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: 3 Hours **Tuesday, 05th May 2015 a.m.**

Instructions

1. This paper consists of **eight (8)** questions in section A and B.
2. Answer **five (5)** question choosing at least two (2) questions from each section.
3. Each question carries **twenty (20)** marks.
4. Non programmable calculators may be used.
5. Cellular phones are **not** allowed in the examination room.
6. Write your **Examination Number** on every page of your answer booklet(s).

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SECTION A

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

1. (a) What is the main difference between cover note and insurance policy? Elaborate three functions of the cover note.
   (b) (i) Explain the procedures necessary for making an insurance claim.
   (ii) Joseph is a wholesaler who has decided to insure his business. The value of his stock was shs.150,000,000 but he insured only party of his stock against fire worth shs.80,000,000. A month after, his store was ablaze and everything was destroyed. How much would the insurer pay to Joseph as compensation? Explain the principle of insurance applied on compensating the loss.

2. (a) Explain five roles of middlemen in the distribution process.
   (b) Elaborate five kinds of mercantile agents.

3. (a) (i) Analyse four types of utility.
   (ii) Why are some countries involved in specialization? Give two reasons.
   (b) Examine four advantages of specialization to an industry.

4. (a) Examine five disadvantages of pipeline transport.
   (b) (i) Differentiate internal communication from external communication.
   (ii) Explain four merits of good external communication in an organization.

SECTION B

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

5. (a) Explain five forms of outdoor advertising.
   (b) Describe six benefits of trade fair and exhibition to both businessmen and customers.

6. (a) (i) Identify four levels of stock held in the warehouse.
   (ii) Calculate the order point in bags from the following data:
   Minimum stock of 850 bags of rice @ 50 kilograms, the time to deliver new stock ordered is 12 days and sales per day are 12,500 kilograms.
   (iii) Why is it necessary to indicate the delivery time in the calculation of order point?
   (b) Analyse the procedures necessary for storing and removing goods from the bonded warehouses.

7. (a) Define the term trade and describe its branches.
   (b) Discuss how aids to trade facilitate trade.

8. (a) Explain the impact of privatization of banks in Tanzania. Give five points.
   (b) Analyse five features of a current account.