

**STANDARD HIGH SCHOOL - ZZANA**  
**END OF TERM 1 EXAMINATIONS, 2020**  
**S.2 COMMERCE**  
**TIME: 1HOUR**

**INSTRUCTIONS**

- This paper consists of **two** sections **A** and **B**, Answer all the questions in section **A** and two from section **B**.
- All questions carry equal marks.
- Forward scanned answer sheets to stahiza2020@gmail.com

**SECTION A (20marks)**

**Answer all questions in this section.**

Write the correct letter corresponding to the correct answer for each question in the answer booklet provided.

1. Tools machines and equipments are examples of;  
A. Entrepreneurship.  
B. Land.  
C. Capital.  
D. Labour.
2. The following factors influence the quantity of the commodity consumed **except**;  
A. Price of the commodity.  
B. Tastes and preferences of a consumer.  
C. Price of substitutes.  
D. Income of the supplier.
3. Identify the order in which human wants are satisfied.  
A. Consumption, commerce, production.  
B. Production, commerce, consumption.  
C. Consumption, production, commerce.  
D. Commerce, production, consumption.
4. Retail business owned and managed by one firm, stocking the same classes of goods and with similar appearance in all branches are known as;  
A. Departmental stores  
B. Multiple shops  
C. Super markets  
D. Variety chain stores

5. Producers will increase the production of a commodity when;
  - A. Demand is constant.
  - B. Demand is greater than supply.
  - C. Supply is equal to demand.
  - D. Supply is greater than demand.
6. The type of large – scale retail trade in which there is a central control over shops working under different units is known as;
  - A. Multiple shops .
  - B. Super markets.
  - C. Departmental stores.
  - D. Tied shops.
7. The ability of a good to satisfy a human want is called?
  - A. Consumption.
  - B. Production.
  - C. Utility.
  - D. Exchange.
8. An itinerant trader is the one who;
  - A. Sells goods in bulk.
  - B. Stocks goods from one producer.
  - C. Enjoys limited liability.
  - D. Has no specific premise.
9. Producers will offer more goods for sale when the prices are:
  - A. Low
  - B. Stable
  - C. Fluctuation
  - D. High
10. The process of production is complete when goods reach the;
  - A. Premises of a retailer
  - B. The final consumer
  - C. Wholesaler
  - D. Bonded warehouse
11. Cash discount is allowed by sellers in order to encourage consumers to;
  - A. Buy regularly
  - B. Buy in large quantities
  - C. Settle their bills promptly
  - D. Buy on cash basis only

12. The following are examples of after sales services **except**;
- A. Repair services offered to consumers by the seller
  - B. Maintenance service provided by the seller
  - C. Self service offered by large scale retailers
  - D. Transportation of the purchased goods by the sellers to the customer's premises.
13. An entrepreneur is rewarded with;
- A. Interests
  - B. Rent
  - C. Profits
  - D. Wages
14. Capital employed, as used in commerce is the sum of;
- A. Fixed assets and working capital
  - B. Current assets and borrowed capital
  - C. Fixed assets and current assets
  - D. Current assets and current liabilities
15. Which one of the following activities is under primary production?
- A. Coffee processing
  - B. Car manufacturing
  - C. Road construction
  - D. Oil drilling
16. The type of business suitable for a person with small capital, living along a busy high way is;
- A. Hawking
  - B. Urban store
  - C. Village store
  - D. Roadside selling
17. Which of the following is a feature of a supermarket?
- A. Credit sales
  - B. Pre-pricing
  - C. After sale services
  - D. Automatic vending
18. Wholesalers may be eliminated from the chain of distribution if the;
- A. Goods are very cheap.
  - B. Manufacturers use their agents.
  - C. Demand for goods increases.

- D. Manufacturers are far from the consumers.
19. If an increase in the price of a commodity leads to a decrease in the demand for another commodity, the two goods are said to be;
- A. Complementary goods
  - B. Substitute goods
  - C. Consumer goods
  - D. Inferior goods
20. Which one of the following is a form of large scale retail business?
- A. Mobile shops
  - B. Super markets
  - C. Departmental stores
  - D. Multiple shops

### **SECTION B**

**Choose two questions from this section and all questions carry the same marks.**

21. (a) Distinguish between localization and delocalization. (04marks)  
(b) Explain 8 advantages of localization of an industry. (16marks)
22. (a) Define the term demand. (02marks)  
(b) Explain the factors that affect quantity demanded of a commodity. (18marks)
23. (a) Give the advantages of specialization. (10marks)  
(b) Mention disadvantages of specialization. (10marks)

**END**