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 **Friday, 15th November 2013 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 and Cellular phones are **not** allowed in the examination room.

4. 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) An over draft exists when

A a current account shows deposits without withdrawals
B a current account shows more deposits than withdrawals
C a loan has been granted by a bank to a customer
D the balance in current account falls below the specified amount
E a current account shows larger amount of withdrawals than deposits.

(ii) Which one of the following statement is NOT true about a bill of exchange?

A It must be accepted by the drawee.
B It must bear appropriate stamp duty.
C It must be signed by the drawer.
D It must be payable on demand.
E It can be paid at a stated future date.

(iii) The principal document in an insurance contract is

A Policy. B Cover note. C Proposal form.
D Certificate. E Premium.

(iv) If employer wishes to pay a number of employees with one cheque he may use

A standing order B credit transfer C traveller's cheque
D credit card E money order.

(v) A credit note is issued to correct

A any error in an invoice B an overcharge in an invoice
C an undercharge in an invoice D an overcharge in a statement
E an undercharge in a statement.

(vi) The function with is NOT usually performed by a retailer is

A Transport goods. B Storage of goods.
C Advice to customer. D Changing the form of goods.
E Selling goods to the wholesaler.

(vii) The most suitable type of account for a businessman is

A A savings account. B A current account.
C A deposit account. D A contract saves account.
E A company account.

(viii) The list of documents prepared in the course of commercial transaction in the right order of being raised is

A Order, inquiry, quotation, invoice, statement, receipt.
B Quotation, inquiry, invoice, order, cheque, statement.
C Inquiry, quotation, order, invoice, statement, cheque.
D Quotation, inquiry, order, invoice, cheque, statement.
E Inquiry, order, quotation, invoice, statement, cheque.

(ix) The group which represents a broad classification of human occupations is

A Commerce, production and aids to trade.
B Trade and aids to trade.
C Banking, insurance and transportation.
D Extractive, manufacturing and constructive industries.
E Industrial and tertiary.

(x) If Tanzania exports more goods to Uganda than she imports from the same country, her balance of

A trade is favourable
B trade is unfavourable
C payment is favourable
D payment is unfavourable
E trade and payment are favourable

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

Column A	Column B
(i) The quantity of a commodity that producer is willing and able to sale.	A Excess supply
(ii) More commodities are supplied together.	B Elasticity of supply
(iii) An increase in the production of one commodity implies a decrease in the production of the other.	C Cross elasticity of supply
(iv) Relationship between the quantity of a commodity supplied and the price.	D Law of supply
(v) Shows relationship between the quantity supplied and the price.	E Change in quantity supplied
(vi) Any price above the equilibrium price.	F Supply curve
(vii) The higher the price the more the commodities supplied.	G Change in supply
(viii) The sensitivity of supply for a product due to a change in price.	H Supply
(ix) The movement of a supply are to the right or left due to a change in the factors affecting supply.	I Inelastic supply
(x) The movement along a supply are due to commodity price changes.	J Supply schedule
	K Unitary supply
	L Elastic supply
	M Joint supply
	N Inelastic supply curve
	O Competitive supply

SECTION B (40 Marks)

Answer **all** questions in this section.

3. With the aid of diagram, show classification of occupations.

4. (a) Enumerate five services offered by the post office in Tanzania.
   (b) Explain five factors that influence demand for goods in a market.

5. (a) State five limitations of cooperative society.
   (b) Outline five merits of railway transport.

6. (a) Give five differences between insurance and gambling.
   (b) Under which circumstances would cash payment be preferred over cheque payment?

SECTION C (40 Marks)

Answer **two (2)** questions from this section.

7. (a) Describe five main services provided to the government by a Central Bank.
   (b) Elaborate five factors affecting a particular share's price.

8. (a) Explain five disadvantages of advertising.
   (b) Describe five problems faced by exporters which do not affect people in domestic trading.

9. (a) It has been said that, "a wholesaler has nothing to do to the manufacturer". Discuss by giving six concrete points.
   (b) Elaborate four ways in which the government spends its money.

10. (a) Evaluate four factors that a bank should put into consideration before providing loan to a customer.
    (b) Name and explain six economic effects of taxation.