



Candidate's Examination Number

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

061

COMMERCE

Time: 2:30 Hours

Monday, 21st 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.

☐

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.

	List 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

List A	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)
List 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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(iii)

(iv)

(v)

7. Explain six types of costs of production.

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