

COMMERCE (2015)

FORM TWO NATIONAL ASSESSMENT ANSWERS

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

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SECTION A:

1.

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

2.

LIST A	i	ii	iii	iv	v	vi	vii	viii	ix	x
LIST B	N	D	K	H	O	A	F	B	C	G

3.

- (i) Insurance
- (ii) Manufacturing Industries
- (iii) Quantity Supplied
- (iv) Seller
- (v) Variable Costs
- (vi) Barter Trade
- (vii) Specialized Wholesaler
- (viii) Price Elasticity of Demand
- (ix) Basic Needs
- (x) Street Traders

SECTION B:

4.

- (a) **Foreign Trade:** also known as international trade, is a trade (buying and selling of goods and services) between two or more countries.
- (b) **Supermarket:** a shop that sell different variety of goods under self-service and mostly at a cheap price.
- (c) **Del-cledere Agent:** an agent how promise a principal to pay for uncertain expenses like bad debts. He is paid a total of commission *plus* del-cledere commission.
- (d) **Direct Services:** is a branch of production whereby services like Doctoring Counseling, Teaching, Security and Jurisdiction are involved apart from commercial services.
- (e) **Departmental Store:** a retail outlet involves number of shops under a single roof and under single management. Each shop sells different class of goods. *Eg.* When Hardware Shop, Toys Shop, Home Furniture Shop all found in a single roof of a building sharing the same floor.

5.

- (a) **Retail Trade:** is also known as retailing, is a process of selling goods to final consumers. Or is a trade that concerns with buying
- (b) **Five functions of Retailer**
 - i. Buying goods from wholesaler
 - ii. Storing the goods – he store goods in their special storage facilities
 - iii. Selling goods – he sales goods to the final consumers

- iv. Advising consumers – he provide advices to consumers about the quality, quantity and price of goods to be bought basing on the customers' ability to purchases
- v. Promoting goods – he promotes goods to customers by persuading them to buy.

SECTION C:

6.

(a) Types of Demand:

- i. ***Substitute demand*** is a demand for goods which gives the same level of satisfaction to consumer. Example: Uhai and Seqwa, Azam Cola and Pepsi and of the type.
- ii. ***Complimentary or Joint Demand*** is a demand for goods which can be used together. Example Shoes and Socks, Vehicles and Petrol, Mattress and Blanket and so on.
- iii. ***Composite demand*** is a demand for goods which have more than one use. Example: Wheat Flour, Water, Smart Phone and of the like.
- iv. ***Derived demand*** is a demand for goods which can be used to create other goods like Electricity, Water, Flour, and Machines

(b) Factors that cause change in demand of a certain product:

- i. Change in price of goods – when the price of goods raises the quantity demanded decreases and vice versa is true.
- ii. Change in income level – when the income level of consumer increases the demand increase and when it decreases the demand also decreases.
- iii. Change in price of other related goods – when the price of other related goods increase the demand of other related goods increases and when it decrease the demand of other related goods also decreases.
- iv. Change in population – the higher the population the higher the demand for goods and services and vice versa is true.

- v. Change in taste and preference – if the taste of a product falls the demand decreases and when a taste becomes good the demand increases
- vi. Change in fashion
- vii. Change in government policy

7.

(a) Five Branches of Aids to Trade:

- i. Transportation
- ii. Communication
- iii. Insurance
- iv. Banking
- v. Warehousing

(b) Importance of Commerce

- i. Commerce helps to fill the gap between producers and consumers
- ii. Commerce enable production to be continuous
- iii. Commerce enables goods to reach the point of consumption
- iv. Commerce provides employments
- v. Commerce facilitates exchange and distribution of goods