



Candidate's Examination Number .....

THE UNITED REPUBLIC OF TANZANIA  
NATIONAL EXAMINATIONS COUNCIL  
FORM TWO NATIONAL ASSESSMENT

061

COMMERCE

Time: 2:30 Hours

Monday, 21<sup>st</sup> November 2016 p.m.

Instructions

1. This paper consists of section A, B and C.
2. Answer **all** questions.
3. All answers must be written in the spaces provided.
4. All writing must be written in blue or black ink.
5. All communication devices and calculators are **not** allowed in the examination room.
6. Write your **Examination Number** at the top right corner of every page.

| FOR EXAMINERS' USE ONLY |       |                     |
|-------------------------|-------|---------------------|
| QUESTION NUMBER         | SCORE | EXAMINERS' INITIALS |
| 1                       |       |                     |
| 2                       |       |                     |
| 3                       |       |                     |
| 4                       |       |                     |
| 5                       |       |                     |
| 6                       |       |                     |
| 7                       |       |                     |
| TOTAL                   |       |                     |

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**SECTION A (30 Marks)**

Answer **all** questions in this section.

1. For each of the following items (i) – (x), choose the correct answer and write its letter in the box provided.
- (i) A wholesaler who operate on a very large scale business and supply goods to retailers in all parts of the country is known as
- |                         |                           |                      |
|-------------------------|---------------------------|----------------------|
| A nationwide wholesaler | B specialized wholesalers | <input type="text"/> |
| C general wholesalers   | D regional wholesalers.   |                      |
- (ii) Which of the following presents a disadvantage of barter system?
- |                                  |                   |                      |
|----------------------------------|-------------------|----------------------|
| A Double coincidence of wants.   | B Divisibility.   | <input type="text"/> |
| C Standard of deferred payments. | D Indivisibility. |                      |
- (iii) An official document used to correct undercharge of an invoice is called
- |                    |                 |                      |
|--------------------|-----------------|----------------------|
| A debit note       | B credit note   | <input type="text"/> |
| C consignment note | D delivery note |                      |
- (iv) Which of the following group presents a broad classification of occupations?
- |  |                      |
|--|----------------------|
| A Trade and production.                                  | <input type="text"/> |
| B Industrial, commercial and tertiary.                   |                      |
| C Extractive, manufacturing and constructive industries. |                      |
| D Trade, aids to trade and industrial.                   |                      |
- (v) Prices below equilibrium price reflect
- |                      |                       |                      |
|----------------------|-----------------------|----------------------|
| A excess demand      | B excess supply       | <input type="text"/> |
| C decrease in demand | D increase in supply. |                      |
- (vi) An agent who sells goods of his principal in his own name is called
- |                    |                      |                      |
|--------------------|----------------------|----------------------|
| A commission agent | B broker             | <input type="text"/> |
| C factor           | D del-credere agent. |                      |
- (vii) Which of the following presents the main feature of multiple shops?
- |  |                      |
|--|----------------------|
| A Many shops selling different kind of goods owned by one person.    | <input type="text"/> |
| B Many shops selling the same kind of goods and owned by one person. |                      |
| C Many shops under one building selling different kind of goods.     |                      |
| D Many shops selling similar products from different producers.      |                      |
- (viii) Examples of free goods are
- |  |                      |
|--|----------------------|
| A Tanzania Broadcasting, ITV and Star TV       | <input type="text"/> |
| B refrigerator, tractors and tailoring machine |                      |
| C roads, public hospitals and public schools   |                      |
| D rainfall, sun shine and air.                 |                      |



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(ix) Which of the following is **not** included in commerce flow chart?

- A Insurance.                      B Warehousing.  
C Production.                    D Transportation.

☐

(x) What is the correct formula used to calculate working capital of the business?

- A Opening stock plus closing stock divide by two.  
B Current assets less current liabilities.  
C Current assets less current liabilities plus fixed assets.  
D Total assets less current assets.

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2. Match items in **List A** with the responses in **List B** by writing the letter of the correct response below the number of the corresponding item in the table provided.

|  | <b>List B</b>          |
|--|------------------------|
| (i) A building where goods are stored while waiting for their use or distribution.                         | A Auction of warehouse |
| (ii) The amount of money refunded as import duties paid if imported goods are re-exported within the time. | B Warrant              |
| (iii) A building owned by an individual or business which is available for use by others for charge.       | C Tax collection       |
| (iv) A building where goods are stored and owned by specific businesses for their own use.                 | D In-bond notes        |
| (v) Warehouse used for storage of goods whose import tax had not been paid.                                | E Bill of entry        |
| (vi) A document issued to the owner of the goods after goods have been received into the public warehouse. | F Customs duties       |
| (vii) The process of storing goods or raw materials in a warehouse until they are needed.                  | G Private warehouse    |
| (viii) A document prepared by the importer who wants to take delivery of the goods in bonded warehouse.    | H Warehouse            |
| (ix) Taxes which are paid for imported goods before they leave the bonded warehouse.                       | I Customs drawback     |
| (x) A document which shows the amount of goods which are in a warehouse for particular importer.           | J Warehousing          |
|  | K Public warehouse     |
|  | L Bonded warehouse     |

**ANSWERS**

| <b>List A</b> | (i) | (ii) | (iii) | (iv) | (v) | (vi) | (vii) | (viii) | (ix) | (x) |
|---------------|-----|------|-------|------|-----|------|-------|--------|------|-----|
| <b>List B</b> |     |      |       |      |     |      |       |        |      |     |

3. Complete the following sentences by filling in the blanks with the correct term(s).
- (i) Goods and services that are sold outside the country are termed as .....
- (ii) The industries dealing with assembling of already manufactured goods into finished goods are called .....



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- response
- house
- (iii) A small scale retailer business which is owned by one person, offering variety of goods from different manufacturers and had fixed premises is called .....
  - (iv) The law which state that the lower the price the higher the quantity demanded and the vice versa is known as .....
  - (v) An auxiliary service which involves exchange of information between people or organization is known as .....
  - (vi) The cost incurred in producing the extra unit of output is called .....
  - (vii) The commercial activity that deals with selling goods and services to other countries is called .....
  - (viii) The last person to receive goods in the channel of distribution is called .....
  - (ix) The arrangement of stocks in the warehouse or at the shop according to the date of their arrival is referred to as .....
  - (x) The resource in the form of money/materials or goods that a person or an organization used in commencing business is termed as .....

**SECTION B (30 Marks)**

Answer **all** questions in this section.

4. Define the following terms with examples.

(a) Durable goods.

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(b) Consumer goods.

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(c) Indirect production.

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(d) Extractive industries.

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(e) Departmental stores.

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5. Briefly explain six q

(i) .....

(ii) .....

(iii) .....

(iv) .....



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5. Briefly explain six qualities of a good retailer.

(i) .....

(ii) .....

(iii) .....

(iv) .....

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(v)

(vi)

**SECTION C (40 Marks)**

Answer **all** questions in this section.

6. (a) Describe shift in supply curve.

(b) Draw a graph

(c) Describe  
(i)

(ii)



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(b) Draw a graph to show the inwards and outwards shift in supply curve.

(c) Describe five factors which cause a decrease in supply curve.

(i)

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(ii)

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.....

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(iii)

(iv)

(v)

7. Explain six types of costs of production.



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