

**B.O.T II EXAMS
S.2 COMMERCE**

TIME: 1 HOUR

**SECTION A
Circle the right answer**

1. Retailers who sell only Coca-cola products are examples
A. Single shops B. Tied shops
C. Mobile shops D. Multiple shop
2. Which one of the following is a durable consumer good?
A. tractor B. rice C. shoe D. radio
3. Which one of the following is a characteristic of direct production?
A. production for sale B. production for personal consumption
C. specialization D. large-scale production
4. The terms of payment where goods sold are paid for within a given period of time is called
A. Cash on delivery B. spot cash
C. prompt cash D. cash with order
5. What is the main aim of Commerce?
A. to help traders improve their products
B. to offer personal services to consumers
C. to bridge the gap between producers and consumers
D. to manufacture goods that are scarcely available
6. Which of the following is a feature of a supermarket
A. stocks goods from one producer B. goods are pre-priced
C. sells goods in bulk only D. prices are negotiable
7. For which reason does a retailer need large stocks?
A. holding stocks require a lot of storage space
B. goods held in stock may go out of fashion
C. he needs to have a wide variety of goods
D. goods are likely to depreciate
8. A mail order firm cannot dispense with the services of the

A. post office B. banks C. broker D. traveling salesman

9. I bought 16 articles on credit and was charged shs. 24 per article less 25% trade discount and 2% cash discount may invoice therefore showed

A. shs 282.24 B. shs 388.00 C. 382.00 D. shs 288.00

10. Which of the following is an Itinerant trader?

A. Tied shop B. village stores C. supermarket D. hawkers

SECTION B

11. (a) Explain the difference between demand and supply

(b) What are the factors influencing demand.

12. (a) What is localization of industry?

(b) Give the advantages and disadvantages of localization of industry.