

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

**061**

**COMMERCE**

(For Both School and Private Candidates)

**Time: 2:30 Hours**

**Friday, 11<sup>th</sup> November 2016 p.m.**

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**Instructions**

1. This paper consists of sections A, B and C.
2. Answer **all** questions in sections A and B and **two (2)** questions from section C.
3. Calculators and cellular phones are **not** allowed in the examination room.
4. Write your **Examination Number** on every page of your answer booklet(s).

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## SECTION A (20 Marks)

Answer **all** questions in this section.

1. For each of the items (i) - (x), choose the correct answer from among the given alternatives and write its letter beside the item number in your answer booklet.
- (i) Goods can mainly be classified as
- A durable goods and perishable goods
  - B consumer goods and producer goods
  - C consumer goods and economic goods
  - D producer goods and free goods
  - E producer goods and economic goods.
- (ii) A cheque which is presented to the payee before the date on it is called
- A dishonoured cheque
  - B crossed cheque
  - C stale cheque
  - D post-dated cheque
  - E open cheque.
- (iii) Which one of the following is the disadvantage of departmental store to the seller?
- A Wide choice of products.
  - B Convenience in shopping.
  - C Extensive use of advertising.
  - D Careful selection of goods.
  - E Services to customers.
- (iv) The main reason for the existence of public corporations is to
- A maximize profits for distributions to members of the public
  - B provide certain essential services to members of public
  - C enlighten the public on how to conduct their business
  - D sell shares to members of the public
  - E to distribute loss made by corporations to members of the public.
- (v) Bi-lateral trade in international trade means
- A a country has a greater part of her foreign trade with only one country.
  - B a country has a greater part of her foreign trade with only two countries.
  - C a country has a greater part of her foreign trade with several countries.
  - D a country has a greater part of her export trade to only one country.
  - E a country has a greater part of her import trade from several countries.

- (vi) The capital employed is obtained by
- A adding current assets to current liabilities
  - B adding current assets to total liabilities
  - C adding total assets to total liabilities
  - D adding total assets to working capital
  - E adding total liabilities to working capital.
- (vii) A life assurance policy where an assured person promises to pay premium for a specified number of years is called
- A Whole life policy
  - B Endowment policy
  - C Annuity policy
  - D Family income policy
  - E Group life policy.
- (viii) Which one of the following is **not** an important clause of a charter party?
- A The parties to the agreement.
  - B The cargo to be carried.
  - C The freight to be paid for the voyage.
  - D The terms of the voyage.
  - E The passengers to be carried.
- (ix) Which document is to be sent by the exporting country showing the list of goods needed to the importer who buy goods through an agent?
- A A letter of credit
  - B Bill of lading
  - C Certificate of origin
  - D An indent
  - E Bill of exchange.
- (x) Which of the following is the correct form of transport?
- A Water, land and air.
  - B Water, land and railway.
  - C Water, air and road.
  - D Sea, railway and air.
  - E Land, lakes and air.

2. Match the items in **Column A** with the responses in **Column B** by writing the letter of the correct response beside the item number in your answer booklet.

Column A	Column B
<p>(i) Engaged only on limited range of stock while combining selling, delivery and collection in one operation.</p> <p>(ii) Engaged in supplying a certain type of goods to a certain type of retail stores.</p> <p>(iii) Engaged in buying and selling of goods from different producers to retailers.</p> <p>(iv) Selling a particular type of goods but offer greater variety within their particular field.</p> <p>(v) Engaged in showing catalogues, and price lists to retailers to persuade them to buy the goods.</p> <p>(vi) Engaged in selling to the wholesalers' warehouse that require them to pick what they want.</p> <p>(vii) Engaged in selling goods to the public without reserves.</p> <p>(viii) Engaged in selling of goods to the retailers to different areas in a given state.</p> <p>(ix) Engaged in buying and selling of goods on their capital and perform all activities in the business.</p> <p>(x) Engaged in collection and delivery of goods on behalf of others.</p>	<p>A Specialised wholesaler</p> <p>B Auctioneers</p> <p>C Rack Jobbers</p> <p>D Truck wholesalers</p> <p>E Cash and carry wholesalers</p> <p>F Forwarding agents</p> <p>G Factors</p> <p>H Underwriters</p> <p>I Broker</p> <p>J Travelling agents</p> <p>K Merchant wholesalers</p> <p>L Regional wholesalers</p> <p>M International wholesalers</p> <p>N General wholesalers</p> <p>O Nationwide Wholesalers</p>

## SECTION B (40 Marks)

Answer **all** questions in this section.

3. Differentiate the following commercial terms:
  - (a) Formal communication and informal communication.
  - (b) Oral communication and written communication.
  - (c) Audio media and audio visual media.
  - (d) Internal communication and external communication.
  - (e) Fax and internet.
  
4.
  - (a) Describe five qualities of a good entrepreneur.
  - (b) Mr Mkuu started business two years ago as a soft drink supplier, now his business has collapsed. As an expert in commercial subject, give him four possible causes of his business failure.
  
5.
  - (a) Briefly explain the following terms:
    - (i) Stock taking
    - (ii) Stock valuation
    - (iii) Minimum stock
    - (iv) Maximum stock
    - (v) Rate of stock turn
    - (vi) Order point
  - (b) From the following details, calculate the order point of Mr Kenge a wholesaler for the month of November, 2015.  
Bags of sugar of 50 kg each:  
Daily sales volume = 50 bags  
Minimum stock = 200 bags  
Delivery time = 4 days
  - (c) What are the three important functions performed by the modern warehouses in the process of marketing of goods?
  
6.
  - (a) Elaborate five factors used in determining the elasticity of demand.
  - (b) From the following demand and supply schedule for sugar, draw up demand and supply curves; clearly show the equilibrium point, equilibrium price and equilibrium quantity, the region of excess supply and excess demand.

### Demand and Supply Schedules for Sugar

Quantity demanded in kg	Quantity supplied in kg	Price per kg in Tsh
4000	1000	100
3500	1500	150
3000	2000	200
2500	2500	250
2000	3000	300
1500	3500	350
1000	4000	400

### SECTION C (40 Marks)

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

7.
  - (a) Explain seven rights of partners in the partnership if the partnership is formed without partnership deed.
  - (b) Elaborate three circumstances which cause the dissolution of the partnership.
8.
  - (a) Critically explain the term trade and describe its branches.
  - (b) Explain six basic activities which facilitate smooth running of trade.
9.
  - (a) Briefly explain the term transport.
  - (b) Urafiki text tile industry in Dar-es-Salaam buys raw materials (cotton) in large quantity from Mwanza region. Such raw material needs to be transported to Dar-es Salaam to effect production. Advise them the proper mode of transport to be used by describing them five advantages and five disadvantages of its use.
10.
  - (a) Identify the three main types of intermediaries in import trade.
  - (b) Explain three importance of bill of lading in exporting of goods.
  - (c) What is meant by a letter of credit? Identify and describe its types.