THE UNITED REPUBLIC OF TANZANIA

NATIONAL EXAMINATIONS COUNCIL

CERTIFICATE OF SECONDARY EDUCATION EXAMINATION

061 **COMMERCE**

(For Both School and Private Candidates)

Time: 2:30 Hours **Year: 2005**

Instructions

1. This paper consists of sections A, B and C.
2. Answer **all** questions in sections A and B and **two (2)** questions from section C.
3. Calculators are **not** allowed in the examination room.
4. Cellular phones are **not** allowed in the examination room.
5. Write your **Examination Number** on every page of your answer booklet(s).

SECTION A (20 Marks)

Answer **all** questions in this section.

1. For each of the items (i) - (x), choose the correct answer from among the given alternatives and write its letter beside the item number.

(i) Which of the following commercial transactions of a wholesaler is not commercial deal?
A. selling goods for cash
B. paying wages to his employees
C. dismissing one of his employees
D. buying goods on credit
E. storing goods in the warehouse

(ii) Which of the following is a tertiary production?
A. Oil refining and textile mills
B. Doctors and mining
C. Railway construction, export and transport
D. Teacher and banking
E. Road construction and manufacturing industries

(iii) The consequence of devaluation is:
A. fall in export prices, which improves balance of payment
B. rise in export prices, which decreases balance of payment
C. rise in export prices, which improves balance of trade
D. fall in export price, which leads to dead weight
E. rise in import price, which encourages investors

(iv) Anna's stock on 1 January 2002 was Shs. 45,000. At the end of June 2002 and December 2002 her stocks were valued at Shs. 38,000 and Shs. 25,000 respectively. Her rate of stock turn was 10. The cost of goods sold by her will be Shs.:
A. 350,000
B. 360,000
C. 720,000
D. 540,000
E. 300,000

(v) The kind of leadership which involves very few people in planning, decision making and implementation is referred to as:
A. Authoritarian
B. laissez-faire
C. autocratic
D. participatory
E. positive

(vi) Aids to trade may be defined as the activities aimed at:
A. assisting the consumer directly
B. making easy the work of those involved in manufacturing of essential goods
C. helping traders in their business
D. bridging the gap between the producer and the consumer
E. involving all activities in the production process

(vii) The means of transmitting information electronically is called:
A. ex-communication
B. telecommunication
C. website
D. satellite
E. E-mail

(viii) If a cheque bears an ordinary crossing it implies that the cheque can be:
A. deposited in the named payee's account with the bank
B. deposited in the bank account of the payee
C. cashed at the bank counter
D. endorsed to anyone abroad
E. cashed at any bank within the country

(ix) Vessels which do not operate on fixed routes and have no fixed advertised times of sailing are known as:
A. conference vessels
B. liners
C. barges
D. tramps
E. MV Victoria

(x) The action through which a retailer discovers information about the needs of his customers is known as:
A. marketing survey
B. market study
C. market survey
D. marketing study
E. market discovery

2. Match the item in list A with the responses in list B by writing the letter of the corresponding response beside the item number.

LIST A	**LIST B**
(i) The remuneration received by an agent for services rendered	A. Inflation
(ii) A retail outlet controlled by manufacturing deal with selling only one type of a product	B. Excise duty
(iii) A partner who does not participate (inactive) in the day to day decision making concerning running of the business	C. Dock
(iv) A document which shows the country in which an imported product has been manufactured	D. Acceptability
(v) A tax imposed on home produced goods	E. Bill of lading
(vi) The most essential characteristic of money	F. Commission
(vii) A minimum number of persons, who must, by government regulations, be present at a meeting before its proceedings can be legally accepted	G. Dormant partner
(viii) A place in harbour where ships are loaded, unloaded and sometimes repaired	H. Quasi partner
(ix) A continuing rise in the general level of prices and the consequent fall in the purchasing power	I. Tied shop
(x) A system in credit trading whereby the article becomes the property of the deposit paid	J. Deferred payment
	K. Certificate of origin L. Certificate of incorporation M. Durability N. Sales tax O. Prospectus P. Single shop Q. Deflation R. Bonded warehouse S. Salary T. Quorum

SECTION B

3. Write short notes on the following:

(a) Entrepot trade

(b) Dumping

(c) Joint demand

(d) Price list

(e) Bonded warehouse

4. State three (3) advantages and two (2) disadvantages of hire purchase to the hirer and to the seller.

5. Differentiate between the following:

(a) credit note and a debit note

(b) cash discount and trade discount

6. Cletus Hezekiah bought a good for Shs. 20,000 and sold it at Shs. 25,000.

Calculate:

(a) his profit margin

(b) mark up price

SECTION C

7. Why does Tanzania import goods from other countries?

8. (a) What is the importance of communication in trade?

(b) Explain briefly four (4) barriers to effective communication.

9. (a) What is a cheque?

(b) Outline the circumstances under which a cheque may be dishonoured.

10. Explain the procedure of taking out an insurance cover.