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

152/1

COMMERCE 1
(For Both School and Private Candidates)

Time: 2 Hours 30 Minutes **2006 February, 10 Friday p.m.**

INSTRUCTIONS

1. This paper consists of **eight (8)** questions in sections A and B.
2. Answer **five (5)** questions; choosing at least two questions from each section. Question **number 4** is compulsory.
3. All questions carry equal marks.
4. Credit will be awarded for brief and well argued answers.
5. Cellular phones are **not** allowed in the examination room.
6. Write your **Examination Number** on every page of your answer booklet(s).

ACS

SECTION A

1. (a) Why do people study Commerce?

   (b) Explain the functions of Commerce.

2. (a) What does a right source of supply of stock for a retailer's shop mean?

   (b) How can a retailer identify the right source of supply of stock for his/her shop?

3. Channels of distribution are important to all those involved in production.

   (a) What are the main functions of channels of distribution.

   (b) Which of the following channels of distribution would you choose and why?

   (i) **Channel x.**

   - Estimated sales associated with the use of channel x = shs 10,000/=
   - Estimated costs associated with the use of channel x = shs 2,000/=

   (ii) **Channel y.**

   - Estimated sales associated with the use of channel y = shs 18,000/=.
   - Estimated costs associated with the use of channel y = shs 3,800/=.

4. (a) How does a product brand differ from a product's trade mark?

   (b) Explain the importance of a trade mark.

SECTION B

5. (a) Differentiate property insurance from life insurance.

   (b) When is an insurance contract effective?

6. (a) Define bill of lading and explain its purposes.

   (b) Explain the procedure for the release of imported goods.

7. Write short notes on the following:

   (a) Ship's manifest.

   (b) Charter party.

   (c) Dead freight.

8. Why is warehousing necessary?