Candidate's Examination Number.....

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

061

COMMERCE

Time: 2:30 Hours **Monday, 19th November 2018 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 written in blue or black ink.
5. All communication devices, calculators and any unauthorised materials 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		
3		
4		
5		
6		
7		
TOTAL		
ENTERER'S INITIALS		
CHECKER'S INITIALS		

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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) The production process in which a famer grows maize for sale is referred to as
A direct production.
B direct service.
C indirect production.
D indirect services.

(ii) The label which shows the price of a particular goods in a shop is called
A price list.
B price tag.
C invoice.
D branding.

(iii) Mawingu trader's daily sales volume is 4 tons, minimum stock is 9 tons, and delivery time is 20 days. What will be his order point?
A 56 tons
B 89 tons
C 71 tons
D 56 tons

(iv) What is the main purpose of commerce?
A To bridge the gap between wholesalers and retailers.
B To bridge the gap between producers and the retailers.
C To bridge the gap between producers and consumers.
D To bridge the gap between retailers and consumers.

(v) Which one among the following is part of aids to trade?
A commerce
B direct services
C trade
D communication

(vi) A person who coordinates all productive resources and bear the business risks is called
A a business manager
B an entrepreneur
C entrepreneurship
D consumer

(vii) The effect of increase in supply is reflected by
A a shift of supply curve to the right
B a shift of supply curve to the left
C an upward movement along the supply curve
D downward movement along the supply curve

(viii) The best way in which individuals and organizations use to protect their businesses against risks is

A creating bank account through which all business cash are deposited.
B increasing number of employees into the business.
C insuring their employees through insurance companies.
D insuring their businesses through insurance companies.

(ix) Which of the following present the elements of transport?

A The way, unit of carriage, method of propulsion and terminal
B Railway, road, air and unit of carriage
C Water, land, road and air
D An aeroplane, train, ship and motor vehicle

(x) Why is it easy to establish retail trade as compared to wholesale trade?

A It requires small amount of capital.
B It has many customers.
C No competition among retailers.
D It does not need record keeping.

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 excess of sales over cost of goods sold.	A Margin
(ii) The gross as percentage of sale.	B Stock turn rate
(iii) The ratio of cost of goods to average stock.	C Mark up
(iv) The excess of cost of goods sold over sales.	D Gross profit
(v) The gross profit as a percentage of cost price.	E Cost of goods sold
	F Gross loss
	G Cost of goods available for sale

Answer

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

3. (a) Write **True** if the statement is correct or **False** if the statement is not correct in the spaces provided.

(i) Wants refers to the quantity of commodities that consumers are willing and have an ability to buy at a given price at particular period of time. .....

(ii) Shift in demand occurred when price of a commodity changes but other factors remain constant. .....

(iii) Domestic trade consists of import trade and wholesale trade. .....

(iv) Warehousing reduces the risk of price instability. .....

(v) Minimum stock is the stock level at which placing of the new order must be done. .....

(vi) Trade is basically categorised as home trade and foreign trade.....

(vii) Goods sold on hire purchase system carries higher price than those sold on cash basis. .....

(viii) Water transport is more efficiency in transporting perishable goods. .....

(ix) Goods remain unsold at the end of the particular trading period is known as opening stock. .....

(x) An entrepreneur performs the managerial functions like production planning, purchasing of raw materials, arrangement of finances and organising sales. .....

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

(i) The study which deals with allocation of scarce resources to satisfy needs and wants is known as .....

(ii) Human needs which are not necessary for human survival are called .....

(iii) The process of giving name to a product is called .....

(iv) The art of selling goods in small quantities to the final consumer is called .....

(v) The characteristic of a successful entrepreneur in which the entrepreneur must have belief in him/herself and the ability to achieve the expected goals is called .....

SECTION B (30 Marks)

Answer **all** questions in this section.

4. Describe five factors that must be taken into consideration when choosing the modes of transport.

(i) .....

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(ii) .....

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(iii) .....

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(iv) .....

(v) .....

5. Briefly describe the five types of large scale retail business.

(i) .....

(ii) .....

(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. Explain six factors that cause change in supply of a commodity.

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7. Draw the production flow chart and label it clearly.