

Candidate's Examination Number

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

061

COMMERCE

Time: 2 Hours

Monday, 23rd November 2015 a.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. All communication devices 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' INTIALS
1		
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TOTAL		

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SECTION A (30 Marks)

Answer **all** questions in this section.

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

(i) Warehouses which belongs to manufacturers, wholesalers or individuals are categorized as

- A bonded warehouse
- B specialized warehouse
- C private warehouse
- D public warehouse.

(ii) The appropriate channel to distribute perishable goods to final consumers is from

- A producers, wholesalers, retailers to the final consumers
- B producers, wholesalers to final consumers
- C producers, large scale retailers to final consumers
- D producers, small scale retailers to final consumers.

(iii) Which of the following is considered as disadvantage of division of labour?

- A Unemployment.
- B High degree of choice.
- C Employment opportunity.
- D Efficiency.

(iv) The exchange of goods and services is referred as

- A Aids to trade
- B Trade
- C Barter trade
- D Commerce.

(v) Demand curve is normally slopes from

- A left to right upwards
- B right to left downwards
- C right to left upwards
- D left to right downwards.

(vi) Which of the following is an example of retailers who do not have permanent premises?

- A Single shop.
- B Tied shop.
- C Mobile shop.
- D Multiple shops.

(vii) Which of the following is a reward for capital as a factor of production?

- A Wage.
- B Interest.
- C Profit.
- D Rent.

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(viii) If the price elasticity of demand is greater than 1, the demand is said to be

- A elastic
- B perfectly elastic
- C inelastic
- D unitary.

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(ix) Which of the following is a good example of perishable goods?

- A Processed coffee.
- B Wheat flour.
- C Natural Flowers.
- D Processed vegetables.

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(x) If the average stock is shs. 120,000 and cost of sales is shs. 480,000, the stock turn rate will be?

- A 0.25 times.
- B Shs 600,000.
- C Shs 360,000.
- D 4 times.

☐

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

List A	List B
(i) Arranging of stocks in stores in such a way that the old stock can easily be distinguished from new stock.	A Stock taking
(ii) Quantity of a certain supply that should always be in stock to safeguard sales against unforeseen delays of delivery.	B Opening stock
(iii) The average number of stock level within a given period of time.	C Order point
(iv) The level of stock which is arrived immediately after receipt of new deliveries.	D Minimum stock level
(v) Checking and keeping records of the quantity and value of items in stock.	E Receiving of stock
(vi) Making a list of all stocks held at the end of a given	F Care of stock
	G Stock control
	H Maximum stock level

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trading period.	I Closing stock
(vii) The process of sorting out of spoilt items, clearing and dusting of all goods in store.	J Rate of stock turn
(viii) The value of goods or merchandise in stocks held at the beginning of the financial trading period.	K Average stock
(ix) The level of stock at which placing of a new stock must be done.	L Issuing of stock
(x) Management of stock in a business to ensure that always goods for selling are available without running out of stock or overstocking.	M Stock level
	N Placing of items
	O Stock administration

ANSWERS

List A	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
List B										

3. Complete the following sentences by filling in the blanks with correct word(s).

- (i) An aid to trade whose major aim is to compensate the insured who suffered losses out of the stated risk is called _____.
- (ii) Industries which are involved in changing the form of raw materials into finished goods are classified as _____.
- (iii) The quantity of goods that producers are willing and able to offer for sale at a given price in a given period of time is known as _____.
- (iv) In hire purchase agreement, whenever the buyer failed to pay only the last installment the property bought will remain in the hands of the _____.
- (v) _____ are the costs of production which change as the output changes.
- (vi) Trade which involves exchange of goods by goods commercially is termed as _____.
- (vii) Wholesalers who handle a particular type of goods but offer a greater variety within their particular field are known as _____.
- (viii) The responsiveness of demand for a product to a change in price represents _____.

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(ix) Human needs which consist of food, shelter and clothes are called

(x) are retailers who sit next to bus stand, market place, public/private halls or around the schools offering small items like sweets, fresh fruits, pen, drinks, etc. to customers.

SECTION B (30 Marks)

Answer all questions in this section.

4. Briefly describe the following terms:

(a) Foreign trade

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(b) Supermarkets

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(c) De-credere agents

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(d) Direct services

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(e) Departmental stores

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5. (a) What is meant by the term retail trade?

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(b) Briefly explain five functions of retailers.

(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)

Answer **all** questions in this section.

6. (a) Briefly describe four types of demand.

(i)
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(ii)
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(iii)
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(iv)
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(b) Explain four factors that cause change in demand for a certain product.

(i)
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(ii)
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(iii)
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(iv)
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7. (a) List five main branches of aids to trade.

(i)
(ii)
(iii)
(iv)
(v)

(b) Explain the importance of commerce in our daily life. Give five points.

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