

Candidate's Examination Number.....

SMZ

**ZANZIBAR EXAMINATIONS COUNCIL
FORM THREE ENTRANCE EXAMINATION**

062

COMMERCE

TIME 2:30 HOURS

WEDNESDAY 06TH DECEMBER, 2017 AM

INSTRUCTIONS TO CANDIDATES

1. This paper consists of 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 and calculators are not allowed in the examination room.
6. Use a blue or black pen in writing. The diagrams must be drawn in a pencil.

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

This paper consists of 11 printed pages.

SECTION A: (20 Marks)
Answer ALL questions in this section.

1. Choose the letter of the correct answer and write it below the item number in the table below:
- i) All of the following methods are involved in a barter trade exchange except
- A. The buyer must have some goods to give to the seller
 - B. The buyer can offer labor services to obtain goods
 - C. The buyer must pay cash to the seller
 - D. There must be double coincidence of wants
 - E. Lack of measure of value.
- ii) The production is incomplete until
- A. All the day's output is completed.
 - B. Every worker is in his or her rightful job.
 - C. Everything is sold from the factory.
 - D. The goods and services reach the final consumer.
 - E. Maximization of product.
- iii) The main purpose behind all business activity is to
- A. Maximize profit.
 - B. Employ workers.
 - C. Take the greatest risk.
 - D. Satisfy all customers.
 - E. Satisfy all people.
- iv) Efficient production can take place
- A. When there are many workers.
 - B. If the firm excludes mechanization and retraining.
 - C. If the workers lack the necessary skills.
 - D. if the firm specializes in production.
 - E. If the firm includes mechanization and retraining.
- v) The term used to explain all activities in bringing goods and services to the market is called
- A. Trading.
 - B. Marketing.
 - C. Retailing.
 - D. Transport.
 - E. Warehousing.

vi) Production is geared to meet the demand of

- A. Buyers_
- B. Sellers
- C. Trade unions
- D. Producer
- E. Government

vii) Food, clothes and books are examples of

- A. Capital goods.
- B. Producer goods.
- C. Consumption goods.
- D. Consumer goods.
- E. Perishable goods.

viii) The chief advantage of specialization is to

- A. Provide direct service.
- B. Calculate the number of employees.
- C. Increase production.
- D. Encourage barter trade.
- E. Reduce cost of production.

ix) Supermarket is defined as

- A. A very good market found in London.
- B. Self-service market that offers excellent food staffs.
- C. Self service retail outlet.
- D. Self-services retail store.
- E. Wholesale shop.

x) Which of the following represent the direct services?

- A) Farmers, Doctors, Drivers and fisherman.
- B) Factory workers, tailors and actors.
- C) Accountants, painter and builders
- D) Teachers, nurses, Domestic servants and civil servants.
- E) Painters, tailors and farmers.

ANSWERS

Item number	i	ii	iii	iv	v	vi	vii	viii	ix	x

2. Match the items in List A with the responses in List B by writing the letter of the correct response below the item number in the table provided at the end of this question.

LIST A	LIST B
i) Buying and selling of goods and services inside or outside the country.	A. Foreign trade
ii) Buying and selling of goods and services inside the country.	B. Barter trade
iii) Buying of goods in bulk from the producer and selling them in reasonable quantity retailers.	C. Retail trade
iv) Buying and selling of goods whereby exchange involves goods by goods.	D. Warehousing
v) Selling of goods and services to other countries.	E. Trade
vi) Activities that facilitate buying and selling of goods and services inside and outside the country.	F. Transportation
vii) Buying of goods from the wholesaler in large quantities and selling them to the consumers in smaller quantities.	G. Commerce
viii) Buying of goods and services from outside the country.	H. Wholesale trade
ix) Importing goods from one country for the purpose of exporting them to another country.	I. Auxiliary to trade
x) The movement of goods and services from one place to another.	J. Entrecote trade
	K. Export trade
	L. Production
	M. Communication
	N. Import trade
	O. Home trade

ANSWERS

Item number	i	Ii	iii	Iv	v	vi	vii	viii	ix	x

SECTION B: (20 Marks)
Answer ALL questions from this section.

3. Explain the following types of costs

a) Fixed cost

b) Variable cost

4. Distinguish between commerce and economics.

5. Name any five (5) functions performed by a whole seller.

6. a) Define the term supply.

- b) State the law of supply.

SECTION C: (60 Marks)

Answer ALL questions in this section.

7. a) Outline any three (3) factors which can lead to change in demand.

- b) When the price of certain goods rose by $2\frac{1}{2}\%$, their demand fell by $\frac{3}{4}\%$.

Calculate the price elasticity of demand.

8. a) Define the term entrepreneurship.

- b) Describe any four (4) functions of an entrepreneur.

c) With four (4) reasons, explain why warehousing is important?

9. a) In relation to stock administration, describe the following terms,

i) Average stock

(ii) Stock level

iii) Stock taking

iv) Stock order point

b) The following information is provided for material P,

Maximum stock level = 6000 per week

Minimum stock level = 4000 per week.

Determine the Average stock level.

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This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.