

COMMERCE (2017)

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 |
|---|----|-----|----|---|----|-----|------|----|---|
| D | B | A | A | C | C | A | C | D | B |

2.

| List A | i | ii | iii | iv | v |
|--------|---|----|-----|----|---|
| List B | C | G | A | E | B |

3.

(a)

(i) False

(ii) True

(iii) False

(iv) True

(v) True

(vi) False

(vii) True

(viii) False

(ix) False

(x) False

(b)

(i) General Wholesaler

- (ii) Price Elasticity of Demand
- (iii) Gross Profit
- (iv) Market Research
- (v) Del-cledere Commission

SECTION B:

4.

- (a) **Equilibrium Point** is a point where demand curve and supply curve meets. While The **Equilibrium Price** is a price of goods and services at the point where the quantity demanded is equal to the quantity supplied.
- (b) **Manufacturing Industry** is an industry that deals with converting the raw materials (*like cotton*) to the more finished or consumable goods (*like T-shirts*). But **Production** is a process of creating goods and provision of services to satisfy human needs/wants. Or is a process of creating utility of goods and services.
- (c) **Receiving of Stock** is a warehouse function or activity which concerns with receiving the goods to store them in a warehouse. And, **Placing of Items** is a warehouse function which involves an act of arranging the goods in a warehouse according to their dates of arrival.
- (d) **Retail Trade** is also known as retailing, is a process of selling goods to final consumers. While Wholesale Trade is also known as wholesaling is a process of selling goods to retailers.
- (e) **Warehouse** is a very large building that is used for storing goods or keeping goods until they are demanded or needed for consumption. But **Warehousing** is a process of receiving goods, storing (*safe keeping the goods*) in a warehouse and issuing them when demanded.

5.

Six services rendered by Wholesaler to Manufactures

- i. 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
- vi. Branding – wholesaler assist agricultural manufacturers in providing a name for their products. Example Chai Bora.

SECTION C:

6.

Data Provided:

| | |
|---------------------|--------|
| Opening Stock | 300000 |
| Purchases | 240000 |
| Carriage inward | 2000 |
| Closing Stock | 31000 |
| Gross Profit | 165000 |
| Transport Cost | 250000 |
| Electricity Charges | 500000 |

(a) Average Stock;

Formula:

$$\text{Average Stock} = \frac{\text{Opening Stock} + \text{Closing Stock}}{2}$$

$$\text{Average Stock} = \frac{300000 + 31000}{2}$$

Therefore Average Stock = 165,500.

(b) Cost of Goods Available for Sale (COGAS):

Formula:

$$\text{COGAS} = \text{Opening Stock} + \text{Purchases}$$

$$\text{COGAS} = 300000 + 240000$$

So Cost of Goods Available for Sale = 540,000.

(c) Cost of Goods Sold (COGS):

Formula:

$$\text{COGS} = \text{COGAS} - \text{Closing Stock}$$

$$\text{COGS} = 540000 - 31000$$

So Cost of Goods Sold = 509,000.

(d) Sales:

Formula:

$$\text{Sales} = \text{Cost of Goods Sold (COGS)} + \text{Gross Profit}$$

$$\text{Sales} = 509000 + 165000$$

Therefore Sales = 674,000.

(e) Rate of stock turn (RST):

Formula:

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

$$\text{RST} = \frac{509000}{165500}$$

Hence Rate of Stock Turn = 3.08 times.

7.

Determinant or Factors for development of commerce in Tanzania:

- a. Increase in population and demand
- b. Development of science and technology
- c. Increase in production
- d. Development of transport and communication
- e. Development of money and banking
- f. Development of warehousing