

Candidate's Examination Number.....

SMZ

ZANZIBAR EXAMINATIONS COUNCIL

FORM THREE ENTRANCE EXAMINATION

062

COMMERCE

TIME 2:30 HOURS

FRIDAY 13th DECEMBER, 2019 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 spaces provided
4. Write your examination number on every page.
5. Cellular phones and calculators are not allowed in the examination room.
6. Use a blue or black pen in writing and drawing must be in pencil.

FOR EXAMINER'S USE ONLY		
QUESTION NUMBER	MARKS	SIGNATURE
1		
2		
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9		
TOTAL		

This paper consists of 12 printed pages.

SECTION A :(20 Marks)

Answer ALL questions in this section.

1. For each of the items (i) – (x), choose the correct answer and write its letter in the table below.
- i) Demand curve is approximately for all time characterized as downward-sloping, implication that as price decreases, customers will buy more of product related to
- A: Law of supply. B: Law of marginal utility.
C: Demand curve. D: Law of demand.
- ii) Curve is normally positively sloped is
- A: Supply curve. B: Demand curve.
C: Demand. D: Law of supply.
- iii) A relative price is the
- A) Ratio of one price to another.
B) Difference between one price and another.
C) Slope of the supply curve.
D) Slope of the demand curve.
- iv) If the price of a candy bar is \$1 and the price of a fast food meal is \$5,
- A) The money price of a fast food meal is $\frac{1}{5}$ of a candy bar.
B) The money price of a candy bar is $\frac{1}{5}$ of a fast food meal.
C) The relative price of a fast food meal is 5 candy bars.
D) The relative price of a candy bar is 5 fast food meals.

- v) Wants, as opposed to demands,
 - A) Depend on the price.
 - B) Are the goods the consumer plans to acquire.
 - C) Are the unlimited desires of the consumer.
 - D) Are the goods the consumer has acquired.

- vi) Demands differ from wants in that
 - A) Wants require a plan to acquire a good but demands require no such Plan.
 - B) Demands are unlimited, whereas wants are limited by income.
 - C) Wants imply a decision about which demands to satisfy, while demands involve no specific plan to acquire the good.
 - D) Demands reflect a decision about which wants to satisfy and a plan to buy the good, while wants are unlimited and involve no specific plan to acquire good.

- vii) Scarcity guarantees that
 - A) Wants will exceed demands.
 - B) Demands will be equal to wants.
 - C) Demands will exceed wants.
 - D) Most demands will be satisfied.

- viii) The quantity demanded is
 - A) The amount of a good that consumers plan to purchase at a particular Price.
 - B) Independent of the price of the good.
 - C) Independent of consumers' buying plans.
 - D) Always equal to the equilibrium quantity.

- ix) The law of demand states that, other things remaining the same, the higher the price of a good,
- A) The smaller is the demand for the good.
 - B) The smaller is the quantity of the good demanded?
 - C) The larger is the quantity of the good demanded.
 - D) The larger is the demand for the good.
- x) The law of demand implies that, other things remain the same,
- A) As the demand for cheeseburgers increases, the price of a cheeseburger will fall.
 - B) As the price of a cheeseburger rises, the quantity of cheeseburgers demanded will decrease.
 - C) As income increases, the quantity of cheeseburgers demanded will increase.
 - D) As the price of a cheeseburger rises, the quantity of cheeseburgers demanded will increase.

ANSWERS

i	ii	iii	iv	v	vi	vii	viii	ix	x

2. Match the commerce terms in **LIST A** with the meaning of the terms in **LIST B** by writing the letter of the correct response in the table below.

LIST A	LIST B
i. Large scale retailer	A. Those who set up their business by the side of the street.
ii. Small fixed shop	B. Discount allowed in addition to a trade discount if the quantity sold is large.
iii. Tied shop	C. Are owned mostly by the sole proprietor.
iv. Street traders	D. Are retail sales agencies selling the product of a particular manufacturer who in turn finances them.
v. Discount	E. Are number of shops owned and managed by one concern, found in different places stocking the same class of merchandise and often in similar appearance.
vi. Quantity discount	F. A motor van arranged as shop which customers can entre.
vii. Cash discount	G. Buying and selling of goods and services.
viii. Trade	H. A discount given to induce the trader.
ix. Utility	I. Operates their business at a large scale.
x. Mobile shop	J. Allowances given to the trader on the goods purchased.
	K. Other benefits received by consumers from their consumption of goods or services or other activities.
	L. Conduct their activities in the small scale.
	M. They set up their business outside of the street.
	N. Buying of goods and services.

ANSWERS

i	ii	iii	iv	v	vi	vii	viii	ix	x

- b) Draw a well diagram to show a commerce structure.

5. Distinguish between a mail order and a mail shop.

b) State the law of supply

c) When the price of watermelon is Tsh. 500, the quantity supplied in the market is 200. When the price rises to Tsh. 600 the quantity supplied increases to 300 watermelon. You are required to determine the elasticity of supply.

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9. Write short notes on the following

- a) Airway bill b) Cargo ship
c) Carts d) Charter party e) Tramp steamer

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