COMMERCE (2017)

FORM TWO NATIONAL ASSESSMENT ANSWERS

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SECTION A:

1.

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

2.

List A	i	ii	iii	iv	v
List B	C	G	A	E	B

3.

(a)

(i) False
(ii) True
(iii) False
(iv) True
(v) True
(vi) False
(vii) True
(viii) False
(ix) False
(x) False

(b)

(i) General Wholesaler

(ii) Price Elasticity of Demand

(iii) Gross Profit

(iv) Market Research

(v) Del-cledere Commission

SECTION B:

4.

(a) ***Equilibrium Point*** is a point where demand curve and supply curve meets. While The ***Equilibrium Price*** is a price of goods and services at the point where the quantity demanded is equal to the quantity supplied.

(b) **Manufacturing Industry** is an industry that deals with converting the raw materials *(like cotton)* to the more finished or consumable goods *(like T-shirts)*. But **Production** is a process of creating goods and provision of services to satisfy human needs/wants. Or is a process of creating utility of goods and services.

(c) **Receiving of Stock** is a warehouse function or activity which concerns with receiving the goods to store them in a warehouse. And, **Placing of Items** is a warehouse function which involves an act of arranging the goods in a warehouse according to their dates of arrival.

(d) **Retail Trade** is also known as retailing**,** is a process of selling goods to final consumers. While Wholesale Trade is also known as wholesaling is a process of selling goods to retailers.

(e) **Warehouse** is a very large building that is used for storing goods or keeping goods until they are demanded or needed for consumption. But **Warehousing** is a process of receiving goods, storing *(safe keeping the goods)* in a warehouse and issuing them when demanded.

5.

Six services rendered by Wholesaler to Manufactures

- **i.** Assist producer in transporting the goods to consumers
- **ii.** Fast financing – wholesalers purchase in large quantities, enables producers to meet their cost easily
- **iii.** Promotion – help producer in promoting their goods
- **iv.** Market research – assist producers in collecting information concerning their products
- **v.** Warehousing – Provide manufactures with a storage facility for their goods
- **vi.** Branding – wholesaler assist agricultural manufacturers in providing a name for their products. Example Chai Bora.

SECTION C:

6.

Data Provided:

Opening Stock	300000
Purchases	240000
Carriage inward	2000
Closing Stock	31000
Gross Profit	165000
Transport Cost	250000
Electricity Charges	500000

(a) Average Stock;

Formula:

$$\text{Average Stock} = \frac{Opening\ Stock + Closing\ Stock}{2}$$

$$\text{Average Stock} = \frac{300000+31000}{2}$$

Therefore Average Stock = 165,500.

(b) Cost of Goods Available for Sale (COGAS):

Formula:

COGAS = Opening Stock + Purchases

COGAS = 300000 + 240000

So Cost of Goods Available for Sale = 540,000.

(c) Cost of Goods Sold (COGS):

Formula:

COGS = COGAS – Closing Stock

COGS = 540000 – 31000

So Cost of Goods Sold = 509,000.

(d) Sales:

Formula:

Sales = Cost of Goods Sold (COGS) + Gross Profit

Sales = 509000 + 165000

Therefore Sales = 674,000.

(e) Rate of stock turn (RST):

Formula:

$$\text{RST} = \frac{Cogs}{Average\ Stock}$$

$$\text{RST} = \frac{509000}{165500}$$

Hence Rate of Stock Turn = 3.08 times.

7.

Determinant or Factors for development of commerce in Tanzania:

a. Increase in population and demand
b. Development of science and technology
c. Increase in production
d. Development of transport and communication
e. Development of money and banking
f. Development of warehousing