**ENDOF TERM ONE SENIOR ONE COMERCE EXAM**

DURATION: 2HRS

**Instructions**

Attempt all questions in section A and B

**SECTION A**

*(Circle the best alternative)*

1. The reward for capital is
2. Rent
3. Interest
4. Wage
5. Profit
6. The following are aids of trade except
7. Advertising
8. Security
9. Banking
10. Transport
11. Wants can be defined as
12. The needs,desire or interest of man
13. The desire or interest of employees
14. A satisfaction by intangible things or service
15. A satisfaction by consuming physical goods
16. The following are primary production except
17. Fishing
18. Agriculture
19. Mining
20. Construction industry
21. Which of the following is not a factor of production
22. Land
23. Labour
24. Capital
25. Government policy
26. Which one of the following is not basic or primary human want
27. Food
28. Shelter
29. Car
30. Clothing
31. Which one of the following is not an example of complementary ood
32. Car and Petrol
33. Beans and Peas
34. Radio and Television
35. Tea leaves and coffee
36. The following are demerits of specialization except
37. Exhaustion of resources
38. Absence of skilled workers at on stage
39. Development of new ideas
40. Inflation of prices and demand
41. Which of following is not stage of production.
42. Tertiary production C. Primary production
43. Secondary production D. Manufacturing industry
44. Which of the following capital is not an example of physical asset (item)
45. Building C. Machinery
46. Vehicles D. Cash

**SECTION B.**

1. a. Define the term Capital (2 mrks)

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b. Suggest six ways how business men can acquire capital. (6 mrks)

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ii. ………………………………………………………………………………………………………………………..

iii. ………………………………………………………………………………………………………………………

iv.……………………………………………………………………………………………………………………….

v. ……………………………………………………………………………………………………………………….

vi. ………………………………………………………………………………………………………………………

1. Write short notes about the following. (8 mrks)
2. Opportunity cost

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1. Production

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1. Wants

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1. Aids to trade

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1. Define the term specialization (2 mrks)

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b. Give four types of specialization (4 mrks)

i. ………………………………………………………………………………………………………………………...

ii. ………………………………………………………………………………………………………………………..

iii. ………………………………………………………………………………………………………………………

iv.……………………………………………………………………………………………………………………….

c. Give four Merits of specialization (4 mrks)

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1. What is Commerce?

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b. List 3 importance of commerce. (3 mrks)

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1. Outline (six) aid to trade (6 mrks)

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b. Differentiate between Home trade and foreign trade. (4 mrks)

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1. What is utility (2 mrks)

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b. Give any two types of goods.

i. ………………………………………………………………………………………………………………………...……...

ii. ………………………………………………………………………………………………………………………...……..

**…..END…...**