COMMERCE (2016)

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	B	A	A	C	B	D	C	B

2.

LIST A	i	ii	iii	iv	v	vi	vii	viii	ix	x
LIST B	H	I	G	K	L	E	J	B	F	D

3.

(i) Exports or Exported Product

(ii) Manufacturing Industries

(iii) General Merchandise Shop

(iv) Demand Law

(v) Communication

(vi) Marginal Cost

(vii) Export Trade

(viii) Final Consumer

(ix) Placing of Items

(x) Capital

SECTION B:

4.

(a) **Durable Goods**: are goods which can last for a long period of time. Eg. Fridge, Television, Phone, Clothes and Vehicles

(b) ***Consumer Goods:*** are finished goods which are ready for use or ready for consumption (ready to be used). Example: Breads, Clothes, Soda, Books and Pens

(c) ***Indirect Production:*** is a type of production whereby goods are produced for exchange purposes.

(d) **Extractive Industry:** is a branch of industry which involves in extraction of raw materials like iron, copper, gold, charcoal and other minerals.

(e) ***Departmental Store:*** are number of shops under a single roof and under single management. Each shop sells different class of goods.

5.

Qualities of a Good Retailer

i. He is a good buyer – this means he must buys goods from suppliers of quality goods.

ii. He is a good seller – he must sales goods to potential consumers as demanded

iii. He is a good adviser – he must provide goods advices on quality and quantity of goods to consumers.

iv. He is honesty to his customers – he must be honest to his customers not lying to customers.

v. He pays his creditors in time – a good retailer must pay his credit suppliers (creditors) in time.

vi. He has money discipline – a goods retailer must have discipline on money generated from his business for growth of his business.

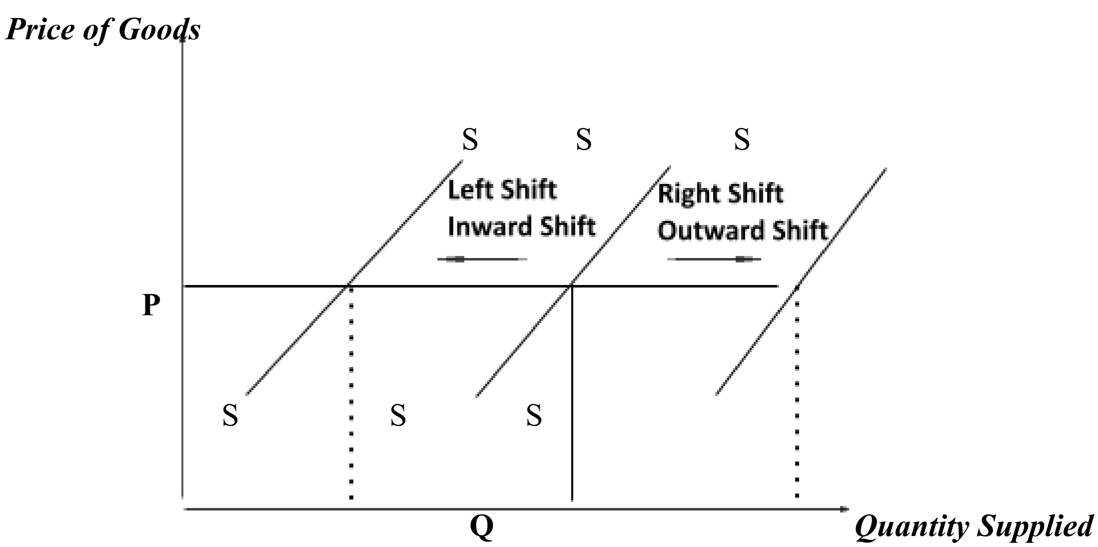
SECTION C:

6.

(a) Shift in Supply Curve:

Shift in demand curve occurs when the quantity demanded change due to change in other factors affecting demand but not price. Can either be Left Shift or Right Shift of Supply Curve (S).

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



(c) Factors for the decrease in quantity supplied (supply curve)

a. Decrease in price of goods
b. Decrease in price of factors of production or Change in production cost
c. Decrease in price of other related goods
d. Decrease in technology
e. Decrease in production capacity
f. Decrease in expectations about future change in price

7.

Six types of costs of production

- ***a.*** **Total Cost:** is the sum of all variable and fixed cost of production. It is obtained by taking the sum of Total Fixed Costs plus Total Variable Costs.
- ***b.*** **Marginal Cost:** is the cost of producing one more unit of output. It is obtained by taking the change in Total Cost over change in Outputs.
- ***c.*** **Variable Cost:** is a cost which changes with the level of output. It is obtained by adding up all direct costs of production.
- ***d.*** **Average Variable Cost:** is total variable cost per unit of output. It is obtained by taking the Total Variable Cost divide by Outputs.
- ***e.*** **Fixed Cost:** is a cost which does not change with the level of output.
- ***f.*** **Average Fixed Cost:** is total fixed cost per unit of output. It is obtained by taking the Total Fixed Cost divide by Outputs.