

Candidate's Examination Number

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

061

COMMERCE

Time: 2:30 Hours

Friday, 15th November 2019 p.m.

Instructions

1. This paper consists of sections A, B and C with a total of **seven (7)** questions.
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, calculators and any unauthorised materials 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		
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TOTAL		
CHECKER'S INITIALS		



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) What will be the order point of Mr. Cassel if his daily sales is 500 bags of sugar, the delivery time being 15 days and minimum stock of 200 bags?

A 7,700 bags B 3,300 bags
C 3,500 bags D 4,500 bags

- (ii) The process through the customer exchange information with the shop keeper about the availability of rice in his shop is expressed as

A transaction. B advertising.
C communication. D retailing.

- (iii) Why is it necessary to use demand schedule in drawing a demand curve?

A It shows the quantity demanded.
B It shows the price of the quantity demanded.
C It shows the price and quantity demanded.
D It shows the price changes for a commodity.

- (iv) Why internal motivation important in an entrepreneurship?

A It creates environment for carrier development.
B It creates competition among the entrepreneurship.
C It creates the working spirits to experts.
D It helps to overcome the business challenges.

- (v) In which category does Madam Mashenge be grouped if she produced green vegetables in large quantity and sells them in bulk to retailers who will then sell them to final users?

A Wholesaler B Retailer
C Customer D Producer

- (vi) The main elements of commerce comprises of

A home trade and foreign trade. B wholesale and retail trade.
C trade and aids to trade. D import trade and export trade.

- (vii) Which of the following units of carriage in transport is most suitable in carrying delicate and perishable goods over a long distance?

A Ships B Train
C Car D Aeroplane

3. (a) For each of the following statements (i) –(x), write **True** if the statement is correct or **False** if the statement is not correct in the space provided.
- (i) Air transport is most suitable for transporting Tanzanite minerals from Arusha to Dar es Salaam.
 - (ii) Some of the entrepreneurs exit from the market as an outcome of improper planning.
 - (iii) Warehousing increases the quality of some goods such as alcohol if stored over long time.
 - (iv) Mr. Biashara is a wholesaler because he bought 100 bags of cement from Cement Industry for construction of his house.
 - (v) Economics deals with allocation of scarce resources to satisfy human needs and wants.
 - (vi) The presentation of quantity supplied in relation to price in graph presents supply schedule.
 - (vii) The success of entrepreneurial business is an external motivation to an entrepreneur.
 - (viii) Low establishment cost is one of the factors that cause an increase in number of road side sellers in Tanzania.
 - (ix) Tanzania use pipe line mode of transport in transporting gas from Mtwara to Dar es Salaam.
 - (x) The rate of stock turn helps the business owner to determine the value of gross profit in a given period.
- (b) Complete the following sentences by filling in the blanks with the correct word(s).
- (i) Under which factor of production the machine bought for production purpose is categorized?
 - (ii) The wholesaler's function which involves bulk buying and promptly payment to manufacturer is called
 - (iii) The process of keeping goods or raw materials for future use in the warehouse is referred to as
 - (iv) A person who initiate the business idea is called

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- (v) The demand for the commodities that are used together such as cars and fuel is grouped as

SECTION B (30 Marks)

Answer **all** questions in this section.

4. (a) What is transportation? Give one example of transportation at your surroundings.

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- (b) With examples, briefly explain four elements of transports.

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(ii)

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(iii)

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(iv)

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5. Describe five functions of an entrepreneur.

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(ii)
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(v)

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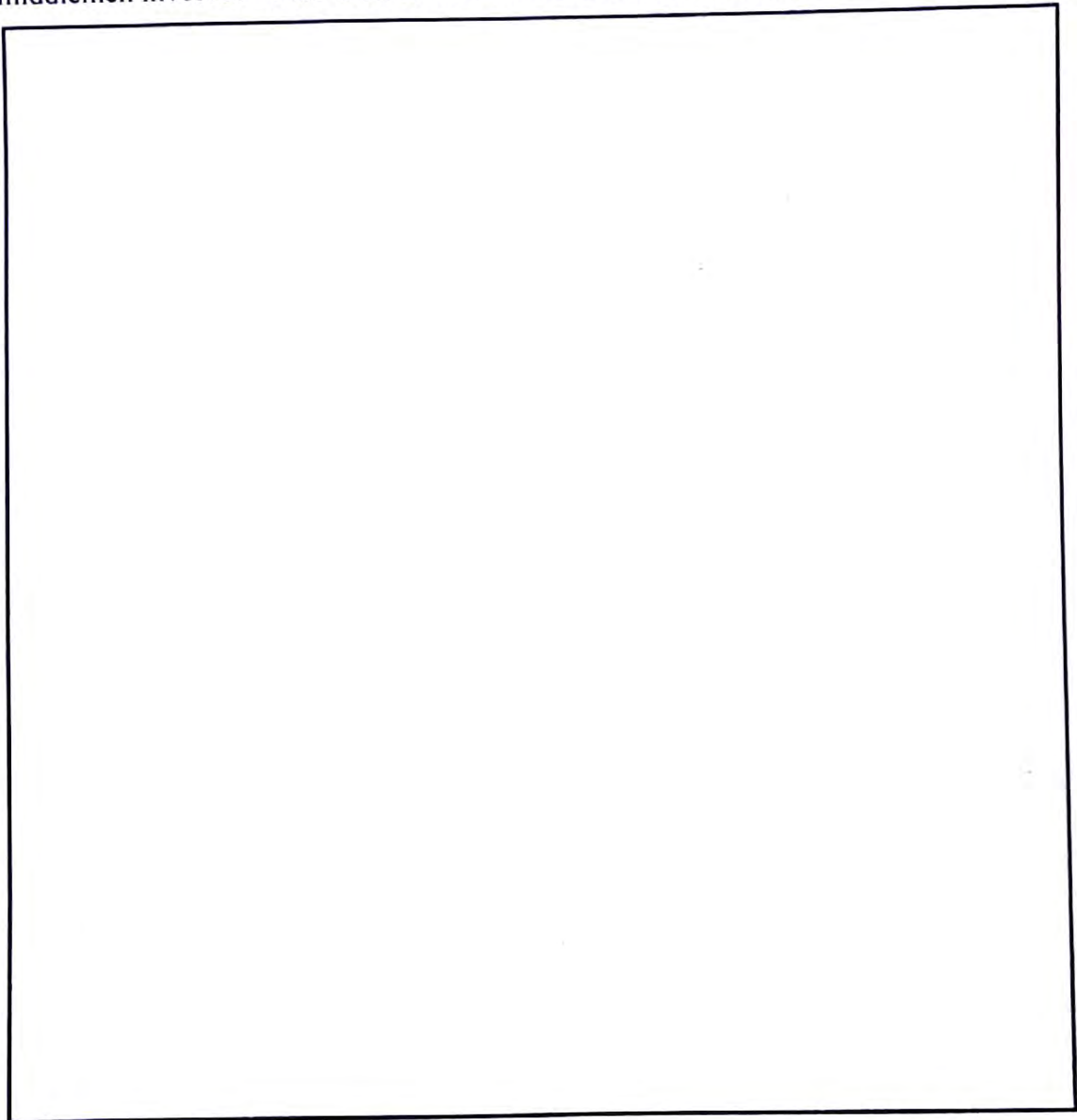
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SECTION C (40 Marks)

Answer **all** questions in this section.

6. (a) Describe the term channel of distribution and draw a diagram to show the middlemen involved in the channel of distribution of manufactured goods.



(b) Explain four forms of channel of distribution of manufactured goods.

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(ii)

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(iii)

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