Candidate's Examination Number .....

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

061 **COMMERCE**

Time: 2:30 Hours **Friday, 17th November 2017 p.m.**

Instructions

1. This paper consists of section A, B and C with a total of **seven** (7) questions.
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 EXAMINERS' USE ONLY		
QUESTION NUMBER	SCORE	EXAMINER'S INITIALS
1		
2		
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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 from among the given alternatives and write its letter in the box provided.

(i) Commerce is mainly dealing with

A distribution of goods and services.
B production and consumption of goods and services.
C buying and selling of goods and services.
D exchange and distribution of goods and services.

(ii) Which of the following function is **not** done by wholesaler?

A Breaking the bulk
B Selling goods to the producers
C Storing the goods
D Selling goods to the retailers

(iii) Which of the following statements represent the correct arrangement of the basic factors of production?

A Land, labour, capital and entrepreneurship
B Land, capital, entrepreneurship and labour
C Labour, land, capital, and entrepreneurship
D Labour, capital, land and entrepreneurship

(iv) Normally supply curve slopes from left to right upwards because

A the quantity supplied increased as the price increased
B the quantity supplied increased as the price decreased
C the quantity supplied decreased as the price remain constant
D the quantity supplied remain constant as the price decreased

(v) The art of selling goods to the final consumer is called

A retail trade.
B wholesale trade.
C retailing.
D wholesaling.

(vi) The function of stock administration which deals with checking and keeping of records of quantities and value of goods is known as

A stock valuation.
B stock taking.
C stock administration.
D stock control.

(vii) The process of sorting, examining, delivering and storing of goods is known as

A warehousing.
B warehouse.
C advertisement.
D advertising.

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(viii) A type of demand for which a commodity serves the same purpose as served by other commodity is regarded as

A composite demand. B joint demand.
C competitive demand. D derived demand.

(ix) Home trade involves the following activities:

A buying and selling goods and services from other countries
B selling goods and services within the country
C buying goods and services from within the country
D buying and selling goods and services from within the country

(x) When does the production process is said to be complete?

A Raw materials produced reached to the producers
B Goods produced reached to the final consumers
C Goods produced reached to the retailers
D Goods produced reached to the wholesalers

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

List A	List B
(i) The small scale retail business unit owned by an individual selling variety of goods from different manufactures.	A Mail order shop B Mobile shop C Single shop D Multiple shop E Departmental store F Cooperative shop G Supermarket
(ii) The large scale retail business unit whose commodities are sold at fixed price and have price tag.	
(iii) The large scale retail business unit which sell their commodities through post office.	
(iv) The large scale retail business unit carried out under one roof and one management.	
(v) The small scale retail business unit using lorries and vans to visit a particular area in selling different commodities.	

ANSWERS

List A	(i)	(ii)	(iii)	(iv)	(v)
List B					

3. (a) For each of the following statements, write **True** if the statement is correct or **False** if the statement is not correct in the spaces provided.

(i) Demand is a graphical presentation of demand schedule. .....

(ii) Commerce is a branch of Economics. .....

(iii) Export trade deals with only selling of goods to other countries. .....

(iv) Multiple shops are characterized by centralized buying and decentralized selling. .....

(v) Deferred payment is an installment selling where the product becomes the property of the buyer as soon as the first instalment is paid. .....

(vi) A wholesaler is a trader who sells goods direct to the final consumers in small quantities. .....

(vii) Foreign trade involves buying and selling of goods and services between the countries. .....

(viii) Cigarettes and chocolates present the examples of basic needs. .....

(ix) Supply is the amount of goods or money that remains after needs have been satisfied. .....

(x) Elimination of wholesaler means removing the wholesaler's functions from the channel of distribution. .....

(b) Complete the following sentences by filling in the blanks with the correct word(s).

(i) A wholesaler who offer a variety of goods in a number of fields is categorised as .....

(ii) The degree of responsiveness of demand of a commodity due to change in price is called .....

(iii) The percentage added to the cost of goods to arrive at selling price of a commodity is known as .....

(iv) The retailer's function which involves knowing the quantity and quality of goods consumers wants before making a decision to buy is known as .....

(v) The payment given to the del-credere agents as return of their services to the principal is called .....

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SECTION B (30 Marks)

Answer **all** questions in this section.

4. Differentiate the following terms:

(a) Equilibrium price and Equilibrium point.

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(b) Manufacturing industries and Production.

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(c) Receiving of stock and Placing of items.

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(d) Retail trade and Wholesale trade.

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(e) Warehouse and Warehousing.

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5. Describe six functions of a wholesaler to the manufacturers.

(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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(VI) .....

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SECTION C (40 Marks)

Answer **all** questions in this section.

6. The following information was available from the books of Mashanga traders at the end the financial year 31st December, 2012.

Opening stockTsh. 300,000/=
Purchases during the yearTsh. 240,000/=
Carriage inwardsTsh. 2,000/=
Closing stock Tsh31,000/=
Gross profits was Tshs.165,000/=
Transport cost Tsh 2,500.00
Electricity charges Tsh 5,000.00

Find:

(a) Average stock.

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(b) Cost of goods available for sale.

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(c) Cost of goods sold.

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(d) Sales.

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(e) Rate of stock turn (in two decimal places).

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7. Elaborate six reasons for the rapid development of Commerce in Tanzania