

THE UNITED REPUBLIC OF TANZANIA  
NATIONAL EXAMINATIONS COUNCIL  
FORM TWO SECONDARY EDUCATION EXAMINATIONS

0061

COMMERCE

Time: 2 Hours

Friday, 28<sup>th</sup> November 2014 p.m.

**Instructions**

1. This paper consists of sections A, B and C.
2. Answer **all** questions.
3. **All** answers must be written in the spaces provided.
4. **All** writing must be in blue or black ink.
5. Cellular phones and calculators are **not** allowed in the examination room.
6. Write your **Examination Number** at the top right corner of every page.

| FOR EXAMINER'S USE ONLY |       |                     |
|-------------------------|-------|---------------------|
| QUESTION NUMBER         | SCORE | EXAMINERS' INITIALS |
| 1                       |       |                     |
| 2                       |       |                     |
| 3                       |       |                     |
| 4                       |       |                     |
| 5                       |       |                     |
| 6                       |       |                     |
| 7                       |       |                     |
| <b>TOTAL</b>            |       |                     |

**SECTION A (30 MARKS)**

1. For each of the following items (i) - (x), choose the correct answer and write its letter in the box provided.

(i) The process of selling goods and services to other countries is called

- (a) Home trade
- (b) International trade
- (c) Retail trade
- (d) Export trade

(ii) The movement along a demand curve is caused by

- (a) change in price of a commodity
- (b) change in consumers' income
- (c) change in quantity demanded
- (d) change in consumers' taste

(iii) Which of the following is the best feature of the multiple shops?

- (a) Providing self service to customers.
- (b) Stocking variety goods from different producers.
- (c) Stocking similar goods and often similar in appearance.
- (d) Stocking similar goods under one roof and one management.

(iv) The main branches of production are

- (a) Commerce, industry and trade
- (b) Commerce, industry and public service
- (c) Commerce, industry and direct services
- (d) Commerce, industry and personal services

(v) The shops which sell products of one manufacturer only are called

- (a) Supermarket shops
- (b) Tied shops
- (c) Single shops
- (d) Mobile shops

(vi) Which of the following is a reward for land as a factor of production?

- (a) Interest
- (b) Profit
- (c) Wage
- (d) Rent

(vii) A warehouse where imported goods are kept waiting for customs clearance is called

- (a) Specialized warehouse
- (b) Bonded warehouse
- (c) Public warehouse
- (d) Private warehouse

(viii) Which of the following service is normally rendered by wholesalers to consumers?

- (a) Providing capital
- (b) Providing transport
- (c) Providing advice
- (d) Providing variety of goods

(ix) An art of making goods and services known to the public is known as

- (a) marketing
- (b) sales promotion
- (c) advertising
- (d) communication

(x) Any price above equilibrium price for a given commodity leads to

- (a) excess supply
- (b) decrease in supply
- (c) decrease in demand
- (d) excess demand

2. Match the items in **List A** with the correct responses in **List B** by writing the letter of the correct response below the number of the corresponding item in the table provided.

| <b>LIST A</b>   | <b>LIST B</b>        |
|---|----------------------|
| (i) Buying and selling of goods and services inside or outside the country.   | A Foreign trade      |
| (ii) Buying and selling of goods and services inside the country.   | B Barter trade       |
| (iii) Buying of goods in bulk from the producer and selling them in reasonable quantities to retailers.                 | C Retail trade       |
| (iv) Buying and selling of goods where by exchange involves goods by goods.   | D Warehousing        |
| (v) Selling of goods and services to other countries  | E Trade              |
| (vi) Activities that facilitate buying and selling of goods and services inside and outside the country.                | F Transportation     |
| (vii) Buying of goods from the wholesalers in large quantities and selling them to the consumers in smaller quantities. | G Commerce           |
| (viii) Buying of goods and services from outside the country.   | H Wholesale trade    |
| (ix) Buying and selling of goods and services beyond a country's boundaries.  | I Auxiliary to trade |
| (x) The movement of goods and services from one place to another whether inside or outside the country.                 | J Advertising        |
|   | K Export trade       |
|   | L Production         |
|   | M Communication      |
|   | N Import trade       |
|   | O Home trade         |

**ANSWERS**

| <b>LIST A</b> | (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
|---------------|-----|------|-------|------|-----|------|-------|--------|------|-----|
| <b>LIST B</b> |     |      |       |      |     |      |       |        |      |     |

3. Complete the following sentences by filling in the blanks with the correct word(s):
- (i) Goods which are used in production of other goods in production process are called \_\_\_\_\_
- (ii) The path through which products follow from the producer to the final consumer is known as \_\_\_\_\_

- (iii) The table which shows the quantity of goods supplies against their prices is called \_\_\_\_\_
- (iv) Small scale retailers who move from place to place carrying their goods on their shoulders are called \_\_\_\_\_
- (v) \_\_\_\_\_ is an ability of a commodity to satisfy human needs or wants.
- (vi) The costs of production which do not change according to the level of output are called \_\_\_\_\_
- (vii) Creation of goods and services to satisfy human wants is known as \_\_\_\_\_
- (viii) An arrangement of stocks in a warehouse in a way that old stocks can easily be identified from new one is known as \_\_\_\_\_
- (ix) Goods which are used directly by the final consumers are categorized as \_\_\_\_\_
- (x) A large building which is specifically made for the storage of goods before use is called \_\_\_\_\_

**SECTION B (30 Marks)**

4. Briefly describe the following terms:

(a) Luxury needs

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(b) Constructive industries

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(c) Deferred payment

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(d) Consumers

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(e) Stock administration

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5. (a) Who is a “trader”?

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(b) Briefly explain five functions of a wholesaler.

(i) 

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(ii) 

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(iii) 

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(iv) 

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(v) 

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**SECTION C (40 Marks)**

6. The following details were extracted from the book of Makoko for the year ending 31/07/2014.

- Purchases.....Shs. 500,000
- Opening Stock.....Shs. 80,000
- Closing Stock..... Shs. 40,000
- Minimum Stock Level..... kg. 120
- Daily sales volume..... kg. 80
- Delivery time..... 5 days

By using the information given above, calculate the following showing clearly all the workings.

(a) Average stock

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(b) Costs of good sold

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(c) Rate of stock turn

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(d) Order point

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7. (a) Define the term “specialization”.

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