

SMZ**ZANZIBAR EXAMINATIONS COUNCIL****062****FORM THREE ENTRANCE EXAMINATION****COMMERCE****TIME: 2:30 HOURS****THURSDAY 11TH NOVEMBER, 2021 A.M**

INSTRUCTIONS TO CANDIDATES

1. This paper consists of THREE (3) sections A, B and C.
2. Answer ALL questions from sections A, B and C.
3. All answers must be written in the space provided
4. Write your examination number on each page of this booklet.
5. Cellular phones, calculators and unauthorized materials are not allowed in the examination room.

FOR EXAMINER'S USE ONLY		
QUESTION NUMBER	MARKS	SIGNATURE
1		
2		
3		
4		
5		
6		
7		
8		
9		
TOTAL		

This paper consists of 12 printed pages

SECTION A :(20 Marks)

Answer all questions from this section.

1. Choose the letter of the correct answer and write it below the item number in the Given table.
 - i) Economies of scale means
 - A.The cost of production rises as the scale of production falls
 - B. The cost of production falls as the scale of production falls
 - C. Large profits are made by using the scale for weighing
 - D. The cost of production falls as the scale of production rises
 - E. The cost of production raises the scale of production rises
 - ii) The surplus level of production can be regarded as
 - A. That amount which is imported
 - B. The amount which is just able to satisfy home demand
 - C. The amount sold in shops
 - D. The amount which is produced and sold as exported goods
 - E. The amount which is produced and sold as intermediaries goods
 - iii) Marginal cost of production is the
 - A. All cost involved in the production of goods
 - B. Imaginary of production which the firm should have paid but did not
 - C.The extra cost of producing one extra unit of output
 - D. Synonym for prime cost incurred.
 - E. Some cost of production
 - iv) Which one of the following shows the best distribution route for goods
 - A. Producer, Wholesaler, Consumer, retailer
 - B. Producer, whole seller, retailer, consumer
 - C. Retailer, producer, consumer, wholesaler
 - D. Whole seller, producer, retailer, consumer
 - E. Whole seller, producer, consumer, retailer

- v) Producer goods are those goods that
- A. Are made by machines with in the factory
 - B. Increase the eventual output of consumer goods
 - C. Increase demand for goods for the particular period
 - D. Satisfies human needs and wants directly
 - E. Satisfy needs and wants
- vi) The main difference between department store and a corner shop is
- A. In the former, price is cheaper than in the latter
 - B. The latter usually has a bigger place of trading
 - C. The former sells exquisite quality goods
 - D. The letter can only be found in special location
 - E. The former usually require large area for trading
- vii) If a supplier sends to a retailer the wrong items, the supplier should send the retailer
- A. An invoice
 - B. A credit note
 - C. A debit note
 - D. A delivery note
 - E. Bill of exchange
- viii) On the following, the most important determining factor influencing the selling price of a product is
- A. Complimentary goods
 - B. Level of income
 - C. Taste or fashion
 - D. The amount demanded
 - E. the amount supplied
- ix) One of the disadvantages of barter trade is that
- A. It is not simple
 - B. It does not measure value of accurately
 - C. It does measure value accurately
 - D. It is difficult to get money
 - E. It is useful in non - monetary economics

- x) The reason for demand curve sloping downwards from left to right
 - A. Demand for the product is scarce
 - B. Demand for the product extend as price rises
 - C. Price rises as the demand for the product raises
 - D. Supply for a particular product is scarce
 - E. The law of diminishing marginal utility applies

- 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. The two parties must have a surplus in their possession
 - E. There must be a double coincidence of want

- xii) Road transport is the most used methods 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. It allow door to door Service

- xiii) The following are small scale retailer **except**
 - A. Food kiosk
 - B. Mobile shops
 - C. Multiple shops
 - D. Peddler
 - E. Single shops

xiv) Given that, Daily sales 200 boxes of coffee, delivery time 12 days, minimum stock 400 boxes. The order point will be

- A. 2000 B. 2500 C. 2800 D. 3950 E.3590

xv) Which one of the following is a function of stock administration?

- A. Marketing B. Order point
C. Profit making D. Stock valuation E. Selling of goods

Answers

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

2. Match the meaning of commerce term in **COLUMN A** with the related responding term in **COLUMN B** by writing its letter below the item number in the given table.

COLUMN A	COLUMN B
i) Is a type of capital used in running of day to day of the business	A. Liners
ii) Refers to the ship with regular scheduled of sailing	B. Catalogue
iii) Is a document used to show the goods in a warehouse	C. In bond notes
iv) Are the goods regarded by the people to be law Standard in the market	D. Giffen goods
v) Act of selling goods to the final consumer through operated machine	E. Automatic vending machine
	F. Tramp steamer
	G. Circulating capital

Answers

i	ii	iii	iv	v

SECTION B: (50 Marks)

Answer ALL questions from this section.

3. a) Identify any four (4) features of a good warehouse.

- b) Briefly explain the following commerce terms.

- i) Warehouse release warrant

- ii) In bond note

4. a) Distinguish between

- i) Multiple shops and department stores

ii) Retailing and retailer

b) Identify any two (2) disadvantages of street traders.

c) Analyze any four (4) qualities of a good retailer.

5. a) Write short explanations on

i) Consumer goods

ii) Durable goods

- b) During the production process, it was found that,

The price of labour = Tshs 400 per unit

Quantity of labour = 200 units

Price of capital = 500 per unit

Quantity of capital = 100 units

You are required to determine the total cost.

[illegible]

6. a) Identify any four (4) conditions for effective demand.

[illegible]

- b) Each quantity of demand and the price for a product XY is shown in the demand schedule below. Use the given schedule to draw a demand curve.

Price (Shs)	Quantity(kg)
20	0
18	1
16	2
14	3
12	4
10	5
8	6
6	7
4	8
2	9
0	10

7. a) State the law of supply.

b) Name any two (2) types of inter-related supply.

c) Mention any five (5) factors influencing elasticity of supply.

SECTION C: (30 Marks)

Answer ALL questions from this section.

8. Mr. Mohammed has received a loan from PBZ and wants to start a business. He has been advised by his brother to start a whole sale trade. Mr. Mohammed does not know the advantages and disadvantages of wholesale trade. As an expert in business studies, explain to Mr. Mohammed,

a) Six (6) advantages of wholesale trade.

b) Three (3) disadvantages of wholesale trade.

9. a) Write short notes on the following.

i) Issuing of stock

ii) Stock valuation

iii) Discount

b) Briefly explain any two (2) factors determining the order point.

c) From the following information, calculate the order point

Daily sales = 500 cartoons, each contain 40 bars

Delivery time is 6 weeks Minimum stock is 20,000

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