

Candidate's Examination Number _____

THE REVOLUTIONARY GOVERNMENT OF ZANZIBAR
ZANZIBAR EXAMINATIONS COUNCIL
FORM THREE ENTRANCE EXAMINATION

220

COMMERCE

TIME 2:30 Hours

TUESDAY 12TH DECEMBER, 2023 A.M

INSTRUCTIONS TO THE CANDIDATE

1. This paper consists of **THREE (3)** sections A, B and C.
2. Answer **ALL** questions in section A, B and C.
3. Write your Examination Number on every page of the booklet.
4. All answers must be written in the answer's booklet.
5. All working must be written in black or blue ink and diagrams must be in pencil.
6. Calculators, cellular phones 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		
CHECKER'S SIGNATURE		



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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 its letter below the item number in a given table.
 - i) What is the name of a person who comes in between the primary producer and the final consumer to promote trade?
 - A. Trader
 - B. Middleman
 - C. Auctioneer
 - D. Agent
 - ii) Which of the following helps disabled and elderly people?
 - A. Tele-shopping
 - B. E-commerce
 - C. Multiple shops
 - D. Installment system
 - iii) This is a network of branches situated at different localities in the city or in different parts of the country.
 - A. Multiple shops
 - B. Consumers cooperative store
 - C. Hire purchase system
 - D. Internet marketing
 - iv) Which one of the following refers to mobile traders who deal in low-priced articles with no fixed place of business?
 - A. Street stalls
 - B. Retailers
 - C. Itinerant traders
 - D. Agents

- v) Which of the following is a normal shape of the demand curve?
- A. Upward sloping
 - B. Downward sloping
 - C. Vertical
 - D. Horizontal
- vi) What assumption should be made while drawing the demand curve?
- A. The demand curve must be linear
 - B. The price of substitutes should not change
 - C. The quantity demanded should not change
 - D. The price of the commodity should not change
- vii) Which of the following is not a characteristic of labour?
- A. It is inseparable from laborer
 - B. It is immobile & passive
 - C. It is human effort
 - D. Rewarded with wages
- viii) Which of the following is not an inventory?
- A. Machines
 - B. Raw material
 - C. Finished products
 - D. Consumable tools
- ix) What is the name of the time period between placing an order its receipt in stock is known as
- A. Lead time
 - B. Carrying time
 - C. Shortage time
 - D. Over time

- x) Which of the following is an example of small scale fixed retailers?
- Hawkers
 - Peddlers
 - Cheap Jacks
 - General stores
- xi) One of the following statements is not true. Which one?
- Supply is always expressed at price
 - Supply is a desired quantity
 - Supply is same as stock
 - Supply is a Flow Variable
- xii) What is the popular name for the optimum level of inventory?
- Minimum stock level
 - Re-order stock level
 - Economic Order Quantity
 - Re – order level
- xiii) The cost of insurance and taxes are included in
- Cost of ordering
 - Set up cost
 - Inventory carrying cost
 - Cost of shortages
- xiv) Assuming that the order cost per order of an inventory is Tsh. 400 and the annual carrying cost is Tzsh.10 per unit. The economic order quantity (EOQ) for an annual demand of 2000units will be
- 400
 - 440
 - 480
 - 500
- xv) Which type of retailer provides door to door services to their customers?
- Street traders
 - peddlers and hawkers
 - general store
 - Street stall holders

Answers

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

2. Match the sales terms in **List A** with their meaning in **List B**. Write the letter of the correct response below the item number in a given table.

LIST A	LIST B
i. Sales manager	A. A tax imposed on the sale of large number of commodities
ii. Salesmanship	B. The art of persuading people to buy a particular good or services
iii. Sales tax	C. Efforts other than advertising to increase sales
iv. Sales promotion	D. An executive of the firm responsible for sales' promotion
v. Sale tax	E. A tax levied on all retail sales.
	F. A tax imposed on the value added for a good or services sold
	G. Is a trader who sells goods to another trader

Answers

i	ii	iii	iv	v

SECTION B: (50 Marks)

Answer All questions in this section.

3. Write short explanation on the following terms related to wholesale trade.

i) Broker

ii) Specialized wholesaler

iii) Forwarding agent

iv) Regional wholesalers

v) Auctioneer

4. a) Define the term super market.

b) As an expert in business studies, explain three (3) advantages obtained by a business person who operates a small fixed shop.

- c) Suppose that you are one of the retailers found in the city. Briefly explain your functions (four functions) in order to satisfy your customers.

5. a) Mention three (3) types of warehouses that are used for storage of goods.

- b) Identify five (5) features of a good warehouse.

- c) Mention two (2) advantages of bounded warehouse to the public.

6. a) State the law of demand.

- b) There are different factors that may cause change in demand. Briefly explain two (2) factors for the change in demand.

- c) Imagine that you are a business person, what are three (3) assumptions you will made before applying the law of demand?

7. a) Give the difference between

- i) Cash transactions and credit transactions.

- ii) Drawer and drawee.

- b) Suppose that you are an employee in a certain business organization and asked by your director to prepare a cheque. Explain the four (4) basic items that must be shown in a cheque.

- c) Write short explanation on the term open cheque.

SECTION C: (30 Marks)

Answer both TWO (2) questions in this section.

8. a) The term production is common to most students learning in commercial schools.
- i) Briefly explain the term production
 - ii) Identify two (2) examples of production activities in Zanzibar
- b) i) Assuming that you are an entrepreneur. Mention three (3) characteristics of an entrepreneur.

- ii) Explain three (3) characteristics of land as factor of production.

c) Suppose that you are a young business person who deals with production of a certain product.

i) Name the type of product.

ii) Mention two (2) typical examples of fixed costs associated with production of product named in (i) above.

iii) Identify two (2) examples of variable costs in the production of that product.

9. a) Differentiate between equilibrium price and equilibrium quantity.

b) i) Define the term price mechanism.

- ii) Analyse three (3) advantages of price mechanism.

- c) You are given the following demand and supply functions,

Demand function (X): $20 - 3P$

Supply function(Y): $5 + 2P$

Use the given functions to determine,

- i) Equilibrium price
ii) Equilibrium quantity

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