

## COMMERCE (2008)

### FORM TWO NATIONAL ASSESSMENT ANSWERS

Solutions from: [Maktaba by TETEA](https://maktaba.tetea.org)

By Azizi Azimu

---

#### SECTION A:

1.

i	ii	iii	iv	v	vi	vii	viii	ix	x
A	A	B	B	A	D	D	C	D	A

2.

LIST A	i	ii	iii	iv	v	vi	vii	viii	ix	x
LIST B	M	L	A	G	H	I	E	*Stock Control	K	B

3.

- (i) Cash on Delivery (COD)
- (ii) Supply Schedule
- (iii) Receipt
- (iv) Credit note
- (v) Economics
- (vi) Industry
- (vii) Imported Products
- (viii) Lead time
- (ix) Stock Valuation
- (x) Psychological Needs

## SECTION B:

4.

- (a) **Mail order Business:** is a type of large scale retailers on which goods are sold through orders. A buyer places an order for goods to a seller and waits for them.
- (b) **Tertiary Level of Production:** is the third level of production deals with direct services and commerce (*exchange and distribution*).
- (c) **Equilibrium Price:** is a price at which the quantity demanded is equal to the quantity supplied.
- (d) **Hyper Market:** is a type of super market that is very big in size occupies a very large area mostly located out of town selling different type of merchandise.
- (e) **Cash Discount:** is a discount that is offered when a buyer pays supplier within an agreed period of time.

5. **Five services rendered by Wholesaler to Manufacturer.**

- i. Transportation – Assist producer in transporting the goods to consumers
- ii. Fast financing – wholesalers purchase in large quantities, enables producers to meet their cost easily
- iii. Promotion – help producer in promoting their goods
- iv. Market research – assist producers in collecting information concerning their products
- v. Warehousing – Provide manufactures with a storage facility for their goods

## SECTION C:

6.

**Workings:**

		Dr		Trading Account		Cr	
		Details/Particulars		Amount	Details/Particulars		Amount
a)		Opening Stock		28000	Sales		35000
Therefore Gross		<i>Add:</i> Purchases		25000			
Profit = 14,500		COGAS		53000			
b)		<i>Less:</i> Closing Stock		32500			
Net Profit		COGS		20500			
		<b>Gross Profit</b>		14500			
				<b>35000</b>			<b>35000</b>

**Formula:**

$$\text{Net Profit} = \text{Gross Profit} - \text{Expenses}$$

**Data:**

$$\text{Gross Profit} = 14,500$$

$$\text{Expenses} = 8,000$$

$$\text{Net Profit} = 14500 - 8000 = 6,500$$

$$\underline{\text{Therefore Net Profit} = 6,500}$$

c) Rate of Stock turn over (RST)

**Formula:**

$$\text{RST} = \frac{\text{Cogs}}{\text{Average Stock}}$$

**Data:**

$$\text{Cogs} = 20,500$$

$$\text{Average Stock} = \frac{28000 + 32500}{2} = \mathbf{30250}$$

$$\text{RST} = \frac{20500}{30250}$$

$$\underline{\text{Therefore Rate of stock turn over} = 0.67 \text{ times}}$$

7. **Problems facing retailers.**

i. Shortage of capital

- ii. Shortage of storage facilities
- iii. Shortage of transport facilities
- iv. High tax rate
- v. Remoteness of customers
- vi. Poor transport system