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

152/1 **COMMERCE 1**

(For Both School and Private Candidates)

Time: 3 Hours **Tuesday, 03rd May 2016 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) Describe five factors to be taken into consideration in calculating the amount of premium to be paid by the insured.
   (b) Examine five ways in which insurance can benefit a business firm and the country at large.

2. (a) Briefly explain the following commercial terms as used in stock exchange.
      (i) Unquoted companies
      (ii) Quoted companies
   (b) Examine four reasons why would a company like to be quoted?
   (c) Outline five advantages of investing in shares and securities.

3. (a) Discuss five factors a retailer has to consider when setting up a retail business.
   (b) Elaborate three merits and two demerits of mail order shops.

4. (a) "Commerce is evolutionary subject." Comment on this statement by applying the view of historical development of commerce in Tanzania.
   (b) Explain four shortcomings of barter trade.

SECTION B

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

5. (a) How does the Bank of Tanzania (BOT) contribute to the economic development in Tanzania? Give five points.
   (b) Identify five monetary management functions of the Bank of Tanzania.

6. (a) State five reasons for holding stock by the business firm.
   (b) What is the main different between private warehouses and public warehouses?
   (c) Explain four disadvantages of private warehouses.

7. (a) Analyse five aims of the productive organization.
   (b) Identify five factors for labour efficiency.

8. (a) Evaluate four roles of advertising in modern marketing.
   (b) (i) Briefly describe the term advertising agent.
      (ii) The manufacturing firms having their own advertising departments still use advertising agencies. Give five reasons why they find advertising agencies useful?