

CHRISTIAN SOCIAL SERVICES COMMISSION (CSSC)
NORTHERN ZONE JOINT EXAMINATIONS SYNDICATE (NZ-JES)



FORM TWO PRE – NATIONAL EXAMINATION AUG 2025
COMMERCE
MARKING SCHEME

1.

LIST A	i	ii	iii	iv	v	vi	vii	viii	ix	x
LIST B	B	C	A	C	D	A	B	B	B	C

1Mark@= 10 Marks

2.

LIST A	I	ii	iii	iv	v
LIST B	D	F	E	C	A

1Mark@= 5 Marks

3. (a) This is a multiple shop. Are the number of shops with similar appearance are established in localities, spread over different parts of the country. These different shops normally deal in standardized and branded consumer products, which have rapid sales turnover. These shops are run by the same organization and have identical merchandising strategies, with identical products and displays (02 Marks)

(b) Characteristics of Multiple shops are as follows:

- i. These shops are located in fairly populous localities, where sufficient number of customers can be approached
- ii. Centralised at the head office, from where the goods are despatched to each of these shops
- iii. Shop is under the direct supervision of a Branch Manager, who is held responsible for its day to- day management
- iv. Controlled by the head office, which is concerned with formulating the policies and getting them implemented
- v. The prices of goods in such shops are fixed and all sales are made on cash basis

(Any 4 points @ 2 marks = 08 marks)

4. Factors to be considered when establishing a retail shop

- Capital
- Location
- Storage facilities
- Terms of sale
- Sources of supplies
- Method of delivery

(Any 5 points @ 2 marks = 10 marks)

5. Transportation is not the only factor which leads to the growth of commerce there are other factors which are:

- Difference in human wants
- Specialization and division of labour
- Improvement in transport and communication system.
- Development of money and Banking system
- Population increase
- Differences in skills and knowledge
- Diversification of natural resources.

(Any 5 points @ 2 marks = 10 marks)

6. (a) Gross profit

Given

Make up 25% to margin Mark up

$$\frac{25}{100} \times \frac{1}{4} \text{ to margin } \frac{1}{3}$$

$$\text{Margin} = \frac{GP}{\text{Sales}}$$

$$\frac{1}{3} \times = \frac{GP}{70,000}$$

$$\frac{3GP}{3} = \frac{72,000}{3}$$

Gross Profit **14,400** (2Marks)

b) Cost of goods sold Mark

up $\frac{GP}{\text{Cost}}$

$$\frac{1}{4} \times = \frac{36,000}{Cost}$$

$$36,000 \times 4 = Cost$$

COST PRICE 57,600 (2Marks)

c) Margin

$$\frac{22}{100} \frac{1}{4} \quad \text{to Margin} \quad \frac{1}{4-1} = \frac{1}{3}$$

Mark up

$$\frac{1}{3} \times 100$$

Margin is 20% or 1/5 (2Marks)

d) Average stock Rate of
stock turn $= \frac{Cost\ of\ goods}{Average\ stock}$

$$5\ \text{times} = \frac{144,000}{Average\ stock}$$

$$\frac{144,000}{5} = \frac{5}{5} \text{ Average stock}$$

$$Average = 28,800$$

$$\therefore = 28,800$$

\therefore Average stock 11,520 (2Marks) **(2marks)**

e) Net profit

$$NP = GP - Expenses$$

$$NP = 36,000 - 24,000$$

$$NP = 12,000$$

\therefore Net profit Tsh **(9600)**

7. Self employment

Is the situation in which a person/ individual work for himself instead of work for employer that pay salary or wages

Benefits of self employment

- i) Independence control and freedom
- ii) Enjoy reward of your work
- iii) Opportunity to lead others
- iv) Make major decisions of the business
- v) Get close to customers
- vi) Enjoy top secrets of the business

(Any 5 points @ 2 marks = 10 marks)

8. (a) i) It provide information to the management to take the new order

- ii) It enable the purchasing department to make new order before old one out 2marks
- iii. It helps in the management of the stock in warehouse

(b) Order point = (daily sales x delivery time) + minimum stock where ...

3marks

Daily sales 20 pair of vitenge Delivery time

10 days

Minimum stock 60 pair

Order point = (20 x 10) + 60

= 200 + 60

= 260 unit Order

point = 260 unit 5marks

9. i) One stage channel- this is when the manufacturer of the products sales his products directly to final consumer by using his own retail outlets.

