

THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
THE CITY COUNCIL OF DODOMA
HOME PACKAGE FORM FOUR EXAMINATION

COMMERCE

TIME: 2 ½ Hours

APRIL, 2020

INSTRUCTIONS:

1. This paper consists of three sections A, B and C.
2. Answer **ALL** questions in section A and B and any **TWO** questions from section C.

SECTION A (20 marks)

Answer **ALL** questions from this section

1. From the following multiple choice questions, choose the most correct answer and write its letter in the box below
 - (i) In buying and selling, a transaction is said to have taken place when the seller sends to the buyer one of the following documents:
 - A. An order
 - B. An invoice
 - C. A letter of inquiry
 - D. A quotation
 - (ii) The act or any natural or artificial means of conveying information or giving instruction implies
 - A. Internal communication
 - B. External communication
 - C. Communication
 - D. Written communication
 - (iii) It is a path which products follow from the producer or manufacturer to the final consumer
 - A. Chain of distribution
 - B. Chamber of commerce
 - C. Transport
 - D. Distribution task
 - (iv) An important function of a wholesaler is to finance both the manufacturer and the retailer. The wholesaler fulfils this function by:
 - A. Buying the goods for cash from the manufacturer and selling them on credit to the retailer
 - B. Buying the goods on credit from the manufacturer and selling them for cash to the retailer.
 - C. Selling the goods bought from the manufacturer to the retailer for cash.
 - D. Borrowing cash from the manufacturer and lending it to the retailer
 - (v) Which of the following is not a drawback of a barter system of exchange?
 - A. Difficult of determining a rate of exchange
 - B. Problems of deferred payment resulting from credit sales
 - C. Difficult of exchanging commodities of different values
 - D. Problem of finding a willing buyer
 - (vi) A document listing the contents of a box being received from a supplier is called:
 - A. Package sheet
 - B. Invoice
 - C. Delivery note
 - D. Credit note

- (vii) Which of the following is not a correct description of the importance of specialization:
- A. More goods and services can be produced than would otherwise be possible.
 - B. Production of goods and services would not be possible without specialization
 - C. Mass production is possible of specialization
 - D. Specialization makes it easy for producers to become experts in a given line of production.

- (viii) Occupations can be classified into
- A. Agriculture, construction and banking
 - B. Industrial, commercial and direct services
 - C. Manufacturing, direct services and financing
 - D. Fishing, teaching and trading.

- (ix) Mr. Makini bought 500 units of a certain commodity from Stadi and company. The gross price is Tshs 100 per item and trade discount is allowed at 20%. If he settles the debt within 30 days, he will be allowed a cash discount of 2%. He intends to pay immediately. How much should he pay?
- A. Tshs. 50,000
 - B. Tshs. 39,000
 - C. Tshs. 39,200
 - D. Tshs. 40,000

- (x) Roll-on roll-off ships allow vehicles to:
- A. Move at high speed
 - B. Be driven on and then off at a destination
 - C. Handle fewer items
 - D. Specialize in the transport of goods.

i	ii	iii	iv	v	vi	vii	viii	ix	x

2. Match the statements in **LIST A** with responses in **LIST B** by writing the letter of the correct response in the box below.

LIST A		LIST B
(i)	Is a statement specifying candidates under which sellers are willing to supply goods and services?	A. Incentive
(ii)	Is a form of consumer credit by which a consumer pays a deposit for the goods and then undertakes to pay the balance by installments spread over a period six, months, nine months, one year etc.	B. Services
(iii)	Refers to a motivation for working efficiently.	C. Dumping
(iv)	Is payment received by an agent in return for his services	D. Mark up
(v)	It captures a customer's attention and arouses his interest by means of appeals to certain features.	E. Commission
(vi)	It is a document mainly used when the seller is unwilling to grant credit to the buyer and is a polite request for payment before the goods are dispatched.	F. Advertising
(vii)	It is when profit is expressed as a percentage or fraction of the cost price	G. Market research
(viii)	It refers to selling goods abroad at a lower price than charged in the home market in an attempt to dispose of the abundant supply.	H. Hire purchase
(ix)	It means to obtain the detailed information about the demand of a product and opinion of the consumers regarding the products of the competitive firms.	I. Profoma invoice
(x)	Are intangible things such as Education, Medical care etc.	J. Quotation
		K. Margin
		L. Sampling
		M. Exporting
		N. Communication

i	ii	iii	iv	v	vi	vii	viii	ix	x

SECTION B (40 marks)

Answer **ALL** questions from this section

3. Write short notes on the following
 - (a) CARR-PD
 - (b) Statement of Account
 - (c) E-mail
 - (d) Letter of Hypothecation
 - (e) Derived demand
4. (i) What is stock taking?
(ii) Mashamba and Co. Ltd of Musoma ordered Vitenge from Karibu Textile Ltd of Dar es Salaam. It normally takes 10 days to receive a consignment from the date of sending an order. If his daily sales volume is 60 pairs of Vitenge and he maintains a minimum stock of 160. Calculate his order point.
5. Differentiate between the following:
 - (a) Fixed cost and variable cost.
 - (b) Bearer cheque and order cheque.
 - (c) Tramps and liners.
 - (d) Consumer market and Industrial market.
 - (e) Open Indent and closed Indent.
6. (a) Define demand and supply.
(b) From the following supply and demand:
Draw a demand and supply curves on the same diagram and show the equilibrium point.

Demand and supply schedule

Price in Tshs.	Quantity demanded	Quantity supplied
0	80	0
10	70	30
20	60	40
30	50	50
40	40	60
50	30	70
60	20	80

SECTION B (40 marks)

Answer **only TWO (2)** questions from this section

7. (a) What is warehousing?
(b) What benefits do arise as a result of keeping various goods in a warehouse?
(c) What are the essential conditions for a good warehouse?
8. The success of a retailer depends not only on the functions he/she performs but rather personal qualities. Mention and shortly explain different qualities of a retailer.
9. (a) Give five (5) reasons why a government may decide to restrict foreign trade?
(b) Why are commercial transactions in international trade more complicated to carry out than in home trade?
10. (a) Differentiate between specialization and division of labour.
(b) Mention at least four forms of specialization and explain any two of them.