THE UNITED REPUBLIC OF TANZANIA
NATIONAL EXAMINATIONS COUNCIL
CERTIFICATE OF SECONDARY EDUCATION EXAMINATION

061

COMMERCE

(For Both School and Private Candidates)

TIME: 2½ Hours. 8 Novermber 2000 P.M.

Instructions

1. This paper consists of sections A, B, and C.
2. Attempt all questions in sections A and B and any THREE (3) questions from section
3. Write all your answers in the answer booklet(s) provided.
4. Write your examination number on every page of your answer booklet(s).

This paper consists of 4 printed pages.

SECTION A

Answer all questions in this section.

1. For each of the following choose the most relevant answer and write the letter which represents it in the answer booklet provided.

(i) In hire purchase buying:

A. hired cars are bought
B. seller remains the owner of the goods until payment of the last instalment
C. buyers own the goods on paying the first instalment
D. purchases are made from hired premises.

(ii) A principle of INDEMNITY means that:

A. the insurance should claim damages from third parties
B. the insured should not profit out of the insurance
C. the insured must have insurable interest
D. all matters related to insurance must be discharged.

(iii) A limited partnership of a business is a business in which:

A. all partners are enjoying limited liabilities
B. at least one partner has unlimited liability
C. only one partner enjoys liability
D. one or more partners are general partners and liable for all the debts of the partnership.

(iv) Hedging refers to:

A. avoiding import duties
B. hedging against future price changes
C. earning duties on bonded goods
D. re-exporting importer's goods.

(v) Which of the following document must be completed by an importer when clearing goods before customs officer:

A. Bill of sale B. Bill of lading C. Bill of entry D. Bill of sight.

(vi) A basic feature of all mail order business is that :

A. goods are sold through telefax
B. goods are delivered by electronic mail services
C. all transactions are completed through the post
D. mail boxes are of little use.

(vii) A trader hiring a ship for a single journey will take:

A. time charter B. voyage charter C. charter by demise D. ships contract.

(viii) Which of the following statements is FALSE?

A. Commercial services add values to products
B. Every stage of production employs commercial services
C. If there were no commercial services, most goods would not be produced
D. Commercial services cannot begin until the manufacturing process has been completed.

(ix) The voting rights of the shareholders are contained in the:

A. prospectus
B. articles of Association
C. annual general meeting
D. memorandum of Association.

(x) Containerization involves the:

A. attracting packaging of goods
B. preparation of goods for deep freezer storage
C. standard sizing of transport units
D. elling of pre-packed goods in a supermarket.

2. Select the relevant corresponding term from Group A which matches with each of the explanations from Group B and write it the answer booklet provided.

Group A

Coastal shipping, branded goods, treasury bills, bull, extended credit, legal tender, hyper market, broker, prospectus, bid.

Group B

(i) ----- acknowledgement of short term borrowing by the government in the form of a document.

(ii) ----- the document used to attract subscribers of shares of a company.

(iii) ----- a stock exchange dealer in stocks.

(iv) ----- one who negotiates the transactions between buyers and sellers.

(v) ----- bear a distinctive trade name for identification.

(vi) ----- these are those ships that sail from one port to another along the seashore.

(vii) ----- is an offer to buy at a specific price, the term also describes the price invited or offered in the case of a takeover of a company.

(viii) ----- is a vast shopping complex usually set up outside towns with good road access and car parking facilities. Self service, trade facilities and bulk buying are common.

(ix) ---- buyer pays a deposit and then monthly instalments continue, while goods become property of buyer.

(x) ----- coins and bank notes of a country authorized to be used and legally accepted in payment for debts

SECTION B

Answer ALL questions in this section.

3. Write short notes on the following:

   (a) FOB price
   (b) Discount store
   (c) E & OE
   (d) Automatic vending
   (e) Participating preference shares.

4. (a) What is a retailer's mark-up?

   (b) Mr. Nakubali buys an article for shs. 16,000. He wishes to make a gross profit of 30%. His indirect expenses are expected to be 15% of the gross profit. Calculate:

   (i) selling price
   (ii) mark-up percentage
   (iii) gross profit
   (iv) expenses
   (v) net profit.

SECTION C

Answer THREE questions only.

5. (a) Define the term office.
   (b) Mention and explain the functions of a modern office.

6. Explain the advantages and disadvantages of credit sales to a customer.

7. (a) Define a commercial bank.

   (b) Explain the sources of a commercial bank's profits.

8. Explain how the government is envolved in commerce.

9. (a) What is a joint stock company?

   (b) Outline the advantages and disadvantages of a joint stock company.