

GERSHIBON CHRISTIAN HIGH SCHOOL
END OF TERM III EXAMINATION 2018
S.1 COMMERCE
TIME: 2 HOUR: and 30 MINS

INSTRUCTION:

- Section A is compulsory.
- Attempt four questions of your own choice in Section B.

SECTION A

Write the letters corresponding to the correct answer for each question in the answer sheets Provided.

1. Trade means:

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| A. buying and selling of manufactured goods only | C. Buying and selling of goods and services |
| B. selling of goods and services to the ultimate customers | D. Any activity undertaken to make profit |

2. Which of the following are classified under secondary industries.

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|--|----------------------------------|
| A. Mining and farming | C. Mining and textile milling |
| B. Textile milling and road construction | D. Farming and road construction |

3. A person who coordinates other factors of production in the production process is called:

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|----------------------|-----------------------|
| A. General manager | C. An entrepreneur |
| B. Managing director | D. Production manager |

4. An agent who sells goods on behalf of his or her client is known as a

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|---------------------|----------------|
| A. broker | C. Factor |
| B. commission agent | D. Del credere |

5. Which of the following is an advantage of a retailer to a consumer

- A. Offering a wide variety of goods to a consumer
- B. Selling goods at low prices to a consumer
- C. keeping prices of goods stable for consumers
- D. Buying for consumers only cheap goods from the whole salers

6. Mining is an example of:

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|------------------------|-------------------------|
| A. Tertiary production | C. Secondary production |
| B. Direct production | D. Primary production |

7. A document sent by the buyer to the seller showing goods returned and effecting a reduction in the invoice is called a:

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|----------------|-------------------------|
| A. credit note | C. delivery note |
| B. debit note | d. statement of account |

8. One of the following reasons explains the existence of the installment selling

- A. Decreased costs of selling
- B. Enables consumers buy goods offered at low prices
- C. Enables consumers buy highly priced goods

- D. Encourages consumers to buy items that they may not require
9. Departmental stores and multiple shops are grouped under
- A. wholesalers
B. large scale industries
C. super markets
D. Chain stores
10. Loss leaders are used by large scale retailers to:
- A. Keep the price as low as possible
B. stock more goods in the shelves
C. Dismiss unfaithful shop attendants
D. increase sales
11. How will the consumers react when there is a decrease in the price of a commodity?
- A. Increase quantity supplied
B. Increase quantity demanded
C. Decrease quantity demanded
D. Decrease quantity supplied.
12. Itinerant traders would include
- A. tied shops
B. barrow boys
C. village stores
D. super markets
13. In the following sets , which one is in the correct order of use of the documents
- A. Price current , order , Advice note , Invoice and Debit note
B. Order , price current , Invoice , Advice note and debit note
C. Price current , invoice , order , advice note and debit note
D. Price current , order , advice note , debit note and Invoice
14. Which one is the final stage in the process of production?
- A. Exchange
B. Distribution
C. Consumption
D. Trade
15. Which of the following is a form of small scale retail business?
- A. Departmental stores
B. Super markets
C. Multiple shops
D. Mobile shops
16. A tertiary producer refers to:
- A. a producer of a service
B. a producer of raw materials
C. a producer of goods and services
D. a producer of semi-finished goods
17. What may be defined as the activities aimed at bridging the gap between producers and consumers?
- A. Commerce
B. Accounting
C. Tertiary activities
D. Production activities
18. Which of the following is a reward for entrepreneurship?
- A. Rent
B. Wages
C. Profits
D. interest

19. Utility is defined as;
A. Demand for a commodity
B. Usefulness in production
C. ability to satisfy wants
D. ability to produce consumer goods
20. When is a cash discount given to a buyer?
A. When he pays promptly
B. When he buys in large quantities
C. When he behaves well to the supplier
D. When he visits the suppliers` premises often.

SECTION B
ATTEMPT ANY FOUR QUESTIONS

- 21.a) Distinguish between the following
i) Consumer goods and producer goods 4mks
ii) Primary production and secondary production 4mks
b) Explain any four factors of production indicating a reward for each. (12mks)
- 22.a) What are the functions of whole saler? 10mks
b) Under what circumstances may the services of a wholesaler not be required? 10mks
- 23.a) What factors should be considered when setting up a retail business? 10mks
b) Explain the functions of a retailer to a producer. 10mks
- 24.a) Define the term location of an industry. 2mks
b) Describe the advantages and disadvantages of location. 18mks
- 25.a) Define the term branding. 1mk
b) Outline the functions of branded goods. 7mks
c) How does branding assist retail trade? 12mks
26. a) Distinguish between hire purchase and deferred payment methods of instalment selling. 4mks
b) What are the advantages of instalment selling to a retailer? 16mks
27. a) Some farmers prefer concentrating on one or two crops other than dealing in many crops. What are the advantages and disadvantages of this practice? 20mks

END
HAPPY NEW YEAR 2019.