PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENTS
SAME AND MWANGA SECONDARY SCHOOLS EXAMINATION SYNDICATE
(SAMWASSES)

FORM SIX PRE - MOCK EXAMINATIONS - 2022
COMMERCE 01
MARKING SCHEME

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1. Introduction:

   Risk management refers to the measures or methods that are taken to reduce or central the risk, in the business. OR is the process of identifying, analyzing and taking steps to reduce or eliminates the organizations or exposure of individuals to loss. $(02\ marks)$

   Ways that can be employed in minimizing of risks includes the following:-

   i) Shifting the risk to insurance company.
   ii) Maintaining adequate security by using security camera, lighting etc.
   iii) Carrying out regular training of self and staff on new equipment.
   iv) Maximizing long term savings.
   v) Employing skilled and experienced people.
   vi) Using modern technology
   vii) Production of quality products

   $(Any\ 6\ points\ @\ 03\ marks\ =\ 18\ marks)$

2. Introduction:

   Wholesale trade, refers to the buying of goods in large quantities from manufacturers or producers and selling them to the retailers.
   A whole seller Is a person who buys goods is bulk from the manufacture or producers with the aim of reselling them to the realties. $(02\ marks)$

   A whole seller cannot be eliminated from the chain of distribution due to the following reasons:-

   i) Existence of small scale retailer who cannot afford to buy direct from the manufacture or producers.

   ii) They offer a greater variety of goods.

   iii) They minimize the number of transactions, buying goods in bulk.

   iv) They stabilize price in the market.

   v) Financing business, by buying in cash to manufactures and provide credit facilities to relate

vi) Existance of small producers, wholesaler helps them to market their products as they can handle marketing risks.

vii) Because of the products which they are produced seasonally.

viii) Foreign trade wholesale merchants are needed in this truckle because they have knowledge and expertise that foreign firms cannot do without.

$(Any\ 6\ points\ @\ 03\ marks\ =\ 18\ marks)$

3. Introduction:

Computer based trade is a modern trade which involve electronic and computer devices in trade operations. That is payment, receipt, order, information, marketing etc $(02\ marks)$

Reasons as to why computer based trade in Tanzania is facing cumbersome situation:-

i) Limited network and internet.
ii) Insufficiency power supply.
iii) The level of literate
iv) Fear of loss due to online hackers and technique mistake.
v) Cost of installation is high.
vi) Credit cards are not generally accepted as a means of payment.
vii) The knowledge of computerized machines or equipment is limited.

$(Any\ 6\ points\ @\ 03\ marks\ =\ 18\ marks)$

4. Introduction:

Stark exchange market: Is an organized market for the sale and purchase of issued securities (shares and stocks). OR the market place where transferable securities are exchanged.

$(02\ marks)$

Functions of stock exchange market in the Economy.

i) Set prices for securities regardless of when they are bought or sold.
ii) Provide ready market for shares.
iii) Raising capital through sales of sales of shares.
iv) Publishes useful information about investment for investors and stats.
v) Protects investors.
vi) Indicator of economic trends.
vii) Provide education to the individuals on the importance of investment.
viii) It provides employments, direct employment to the market or indirect to the enterprises and projects.

$(Any\ 6\ points\ @\ 03\ marks\ =\ 18\ marks)$

5. Introduction:-

   Insurance is the system of pooling of risks together by contributing a small sum of money (premium) to a common pool which in the long run compensator those who suffer the actual losses.

- Premium is the periodical amount paid by insured to insurer as consideration for the insurer's undertaking to make compensation $(02\ marks)$

   Benefits of insurance are as follows:-

   i) It generate revenue for government through imposing tax for different insurance companies

   ii) It provides employment opportunities for those who work in insurance companies, such as managers, accountants etc.

   iii) It act as the means of savings, a life assurance policy acts as a means of saving especially for old age.

   iv) It provides confidence to the business men of under taking business since they are safe guarded against insured risks.

   v) It offers compensation to few people who suffer loss as a result of risk.

   vi) It can act as a collateral security. Thus the holder of the policy can acquire lean from financial institutions that provides business finance.

   vii) It promotes economic growth and development, through money which collected may be used in economic development such as construction of raids etc.

   viii) It promotes trade, both home and international trade because trades involves in trading activities without fear because of the compensation.

   $(Any\ 6\ points\ @\ 03\ marks\ =\ 18\ marks)$

6. Introduction:

   Advertising copy is the text or the script used in the advertisement in a points digital, radio, television or any other form of advertisement, It can be in form of printed or rendered test, spoken voice or as conversational format between (2) two or more people. $(02\ marks)$

   Essentials of an advertising copy are as follows:-

   i) Suggestive value, a good advertising copy must have suggestive value that is the advertising copy must include the merit of the products,

   ii) Educative and creative value; a good advertising copy must be educative and creative, educative and creative value of an advertising copy is particularly important in case of product which are meant for replacing existing products. Such copy must be designed in such a way to provides information regarding extra benefits which the customers get by using these products.

   iii) Interest value; an advertising copy must be such that it stimulates interest valuing the customer.

iv) Attention value, the good advertising copy must attract the attention of the prospective customers, otherwise all the efforts and expenses on advertisement will go waste.

v) Reception value; the layout of the advertising copy should be such that it makes permanent impression in the mind of the public (customer).

vi) Sentimental value; sales of certain product heavily depends upon the filings of the buyers. It is especially true in case of food products people support the place where they find goods and clean food with satisfactory service.

$(Any\ 6\ points\ @\ 03\ marks\ =\ 18\ marks)$

7. Introduction:

Transportation: Is the physical movement of goods and passengers from one place to another. It enables movement of goods from places where they are plenty to place where they are scarce. It provides utility of place by making goods available wherever they are needed

$(02\ marks)$

Reasons as to why mass production depends on the efficient of transport system are as follows:-

i) It facilitates physical movement of Raw materials.
ii) It facilitates mobility of factors of production such as capital labour.
iii) It radiuses wastage of surplus.
iv) Encourage consumption and create new demand.
v) Promote trade and investment.
vi) It facilitates easy supply of finished goods.
vii) Provides varieties of goods.
viii) Links producers and consumers.
ix) It encourage specialization and division of labour.
x) It stabilize the price o different products.

$(Any\ 6\ points\ @\ 03\ marks\ =\ 18\ marks)$