Candidate's Examination Number...

SMZ

ZANZIBAR EXAMINATIONS COUNCIL

FORM THREE ENTRANCE EXAMINATION

062   COMMERCE

TIME: 2:30 HOURS   WEDNESDAY 30TH DECEMBER, 2020 A.M

INSTRUCTIONS TO CANDIDATES

1.   This paper consists of THREE (3) sections A, B and C.

2.   Answer ALL questions from section A, B and any TWO (2) questions from C.

3.   Write your examination number on every page of this booklet.

4.   Write all answers in the space provided.

5.   Use a blue or black pen in writing. Diagrams must be in pencil.

6.   Calculators, cellular phones and unauthorized materials are not allowed in the examination room.

FOR EXAMINER'S USE ONLY		
QUESTION NUMBER	**MARKS**	**SIGNATURE**
1		
2		
3		
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8		
9		
10		
TOTAL		

This paper consists of 12 printed pages

SECTION A: (20 Marks)

Attempt ALL questions from this section.

1. Choose the letter of the correct answer and write its letter in the table below.

   i) All of the following are examples of aids to trade except

   a) Banking　　　　　　　　　b) Transportation

   c) Warehousing　　　　　　　d) Insurance　　　　　e) Production

   ii) The process which involves the extraction of raw materials directly from earth or sea is termed as

   a) Secondary activities　　　　b) Tertiary service

   c) Quaternary activities　　　　d) Primary activities

   e) Quinary activities

   iii) Which of the following is considered to be the risk of self-employment?

   a) Uncertainty　　　　　　　b) Being your own boss

   c) Independence　　　　　　d) Fewer working hour　　e) Freedom

   iv) The process which involves releasing the sold stock to the customer is

   a) Stock control　　　　　　b) Receiving of stock

   c) Issuing of stock　　　　　d) Stock taking　　　　e) Stock valuation

   v) Which of the following function is usually not performed by wholesaler?

   a) Storage　　　　　　　　　b) Extending loans to the customer

   c) Transportation　　　　　　d) Pack and brand the good

   e) Market research

   vi) A bonded warehouse is used to store the goods

   a) which are dangerous or inflammable

   b) against insect

   c) imported by a particular wholesaler

   d) till duty paid on them

   e) against fire

vii   The demand for commodity that can be used for many purposes is known as

a) Joint demand   b) Competitive demand

c) Derived demand   d) Elasticity of demand

e) Composite demand

viii)   Which one of the following is a purpose of foreign trade?

a) To improve methods of transportation

b) To buy and sell goods between different countries

c) To produce more goods and service

d) To encourage specialization by individuals

e) To create relationship

ix)   The term which is concerned with the management of stock in the business firm is

a) stock control   b) stock administration

c) Stock valuation   d) stock taking   e) Stock observation

x)   The following are not the factors that cause change in demand except

a) Change in demand for other goods

b) Inventory and stock control   c) Packing goods for resale

d) Receiving of goods   e) Transportation of goods

xi)   All of the following methods are involved in barter trade except

a) The buyer must have some goods to give to the seller

b) The buyer can offer labor service to obtain goods

c) The buyer must pay cash to the seller

d) There must be a double coincidence of want

e) The buyer exchanges goods he produced to the other who produced another type of goods

xii)   Road transport is the most used method of carrying goods within this country. What is the main reason for this?
a) It is the cheapest form of transport
b) It is the quickest form of transport
c) It is the most widely available form of transport
d) It is the most reliable form of transport
e) There are many roads all over the country

xiii)   The following are small scale retailers except
a) Mobile shops
b) Multiple shops
c) Single shops
d) Peddlers
e) Tied shops

xiv)   Given that, Daily sales 200 boxes of coffee, delivery time 12 days, minimum stock 400 boxes. What is the order point?
a) 2000   b) 2500   c) 2800   d) 3950   e) 4000

xv)   Which one of the following is a function of stock administration?
a) Profit making
b) Stock valuation
c) Order point
d) Marketing
e) Promotion

Answers

i	ii	iii	iv	v	vi	vii	viii	ix	x	xi	xii	xiii	xiv	xv

2. Match the meaning of the commerce term in **Column A** with respective term in **Column B**. Write the letter of the correct answer in the table provided below.

COLUMN A	COLUMN B
i) The quantity of a commodity that a producer is willing and able to sell	a) Equilibrium
ii) More commodities are supplied together	b) Excess supply
iii) An increase in the production of one commodity implies decrease of the other	c) Elasticity of supply
	d) Unitary supply
	e) Supply curve
iv) Relationship between quantity of a commodity supplied and the price	f) Supply
	g) Demand scheduled
v) Any price above the equilibrium price	h) Joint supply

Answers

i	ii	iii	iv	v

SECTION B: (50 Marks)

Attempt ALL questions from this section.

3. Write short explanation on the following terms.

   a) Creativity

   b) Competitive demand

   c) Peddler

   d) Free goods

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4.   What are the relationship between commerce and economics?

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5. a) Define the term "production".

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b) Briefly explain the levels of production.

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6. Why is motivation important?

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7.   a) Briefly explain any three (3) functions performed by retailer to manufacturer.

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b) State any two (2) advantages of street traders.

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SECTION C: (30 Marks)

Attempt any TWO (2) questions from this section.

8. a) Write brief explanations on **channels of distribution.**

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b) Draw a well labeled diagram showing the channels of distribution.

9. Analyze six (6) factors that determine the choice of mode of transport.

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10. a) From the following data, calculate the income elasticity of demand.

Given data;

New quantity = 2 units,   Old quantity = 1 unit

Old income   = 2000/=,   New income = 4000/=

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b) Comment on your answer.

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