Candidate's Examination Number .....

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

061 **COMMERCE**

Time: 2:30 Hours **Friday, 15th November 2019 p.m.**

Instructions

1. This paper consists of sections 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**	**EXAMINERS' INITIALS**
1		
2		
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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) What will be the order point of Mr. Cassel if his daily sales is 500 bags of sugar, the delivery time being 15 days and minimum stock of 200 bags?

A 7,700 bags B 3,300 bags
C 3,500 bags D 4,500 bags

(ii) The process through the customer exchange information with the shop keeper about the availability of rice in his shop is expressed as

A transaction. B advertising.
C communication. D retailing.

(iii) Why is it necessary to use demand schedule in drawing a demand curve?

A It shows the quantity demanded.
B It shows the price of the quantity demanded.
C It shows the price and quantity demanded.
D It shows the price changes for a commodity.

(iv) Why internal motivation important in an entrepreneurship?

A It creates environment for carrier development.
B It creates competition among the entrepreneurship.
C It creates the working spirits to experts.
D It helps to overcome the business challenges.

(v) In which category does Madam Mashenge be grouped if she produced green vegetables in large quantity and sells them in bulk to retailers who will then sell them to final users?

A Wholesaler B Retailer
C Customer D Producer

(vi) The main elements of commerce comprises of

A home trade and foreign trade. B wholesale and retail trade.
C trade and aids to trade. D import trade and export trade.

(vii) Which of the following units of carriage in transport is most suitable in carrying delicate and perishable goods over a long distance?

A Ships B Train
C Car D Aeroplane

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(viii) Petrol stations which sell petrol and diesel obtained from the same producer are the examples of

A tied shops. B departmental stores.
C single shops. D mobile shops.

(ix) The following are benefits of self-employment to an entrepreneur **except**

A Ability to generate extra income.
B Sharing decision and business ideas with the boss.
C Ability to make his/her own decisions.
D Becoming boss of his/her own business.

(x) Mr. Makiku is a large scale local rice producer who invested a capital of Tsh. 300 million in production. What reward is he deserve as a return of his capital?

A Rent B Salary
C Profit D Interest

2. Match the meaning of the production terminologies in **List A** with the relevant terminology in **List B** by writing the letter of the correct terminology below the corresponding item number in the table provided.

List A	List B
(i) A level of production which is concerned with getting the raw materials provided by nature out of the land.	A Production B Factors of production C Secondary production D Indirect production E Direct production F Tertiary production G Primary production
(ii) The activity aimed at bringing a physical change in goods and services to satisfy human needs and wants.	
(iii) A level of production which deal with distribution of already manufactured goods without changing their forms.	
(iv) The production inputs, which are necesary for production to take place.	
(v) A level of production which uses raw materials produced to produce other goods that will satisfy human needs.	

Answer

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

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

(i) Air transport is most suitable for transporting Tanzanite minerals from Arusha to Dar es Salaam. .....

(ii) Some of the entrepreneurs exit from the market as an outcome of improper planning. .....

(iii) Warehousing increases the quality of some goods such as alcohol if stored over long time. .....

(iv) Mr. Biashara is a wholesaler because he bought 100 bags of cement from Cement Industry for construction of his house. .....

(v) Economics deals with allocation of scarce resources to satisfy human needs and wants. .....

(vi) The presentation of quantity supplied in relation to price in graph presents supply schedule. .....

(vii) The success of entrepreneurial business is an external motivation to an entrepreneur. .....

(viii) Low establishment cost is one of the factors that cause an increase in number of road side sellers in Tanzania. .....

(ix) Tanzania use pipe line mode of transport in transporting gas from Mtwara to Dar es Salaam. .....

(x) The rate of stock turn helps the business owner to determine the value of gross profit in a given period. .....

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

(i) Under which factor of production the machine bought for production purpose is categorized? .....

(ii) The wholesaler's function which involves bulk buying and promptly payment to manufacturer is called .....

(iii) The process of keeping goods or raw materials for future use in the warehouse is referred to as .....

(iv) A person who initiate the business idea is called .....

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(v) The demand for the commodities that are used together such as cars and fuel is grouped as .....

SECTION B (30 Marks)

Answer **all** questions in this section.

4. (a) What is transportation? Give one example of transportation at your surroundings.

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(b) With examples, briefly explain four elements of transports.

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(ii) .....

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(iii) .....

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(iv) .....

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5. Describe five functions of an entrepreneur.

(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) Describe the term channel of distribution and draw a diagram to show the middlemen involved in the channel of distribution of manufactured goods.

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(b) Explain four forms of channel of distribution of manufactured goods.

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(ii) .....

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(iii) .....

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(iv) .....

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7. Explain four advantages and two disadvantages of warehousing.

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