

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

0061

COMMERCE

Time: 2 Hours

Friday, 28th 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		
TOTAL		

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.

LIST A		LIST 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

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 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

(b) Constructive industries

(c) Deferred payment

(d) Consumers

(e) Stock administration

5. (a) Who is a “trader”?

(b) Briefly explain five functions of a wholesaler.

(i)

(ii)

(iii)

(iv)

(v)

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

- (b) Costs of good sold

- (c) Rate of stock turn

- (d) Order point

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