

SEROMA CHRISTIAN HIGH SCHOOL
HOME ASSESMENT 2021
S.2 COMMERCE

TIME: 1 ½ HRS

INSTRUCTIONS

- Answer all questions in section A
- Make a grid for section A and choose the best alternative for the questions in section A
- Choose **any two** questions from section B.

SECTION A

1. A Car costs shs. 4,000,000 .How much will a person pay for it if he is given a trade discount of 10% and cash discount of 5%.
A. Shs.3,600,000
B. Shs.3,420,000
C. Shs. 400,000
D. Shs .180,000
2. Identify the odd man out
A. Transport
B. Research
C. Insurance
D. Capital
3. is when the buyer pays for the goods immediately he collects them from the seller.
A. Spot cash
B. Cash with order
C. Cash on delivery
D. Cash
4. Which of the following **is not** a reply to an inquiry?
A. Quotation
B. Price current
C. Invoice
D. Catalogue

5. When raw materials are transformed into finished goods, this is referred to as;
 - A. Time utility
 - B. Form utility
 - C. Possession utility
 - D. Place utility
6. The type of middlemen who sell goods in their possession and under their control on behalf of producers are called?
 - A. Factors
 - B. Brokers
 - C. Delcredere agents
 - D. Merchants
7. Under which system does the buyer take possession and full ownership of commodity after paying the first installment?
 - A. Credit purchase
 - B. Hire purchase
 - C. Deferred payment
 - D. Installment credit
8. Goods which are scarce compared to human wants are referred to as
 - A. Durable goods
 - B. Private goods
 - C. Public goods
 - D. Economic goods
9. The reward for capital is ,
 - A. Profit
 - B. Interest
 - C. Salary
 - D. Rent
10. The form of specialization where people concentrate in producing one commodity in greater numbers is ,
 - A. Specialization by sex
 - B. Specialization by process
 - C. Specialization by commodity
 - D. Specialization by skill.

SECTION B

- 11a) Distinguish between demand and supply(04mks)
- b) Explain the factors that influence demand for a commodity. (16mks)
- 12a) What factors are considered when setting up a retail business? (10mks)
- b) Describe any five (5) modern trends in retail trade. (10mks)
- 13a) Describe the forms of distribution channels used home trade (10mks)
- b) Give the factors that are considered when selecting a distribution channel. (10mks).
14. (a).Distinguish between **regional wholesalers** and **cash and carry wholesalers** (04marks)
- (b) Under what circumstances may wholesalers be eliminated from the chain of distribution? (16 marks)

END