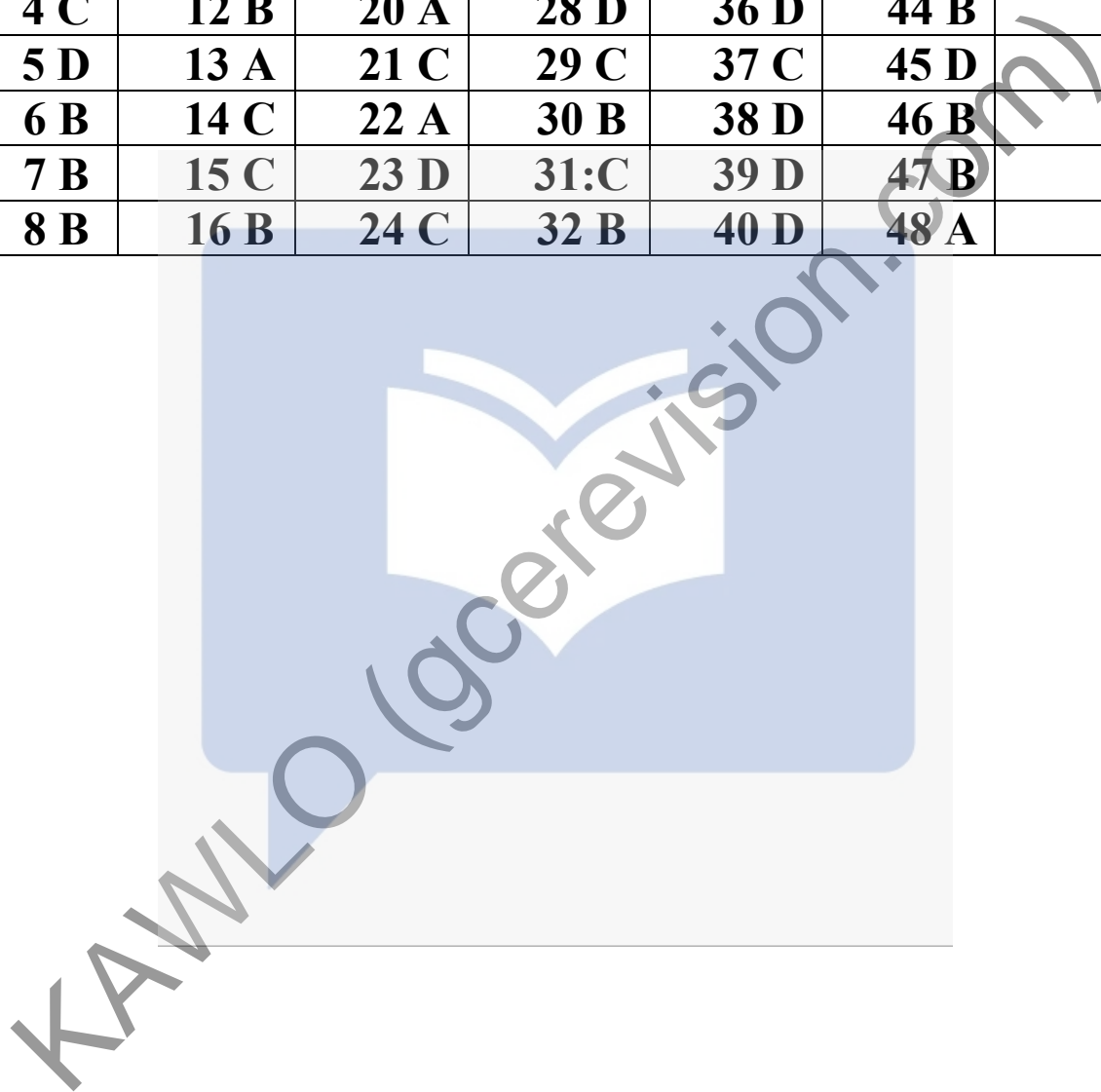


## MARKING GUIDE FOR COMMERCE 0520 PAPER 1

<b>1 B</b>	<b>9 C</b>	<b>17 C</b>	<b>25 D</b>	<b>33 B</b>	<b>41 D</b>	<b>49 B</b>
<b>2 A</b>	<b>10 D</b>	<b>18 A</b>	<b>26 D</b>	<b>34 A</b>	<b>42 C</b>	<b>50 B</b>
<b>3 B</b>	<b>11 C</b>	<b>19 D</b>	<b>27 B</b>	<b>35 D</b>	<b>43 C</b>	
<b>4 C</b>	<b>12 B</b>	<b>20 A</b>	<b>28 D</b>	<b>36 D</b>	<b>44 B</b>	
<b>5 D</b>	<b>13 A</b>	<b>21 C</b>	<b>29 C</b>	<b>37 C</b>	<b>45 D</b>	
<b>6 B</b>	<b>14 C</b>	<b>22 A</b>	<b>30 B</b>	<b>38 D</b>	<b>46 B</b>	
<b>7 B</b>	<b>15 C</b>	<b>23 D</b>	<b>31: C</b>	<b>39 D</b>	<b>47 B</b>	
<b>8 B</b>	<b>16 B</b>	<b>24 C</b>	<b>32 B</b>	<b>40 D</b>	<b>48 A</b>	



## MARKING GUIDE. COMMERCE 0520 PAPER TWO

1A) factors to consider when choosing a mode of transport

- Speed and urgency   Flexibility   Cost of carriage   Value of goods
- Owners specification   Distance   Type of transport available.( 1mrk stating, 1mrk exp l)

B I) Enterprises are classified according to;

- Size
- Ownership
- Activity ( 2×3=6)

II) Types of postal services

- Ordinary post   Registered post   Free post   Express delivery   Poste restante
- P.o.box   P.m.b ( 1mrk each)

2 a) Qualities of a good collateral;

- The value must be higher than the loan
- It must be free from liabilities
- Must be accessible or reachable
- Must not be in any dispute
- Must be stable in value
- Must be easily convertible ( each point with brief exp 2mrks)

2b) 5 government departments protecting consumers

- Forestry and wildlife
- Transport
- Town planning and housing
- Cinematography
- Price control, weight and measures
- Veterinary

- Dept of preventive medicine and rural hygiene ( stating 1mrk, expl 1mrk)

### 3a) Differences between chain stores and departmental stores

Chain store	Departmental stores
Less expensive	More expensive
Activities are spread all over the country	Centralized activities
Variety is not possible	Variety of goods sold at different departments
Branch managers don't have the power to order for goods	Department managers have powers to purchase goods
Central warehouse meets expenses	Each department Meets its own expenses
