

Candidate's examination number.....

SMZ

ZANZIBAR EXAMINATIONS COUNCIL

FORM THREE ENTRANCE EXAMINATION

062

COMMERCE

TIME 2:30 HOURS

TUESDAY, 11th DECEMBER 2018 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.

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.

1. Choose the letter of the correct answer and write it below the item number in the table below.
 - i) The main aim of commerce in satisfying human wants is to close the gap between
 - A. wholesaler and retailer
 - B. Producer and consumer
 - C. Retailer and consumer
 - D. Producer and manufacturer
 - E. Manufacturer and retailer.
 - ii) Labour as a factor of production is said to create utility if it ultimately leads to
 - A. Production of commodities
 - B. Meeting of consumer needs
 - C. Selling of products
 - D. Manufacturing of products
 - E. production of services
 - iii) Which one of the following documents makes a contract between a buyer and a seller?
 - A. Letter of enquiry
 - B. A quotation
 - C. An invoice
 - D. A purchase order
 - E. Bill of exchange
 - iv) Which one of the following is a method used by government to protect consumer?
 - A. fixing minimum prices
 - B. fixing maximum prices
 - C. fixing minimum price traders concern
 - D. fixing maximum price traders concern
 - E. None of the above.

- v) The chief advantages of specialization is
- A. it provide direct services
 - B. It is easy to calculate the number of employees
 - C. it increase production
 - D. it encourage barter
 - E. it promote trade
- vi) Utility refers to
- A. The ability of goods or services to satisfy wants
 - B. A service produced by public corporation
 - C. The name given to a manufactured article of value
 - D. The cost of useful good or services
 - E. A services produced by a producer
- vii) Under which of the following conditions would the supply of a quantity of good falls?
- A. During a war or trade union strike
 - B. When its prices rise
 - C. When demand for it rises
 - D. When substitute s is scarce
 - E. During deflation period
- viii) Business firms who don't not have permanent premises are called
- A. itinerant trader
 - B. gamblers
 - C. brokers
 - D. Underwriters
 - E. retailers
- ix) Retailing does not include
- A. Mobile shops
 - B. Market stalls
 - C. Kiosks
 - D. Bounded warehouses
 - E. wholesales.
- x) Variable cost is that which varies with
- A. Technology
 - B. Output
 - C. Company position
 - D. Time
 - E. Input

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 below.

LIST A

- (i) The quantity of a commodity that consumer is willing and able to buy
- (ii) More commodities are demanded together
- (iii) An increase in the demand of one commodity implies a decrease in the demand of the other
- (iv) Shows relationship between quantity of the commodity demanded and the price
- (v) It is graphical presentation of demand schedule
- (vi) Any price above the equilibrium price
- (vii) The higher the price the lower the quantity demanded
- (viii) The sensitivity of demand for a product due to a change in price
- (ix) The movement of a demand to the right or left due to change in the factors affecting demand
- (x) The movement along the demand curve due to commodity price change

LIST B

- A. Excess supply
- B. Elasticity of demand
- C. Cross elasticity of demand
- D. Law of demand
- E. Change in quantity demand
- F. Demand curve
- G. Change in demand
- H. Demand
- I. Inelastic demand
- J. Demand schedule
- K. Unitary demand
- L. Elastic demand
- M. Complementary demand
- N. Inelastic demand curve
- O. Competitive demand

LIST A	i	ii	iii	iv	v	vi	vii	viii	ix	x
LIST B										

SECTION B: (20 marks)

Answer ALL questions from this section.

3. a) Define the term commerce.

- b) Name any two (2) examples of aids to trade.

4. Write short explanation on

- a) Bounded warehouse.

- b) Stock exchange.

5. a) Distinguish between production and factors of production.

- b) Write down three (3) disadvantages of specialization (division of labor).

6. a) Give Two (2) examples of variable cost.

- b) Identify any three (3) factors that influence elasticity of demand.

SECTION C: (60 marks)

Answer ALL questions.

7. a) i) Give two (2) differences between price elasticity of demand and price elasticity of supply.

- b) From the table 1 below,

Price per unit(Tsh)	Quantity demanded(Units)
600	100
700	90

Table 1

- i) Calculate the change in quantity demanded.
ii) Calculate the change in price.
iii) Determine Price elasticity for demand of the product.

Candidate's examination number.....

- c) Use the schedule below to draw a demand curve.

PRICE (Shs)	QUANTITY(kg)
5	200
20	175
25	165
35	135
45	115
55	95

This image shows a single sheet of white paper with horizontal blue 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.

8. a) Explain five (5) importance of warehouse.

- b) Briefly explain three (3) draw backs of barter trade.

- c) Outline any four (4) functions performed by an entrepreneur.

9. a) Describe the following,

- i) Average stock.

Candidate's examination number.....

ii) Department store.

iii) Minimum stock level.

b) The uses of bounded warehouse for storage of goods have both advantages and disadvantages .Explain any two (2) advantages of bounded warehouse.

[illegible]

[illegible]