iii) A small scale retailer business which is owned by one person, offering variety of goods from different manufacturers and had fixed premises is called .....

(iv) The law which state that the lower the price the higher the quantity demanded and the vice versa is known as .....

(v) An auxiliary service which involves exchange of information between people or organization is known as .....

(vi) The cost incurred in producing the extra unit of output is called .....

(vii) The commercial activity that deals with selling goods and services to other countries is called .....

(viii) The last person to receive goods in the channel of distribution is called.....

(ix) The arrangement of stocks in the warehouse or at the shop according to the date of their arrival is referred to as .....

(x) The resource in the form of money/materials or goods that a person or an organization used in commencing business is termed as .....

SECTION B (30 Marks)

Answer **all** questions in this section.

4. Define the following terms with examples.

(a) Durable goods.

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(b) Consumer goods.

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(c) Indirect production.

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(d) Extractive industries.

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(e) Departmental stores.

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5. Briefly explain six qualities of a good retailer.

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(ii) .....

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(iii) .....

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(v) .....

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(vi) .....

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(b) Draw a grap

(c) Descri

(i)

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SECTION C (40 Marks)

Answer **all** questions in this section.

6. (a) Describe shift in supply curve.

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(b) Draw a graph to show the inwards and outwards shift in supply curve.

(c) Describe five factors which cause a decrease in supply curve.

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(ii) .....

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(iii) .....

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(iv) .....

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(v) .....

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7. Explain six types of costs of production.

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