**PRESIDENT’S OFFICE**

**REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**

**LINDI REGIONAL FORM FOUR MOCK EXAMINATION**

**COMMERCE**

**CODE NO.061 MAY, 2018**

**TIME: 2.30 HOURS**

**INSTRUCTIONS:**

1. This paper consists of sections A, B and C.
2. Answer all questions in section A and B and any two (2) questions in section C.
3. Cellular phones, bibles and any other unauthorized material are not allowed in the examination room.
4. Write your examination number on every page of your answer booklet(s).

**SECTION A: 20MARKS**

1. For each of the items (i) – (x) choose the correct answer from among the given alternatives and write its letter beside the item number in your answer booklets.
2. A cheque which is represented to the payee after six month of its preparation is called;
3. Dishonoured cheque
4. Crossed cheque
5. Stale cheques
6. Post dated cheque
7. Open cheque
8. The taxes in which the impact and incidence is born on the same person is known as;
9. Sale taxes
10. Indirect tax
11. Cooperative taxes
12. Income tax
13. Direct tax
14. Which of the following is the advantages of departmental store to the buyer,
15. Extensive use of advertising
16. High cost of supervision
17. Wide choice of product
18. Careful selection of goods
19. Shops are similar
20. Mult-lateral trade means
21. A country trade with one country
22. A country trade with two countries
23. A country trade at value added
24. A country trade at true taxes
25. A country trade with more than two countries
26. The working capital is obtained by;
27. Adding current Assets to current Leabilities
28. Adding current Assets to total Leabilities
29. Current assets less current Leabilities
30. Current Leabilities add current assets
31. A life insurance policy where insured will cover claim for the compensation, but he/she just renew the contact on maturity is o called;
32. Whole life policy
33. Endowment policy
34. Group life policy
35. Annuity policy
36. Term policy
37. Which of the following statements best describes a progressive taxation,
38. It provided a great incentives to work for high income earners than a flat rate tax.
39. It is levied regardless of one’s income.
40. In one which falls more heavily on importers of motor vehicles.
41. A progressive taxation in one where by the rate of taxation increases as the income increases.
42. None of the above
43. The most outstanding disadvantages of air transport is its;
44. Limited number of crew
45. Frequent maintenance
46. Limited carrying capacity
47. Tightly timetable
48. Unsuitable means of transporting vegetables
49. At 25% mark-up is applied to a commodity sold at Tsh.5000/=. What is the gross profit;
50. Shs 600
51. 1667
52. 1676
53. 1500
54. 6500
55. In the event of total loss, insurance companies undertake to pay,
56. A sum insured
57. A real value of the property destroyed
58. The sum insured of the real value whichever is less
59. The sum insured together with premium
60. The sum insured on the real value whichever is more
61. Match the item in column A with the responses in Colum B by writing the letter of the correct response in the box provided

|  |  |  |  |
| --- | --- | --- | --- |
| **LIST A** | | **LIST B** | |
| i | The sum assured is payable at the expiration of the specified period or if the assured dies before the period expired | A | Insurance |
| ii | If a ship and its Cargo completely destroyed or if a ship and its Cargo suffers partial damage | B | Co Insurance |
| iii | The situation where an insurer takes the risk to another insurance company to cover part of its ricks | C | Losses |
| iv | The insured is required to disclose all relevant and material facts about property insured | D | Premium |
| v | Is the amount paid by the insured to the insurer as consideration to compasate him in event of a loss | E | Sum Assured |
| vi | Its primary use is to compasate against physical damage resulting from traffic collision and any liability arise | F | Surrender value |
| vii | The amount paid to the insured who no longer wishes to continue with an insurance contract | G | Endowment policy |
| viii | The close connection between what makes the loss and risk insured | H | Proximate cause |
| ix | The policy taken against the risk of incurring medical expenses among individuals | I | Policy |
| x | The situations where an insurer spread the risk among several insurance companies when property insured has huge value | J | Marine Losses |
|  |  | K | Marine Insurance |
|  |  | L | Re-Insurance |
|  |  | M | Utmost good faith |
|  |  | N | Motor Insurance |

**SECTION B: 40 MARKS**

1. Write shot notes on the following terms;
2. Stale cheque
3. Article of associations
4. Chain stores
5. Surrender value
6. Derived demand
7. a) Describe five (5) qualities of a good retailer

b) Mr. Kikoti is a Boda boda dealer, he made a saving of 500,000/= from his work and he is wishing to start a retail business. You as a business student advice him on important things to consider before starting his business of selling clothes.

1. a) Draft a cheque form the following data’s’
2. Drawer’s name: Benson Joseph
3. Drawee: NMB Arusha
4. Payee: Jumanne Magembe
5. amount to be paid Tshs. 10,000,000
6. Date: 10/6/2015
7. Account No. 0211661
8. Cheque No. B.301661
9. Make it an order and cross it specially

b) Magana had an opening stock of shs20,000/= and closing stock of shs.25,000/= His net purchases for the year amounted to 150,000/= and his gross profit margin is 40% on cost. His expenses for the year were shs28,600

Find;

1. Cost of Sales
2. Gross profit
3. Average stock
4. Sales
5. Net profit
6. a) Briefly explain the term large scale Retailers.

b) Explain types of large scale Retailers

**SECTION C: 40 MARKS**

1. Ujirani mwema textile Industry in Dar es Salaam buys raw material (cotton) in large quantity form Mwanza region. Such raw materials need to be transported to Dar es Salaam to effective production. Advice them the proper mode of transport to be used by describing to them five advantages and five disadvantages of its use.
2. a) Critically explain the term warehouse

b) Explain with examples qualities of good warehouse

1. a) Briefly explain the term taxations.

b) Explain 5 cannons of taxation.

1. a) Explain five (5) reasons why a sole trader may wish to enter into a partnership

b) What are the disadvantages of partnership (five (5) points)