No such department exist	Operates loss leader

### 3b) Define the following;

\* Direct production: This is the production of goods for personal use.

- It is produced in small quantity
- Family labor is used

\* Division of labor: This is the breaking down of the production process into simpler task

- it makes work goes faster and efficient

\* Home trade: it is the buying and selling of goods and services within the country.

- it is divided into wholesale trade and retail trade

\* Commerce: commerce refers to all activities involved in the distribution of goods and services.

- it has two branches; trade and aids to trade

\* Warehousing: The activity of storing goods until when needed in the market

- It involves receiving, storage, inventory management and order fulfillment

( 2mrks each.)

### 4a) Reasons for the survival of small-scale businesses

- population      Nearness to customers      low overhead cost
- Decision making is quick      They offer personal services to customers
- They offer credit facilities      They provide door to door services
- Management is easy because of the size.      Most business starts small.

4b I ) Documents used in buying and selling;

- Letter of inquiry      Quotation      An order      Invoice      Advice note
- Delivery note      Consignment note      Pro-forma invoice      .Debit note
- Statement of account

4bii)

Insurance	Retail trade	Banking	Business unit
* Hull	*Peddlers	*ATM	* Partnership
* Risk	*Mobile shops	*Cheques	* Corperatives

5a) Functions of national social insurance fund

Register employees and employers

Pay out allowances

Provides health facilities

Provides educational facilities

Grants loans and subsidies

Provides capital to trade, industry and government (1mrk each)

5bii) Principles of insurance:

- Principle of utmost good faith      Principle of insurable interest
- Principle of proximate cause      Principle of indemnity. ( 1mrk for starting, 1mrk for exp)

5bii) Functions of trade agents:

- Market research      Negotiations      Financial services      Customers support