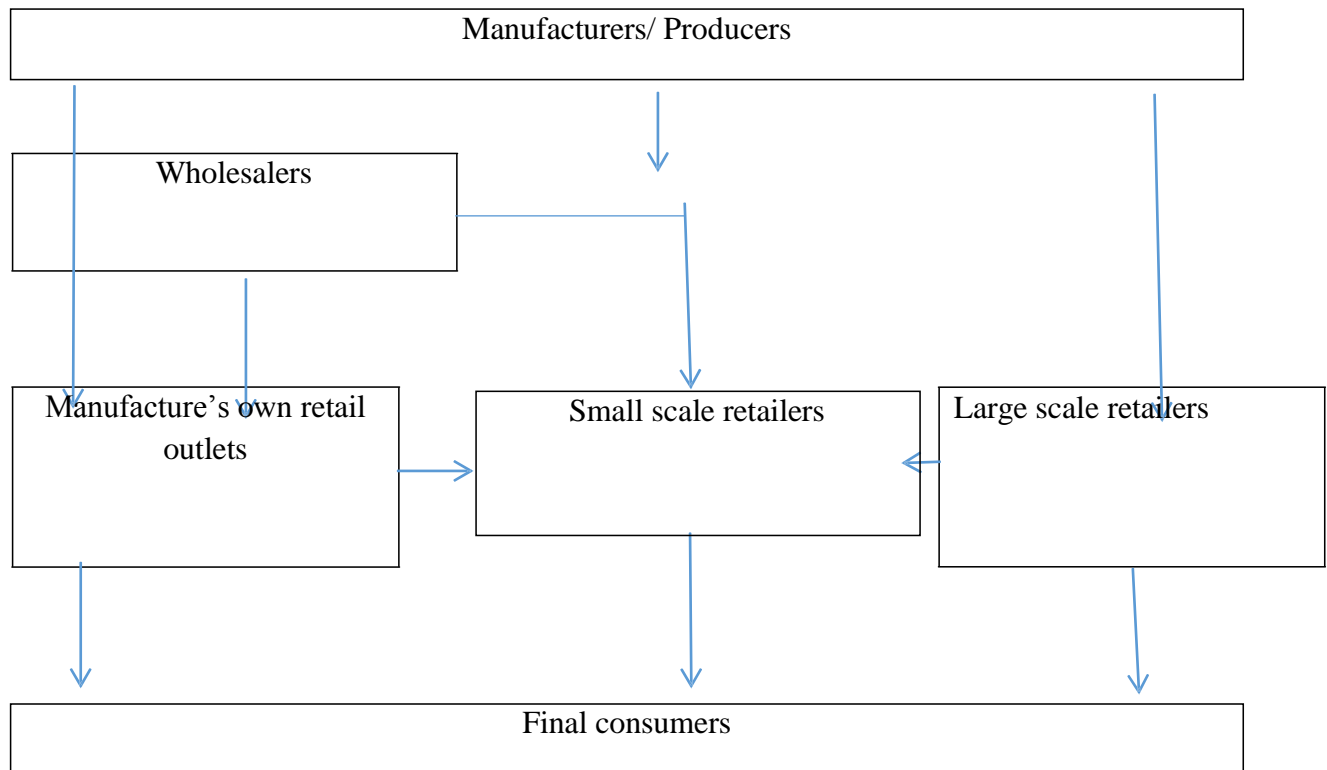
ii) Two stage channel – this is when the manufacturer sales his products to the retailers who in turn sell them to the final consumers.

iii) Three stage channel – this is when the manufacturer sales his products to wholesalers who supply to retailer who in turns sell to the final consumer.

iv) Four stage channel – this is when manufacturer supply to the agent who supplies to wholesaler who then supply to retailers and finally to consumers.

01 Mark @ = 04 marks

CHAIN OF DISTRIBUTION CHART



06 marks

10. Advantages of division of labour and specialization

- i. It saves time and energy which workers could spend while moving from one place to another
- ii. Division of labour and specialization leads to increase production
- iii. Division of labour and specialization leads to the increase of skills and knowledge to workers due repetition of the same work for a long period of time
- iv. It improves skills and knowledge of workers
- v. It improve technological development
- vi. It provides many experts

Introduction 2marks

Main body 12marks Conclusion

1 mark