# KEMZ ACADEMIC CENTRE

## FORM ONE – COMMERCE TEST

TIME: 2 Hours
INSTRUCTIONS:
- Answer all questions in Sections A and B.
- Attempt any 3 questions in Section C.
- Read all instructions carefully.
- Write all answers in the space provided.

### SECTION A: MULTIPLE CHOICE QUESTIONS (20 Marks)

(Circle or tick the correct answer)

1. What is the primary purpose of production?
 A. To increase government revenue B. To provide employment
 C. To satisfy human wants D. To build factories

2. Which of the following goods is a durable consumer good?
 A. Toothpaste B. Sofa set C. Milk D. Bread

3. Define counterfeit goods.
 A. Goods made locally B. Fake copies of original goods
 C. Goods bought in bulk D. Goods sold without tax

4. Which type of production involves extraction of raw materials from nature?
 A. Tertiary B. Manufacturing. C. Primary. D. Secondary

5. Identify one effect of production on the environment.
 A. Improved transport. B. Pollution. C. High employment D. Price reduction

6. A person who buys goods from wholesalers and sells to final consumers is called a:
 A. Manufacturer B. Retailer C. Producer D. Agent

7. Which class of goods does a fridge belong to?
 A. Non-durable consumer good B. Perishable good
 C. Durable consumer good. D. Counterfeit good

8. Fill in the blank: Goods used to produce other goods are known as \_\_\_\_\_\_\_\_\_\_\_\_.
 A. Consumer goods B. Industrial goods C. Final goods D. Public goods

9. Which of the following is a feature of large-scale retailers?
 A. Limited capital B. Usually mobile C. Use of modern technology. D. Operate in villages only

10. What are original goods?
 A. Goods with fake branding. B. Poorly packaged goods
 C. Genuine products from manufacturers D. Locally produced goods

11. Which of these is a function of a retailer?
 A. Storage of goods for resale B. Exporting goods to foreign countries
 C. Transporting goods from factory to port D. Setting government prices

12. Describe one characteristic of small scale retailers without shops.
 A. Operate from large buildings B. Sell on streets or markets
 C. Sell online only. D. Provide credit to supermarkets

13. A hawker is best described as a:
 A. Wholesaler B. Small scale retailer with shop
 C. Small scale retailer without a shop. D. Large scale retailer

14. One of the advantages of specialization is:
 A. Delay in production B. Increase in waste. C. Improvement in skills. D. Reduction in profits

15. Which goods are bought to satisfy final needs of consumers?
 A. Industrial goods B. Capital goods C. Consumer goods D. Export goods

16. A person who sells goods in small quantities to the final consumer is a:
 A. Wholesaler B. Producer C. Retailer D. Agent

17. What type of retailer is a tuckshop owner?
 A. Large scale retailer B. Wholesaler. C. Small scale retailer with shop D. Industrial seller

18. Fill in the blank: A wholesaler buys goods in \_\_\_\_\_\_\_\_\_\_ quantities from manufacturers.
 A. Few. B. Large C. Small D. Limited

19. Which type of wholesaler deals with only one line of goods?
 A. General wholesaler. B. Export wholesaler C. Specialist wholesaler D. Agent wholesaler

20. The following are examples of durable goods except:
 A. Bed B. Cupboard C. Soap D. Stove

### SECTION B: SHORT ANSWER QUESTIONS (10 Marks)

(One word or short phrase answers only)

1. Define specialization.

2. Name one example of a counterfeit product.

3. What is the main role of a retailer?

4. Mention one type of industrial good.

5. Identify one effect of production on society.

6. Who is a wholesaler?

7. Give one example of a non-durable good.

8. What do we call a small scale retailer without a shop?

9. State one advantage of retail trade.

10. Mention one feature of large scale retailers.

### SECTION C: ESSAY QUESTIONS (40 Marks – Answer any TWO)

1. a) Explain the effects of production on the environment and economy. [10]
 b) Discuss how production can be made sustainable. [10]
 Total [20]

2. a) Describe the types or classes of goods, giving two examples of each. [10]
 b) Compare and contrast counterfeit goods and original goods. [10]
 Total [20]

3. a) Define retail trade and explain any four functions of a retailer. [10]
 b) Outline the differences between small-scale retailers with shops and without shops, with examples. [10]
 Total [20]

4. a) What are the main features of wholesalers in the distribution chain? [10]
 b) Discuss the different types of wholesalers with examples. [10]
 Total [20]

5. a) What is specialization and how does it affect productivity? [10]
 b) Explain any five advantages and five disadvantages of specialization. [10]
 Total [20]