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 **Monday, 15th** Novem**ber 2010 p.m.**

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 one among the following statements is true as far as Commerce is concerned?
A. Commerce deals with communication.
B. Commerce deals with specialization and division of labour.
C. Commerce is a branch of Economics which deals with production.
D. Commerce deals with exchange and distribution of goods and services.
E. Commerce deals with production and specialization.

(ii) The functions of wholesalers are:
A. financing, source of information, selling goods to retailers, storage and transport
B. source of information, financing, selling goods to wholesalers and storage transport, storage and financing
C.
D. storage, transport, selling goods to retailers
E. selling goods to retailers, storage and transport

(iii) When a business concern becomes insolvent, this means that:
A. it has been taken over by another business concern
B. it can pay dividends to preference shareholders only
C. it has a big bank overdraft
D. it stops to operate right away
E. it cannot pay its creditors

(iv) Banks make regular payments on behalf of their customers by means of:
A. standing order
B. cheques
C. bankers draft
D. telegraphic transfer
E. credit transfer

(v) Which one of the following is not a service that a retailer provides to consumers?
A. Extending credit to consumers
B. Giving out a variety of choice on goods demanded by consumers
C. Making research on consumers demand for a good
D. Making delivery of goods near the homes of consumers
E. Providing after-sale services for certain classes of goods

(vi) The head office of a certain firm with all communication facilities is in need of conveying an urgent and detailed message to one of the distant branches. Which one among the following facilities would be

the most suitable to use?
A. Telex service
B. Telegram
C. Registered surface letter
D. Air mail letter
E. DHL service

(vii) The quickest method of remitting money through the post office is by:
A. cheque
B. money order
C. postal order
D. telegraphic money order
E. cash in a registered envelope

(viii) The following policy covers losses on a particular route for a specific period:
A. Voyage policy
B. Floating policy
C. Mixed policy
D. Time policy
E. Cargo policy

(ix) Which of the following is not true about the characteristics of services?
A. Are not tangible
B. Can be separated from their providers
C. Are highly perishable
D. Price paid is for experience received not ownership
E. Can not be stored for future use

(x) The amount given to shareholders as their share of profit of the company is:
A. interest
B. capital gain
C. dividend
D. retained profit
E. salaries

2. Match the items in List A with the response in List B by writing the letter of the correct response beside the item number.

COLUMN A	**COLUMN B**
(i) The process of setting objectives and deciding how to achieve them.	A. Marketing
(ii) The purchase and sale of goods today with the delivery scheduled in the future.	B. Enquiries

(iii) A financial ratio which measures how a firm is selling its goods.	C. Speculation
(iv) A person who is authorized to represent another.	D. Rack jobbers
(v) A written request from a foreign buyer for information regarding the price at which goods are to be sold and services rendered.	E. Mobile shop
(vi) The amount which the insurer is prepared to pay at a particular time in total discharge of the contract.	F. Multiple shop
(vii) Includes all the activities involved in creation of place, time and possession utilities.	G. Ultra vires
(viii) Wholesalers who specialize in a particular type of goods.	H. Planning
(ix) A chain of retail stores dealing in identical and generally restricted range of articles operating in different localities under a central ownership and control.	I. Free on board
(x) The expectations of stock jobbers about future in stock exchange.	J. Departmental store
	K. Agent
	L. Controlling
	M. Fledging
	N. Directing
	O. Negotiable instrument
	P. Principal
	Q. Sales promotion
	R. Surrender value
	S. Inventory turnover
	T. Price list

3. The following figures are for the year 2003.

Stock 01/01/2003: Tshs. 800

Stock 31/12/2003: Tshs. 1,200

Purchases: Tshs. 10,000

A uniform fraction of 1/6 margin is applied. Find the:

a. Mark-up

b. Cost price

c. Gross profit

d. Sales figure

4. Write short notes on the following:

a. Catalogue

b. Organization chart

c. Common seal

d. Negotiation

e. Direct production

5. Mr. Mtakuja wants to join a consumer cooperative society. Define consumer co-operative society and give four (4) benefits he would enjoy by being a member of such type of society.

6. Give five (5) differences between a partnership and a company.

SECTION C

7. (a) Explain five (5) characteristics of a good warehouse.

(b) B. Rashid is a businessman who imports cars from Dubai for sale. Explain five benefits he gets from the use of bonded warehouses.

8. Explain the circumstance that can make a seller prefer cash with order to cash on delivery from the buyer.

9. It is often argued that advertising is an unnecessary expense which is ultimately passed onto the consumer by way of increased prices. Discuss.

10. (a) Discuss the importance of insurance to the economy of Tanzania.

(b) Explain the side effect(s) of under insurance to the insured.