

NAME 1-2-3	MARKS
ADMISSION NUMBER	

DATE	QUARTER	EXAM	CLASS	SUBJECT
30 TH NOVEMBER, 2016	4	ANNUAL	F-1 —	COMMERCE
TIME	TEACHER(S)			
2½ HOURS	MR. SAMATA (FB) - MR. MWABUSISYA (FG)			

QUESTION NUMBER	QUESTION CHOSEN: PUT A TICK (√)	FOR EXAMINER'S USE ONLY	
		MARKS	EXAMINER'S SIGNATURE
1.			

INSTRUCTIONS:

1. This paper consists of three sections A, B and C.
2. Answer **ALL** the questions provided.

SECTION A (30 Marks)

1. Choose the correct answer from the alternatives given in the following questions (i) – (x)

(i) Economic goods have the following features except

- A. Have utility
- B. Have exchange value
- C. Have use value
- D. That they are not scarce

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(ii) Opportunity cost is the cost which arises if a person forgoes an item when

- A. He misses the other item
- B. He cannot buy the other item
- C. He enjoys the other item after choice has been made
- D. It becomes impossible to have the other item.

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(iii) The chief advantage of specialisation is that is

- A. Encourages barter trade
- B. Increases production
- C. Cost of production
- D. Provides direct services
- E. Calculates the number of employees

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(iv) Marginal cost is defined as

- A. A change of fixed cost per unit of output
- B. A change of total output due to additional unit of cost
- C. A change in total sales due to additional unit of cost
- D. Distribution of total cost per unit of output

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(v) A tractor used in agricultural activities is in the category of

- A. Consumer goods
- B. Producer goods
- C. Domestic goods
- D. Luxury goods

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(vi) The subject matter of commerce enables one

- A. To have business knowledge
- B. To have employment opportunity
- C. To engage properly in business
- D. All the above

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(vii) The utility derived by the consumer when the commodity changes from raw material to a finished good is referred to as

- A. Place utility

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- B. Time utility
- C. Possession utility
- D. Form utility

(viii) If there is an additional cost due to an additional unit of output is referred to as

- A. Average cost
- B. Total cost
- C. Marginal cost
- D. The additional cost and additional unit of output

(ix) Localisation of industries means that

- A. The industry must be located where there is raw material
- B. The industries must be located where there are many people to provide a market for the goods
- C. Many industries are located in one area
- D. Some industries should be established in the rural areas and other industries in the towns

(x) The cost of production which changes as the output changes is called

- A. Average cost
- B. Fixed cost
- C. Total cost
- D. Variable cost
- E. Marginal cost

2. Choose the correct term from **GROUP B** which matches correctly with the explaining given in **GROUP A**, then write the letter in the box given below.

GROUP A		GROUP B
(i)	The movement of labour from one occupation to another.	A. Choice
(ii)	Selecting from many possible alternatives.	B. Insurance
(iii)	The created satisfaction due to prompt delivery of goods and services.	C. Banking
(iv)	Refers more brain thinking effort than the use of physical power.	D. Producer
(v)	The advantages which are obtained by a firm when it expands the size of production.	E. The use of money
(vi)	It covers the unforeseen peril.	F. Profit
(vii)	The draw back in barter system of exchange which can be solved by	G. Transportation
(viii)	Is a maker of goods and services.	H. Free goods
(ix)	It involves the movement of goods and services from one place to another.	I. Opportunity cost
(x)	Is the main motive for a trader.	J. Time utility
		K. Mental labour
		L. Occupational mobility
		M. Economic goods
		N. Brain work
		O. Economies of scale

Answers

Question item	i	ii	iii	iv	v	vi	vii	viii	ix	x
Answers										

3. Complete the empty spaces by filling with correct word(s) or term(s).

(i) The most mobile factor of production is

- (ii) The classification of goods according to how they are used are and
.....
- (iii) The factor of production which appreciates in value is called
- (iv) The classification of goods according to the level reached in the process of production are
..... goods and Goods
- (v) The business capital is referred to three things which are;
..... And
- (vi) The agent or resources or input of production which uses human effort in the production process is
called

SECTION B (30 Marks)

4. Write short notes on the following:

(i) Efficiency of labour

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(ii) Supply of labour

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(iii) Scope of commerce

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(iv) Barter system of exchange

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(v) Delocalization of industries

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5. Differentiate the following:

(a) Commerce and business

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(b) Commerce and economics

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(c) Direct production and indirect production

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(d) Variable cost from fixed cost

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6. Explain why commerce has to be taught in schools. (give five points)

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SECTION C (40 Marks)

7. Complete the following table by filling the gaps. (blanks)

Unit of output (Q)	Fixed cost (FC)	Variable cost (VC)	Total cost (TC)	Average cost (A)	Average fixed cost (AFC)	Average variable cost (AVC)	Marginal cost (MC)
0	(a)	(f)	5,000	0	0	0	(xvii)
2	(b)	(i)	13,000	(v)	(ix)	(xiii)	(xviii)
4	(c)	(ii)	15,000	(vi)	(x)	(xiv)	(xix)
6	(d)	(ii)	17,000	(vii)	(xi)	(xv)	(xx)
8	(e)	(iv)	19,000	(viii)	(xii)	(xvi)	1000

8. Draw the production chart.