



ZIMBABWE SCHOOL EXAMINATIONS COUNCIL
General Certificate of Education Ordinary Level

COMMERCE
PAPER 1 Multiple Choice

4049/01

JUNE 2019 SESSION

1 hour 15 minutes

Additional materials:
Multiple Choice answer sheet
Soft clean eraser
Soft pencil (type B or HB is recommended.)

TIME 1 hour 15 minutes

INSTRUCTIONS TO CANDIDATES

Do **not** open this booklet until you are told to do so.

Write your name, Centre number and candidate number on the answer sheets in the spaces provided unless this has already been done for you.

Read very carefully the instructions on the answer sheet.

INFORMATION FOR CANDIDATES

Each correct answer will score **one** mark. A mark will not be deducted for a wrong answer. Any rough working should be done in this booklet.

There are **forty** questions in this paper. Answer **all** questions. For each question there are four possible answers **A, B, C** and **D**. Choose the one you consider correct and record your choice in soft pencil on the separate answer sheet provided.

This question paper consists of 8 printed pages.
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- 1 Which service is **not** part of tertiary production?
- A banking
 - B distribution
 - C manufacturing
 - D teaching
- 2 Which is an advantage of specialisation?
- A leads to employment
 - B results in labour mobility
 - C retraining workers is cheap
 - D workers become skilled
- 3 Which is **not** value addition?
- A baking cakes from flour
 - B making steel from iron ore
 - C packaging diamonds in metal boxes
 - D selling live cattle to abattoirs
- 4 Which external factor affects business environment?
- A customers
 - B politics
 - C suppliers
 - D workers
- 5 Beneficiation is the
- A amount by which the value of a product is increased.
 - B difference between cost of production and selling price.
 - C natural intrinsic value in the extracted raw materials.
 - D process which removes impurities from mineral ores.
- 6 Which factor of production mobilises other factors of production?
- A land
 - B labour
 - C enterprise
 - D capital
- 7 Retailing is
- A offering goods to wholesalers.
 - B providing raw materials to producers.
 - C selling directly to consumers.
 - D selling goods in small quantities.

- 8 Quotas
- A discourage domestic consumption.
 - B increase inflow of foreign currency.
 - C limit quantities of goods imported.
 - D make imports more expensive.
- 9 Balance of trade is equal to
- A goods exported minus goods imported.
 - B goods exported minus services exported.
 - C services exported minus services imported.
 - D total exports minus total imports.
- 10 The aim of forming trading blocs is to
- A challenge integration of global economy.
 - B discriminate against non-member countries.
 - C promote free trade among member states.
 - D encourage global free trade by nations.
- 11 The similarity between home trade and foreign trade is that
- A goods in transit are insured.
 - B same language is involved.
 - C foreign currency is used.
 - D same measurements are used.
- 12 Consumers need protection against the following **except**
- A false price cutting.
 - B buying tested products.
 - C incorrect labelling of goods.
 - D unfair repossession of goods.
- 13 Which board tests products for quality?
- A Advertising Media Association of Zimbabwe.
 - B Consumer Council of Zimbabwe.
 - C Standards Association of Zimbabwe.
 - D Small Claims Court of Zimbabwe.
- 14 Which is a feature of business in the private sector?
- A clearly identifiable owners
 - B no profit making motive
 - C owned by the government
 - D set-up to provide a service

- 15 A partnership is formed by
- A at least one person.
 - B two and no maximum shareholders.
 - C two to fifty shareholders.
 - D two to twenty individuals.
- 16 Which characteristic applies to both private limited company and public limited company?
- A owners are called shareholders
 - B share transfer is unrestricted
 - C shares sold on Stock Exchange
 - D start trading after incorporation
- 17 What is privatisation?
- A converting a partnership into a public corporation
 - B converting a private limited company into a public limited company
 - C selling a business to government by an individual
 - D converting public sector business to private sector business
- 18 An entrepreneur is
- A a book-keeper who maintains accounts.
 - B a salesperson who markets goods.
 - C one who takes financial risks.
 - D someone who calculates premiums.
- 19 Planning as management function deals with
- A bringing workers together.
 - B ensuring that workers do different jobs.
 - C finding out whether aims are met.
 - D setting goals for the business.
- 20 Which function of money is used to compare goods?
- A measure of value
 - B medium of exchange
 - C standard for future payment
 - D store of value

21 Return on capital employed is given by the formula

A $\frac{\text{Gross Profit}}{\text{Capital owned}} \times 100.$

B $\frac{\text{Gross Profit}}{\text{Cost of sales}} \times 100$

C $\frac{\text{Net Profit}}{\text{Capital Invested}} \times 100$

D $\frac{\text{Net Profit}}{\text{Turnover}} \times 100$

Use the information below to answer questions 22 and 23.

A trader bought 200 crates of mineral water at \$10 a crate from a wholesaler under the following terms:

- Trade discount 25%
- Cash discount 5% 15 days

22 How much trade discount was offered to the trader?

- A \$100
- B \$400
- C \$500
- D \$2 000

23 How much did the trader pay if the account was settled within 10 days?

- A \$1 900
- B \$1 600
- C \$1 500
- D \$1 425

24 Which statement is true about the principle of utmost good faith?

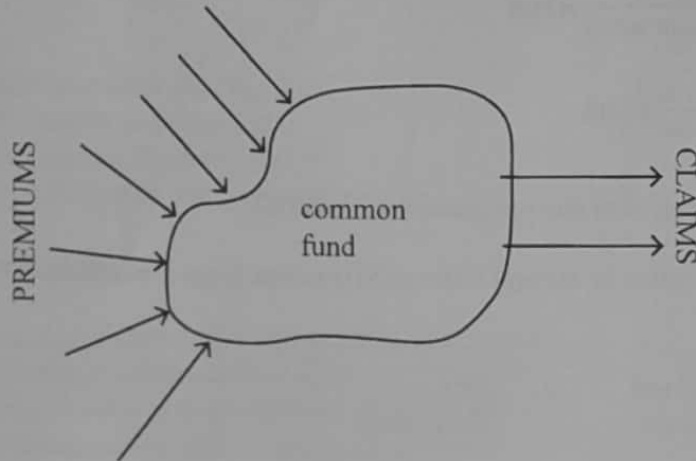
- A the insured must not make profit
- B all relevant information must be disclosed
- C the insured must suffer loss
- D the risk must be insurable

25 The calculation of insurance premiums is done by the

- A actuaries.
- B assessors.
- C brokers.
- D underwriters.

- 26 Non-payment by an importer due to lack of foreign currency is covered by
- A consequential loss insurance.
 - B export credit guarantee corporation.
 - C fidelity guarantee insurance.
 - D freight insurance.

27



What is represented in the diagram?

- A average clause
 - B insurable interest
 - C pooling of risks
 - D proximate cause
- 28 Which activity is **not** part of e-insurance?
- A buying insurance cover on-line
 - B contracting an agent to discuss insurance
 - C downloading a policy document
 - D paying monthly premiums on-line
- 29 Which telecommunication service allows contact when trader is out of office?
- A cellphone
 - B datel
 - C post restante
 - D telephone
- 30 Effective communication does **not** involve a
- A feedback.
 - B licence.
 - C medium.
 - D transmitter.

- 31 A charter party is a
- A contract of hire.
 - B document of title.
 - C proof of delivery.
 - D receipt of freight.
- 32 Which is **not** considered when choosing a method of communication?
- A cost
 - B distance
 - C reliability
 - D urgency
- 33 What is the importance of transport to a trader?
- A goods are kept safely before sale
 - B goods are moved to the markets
 - C tastes and demands of customers are known
 - D trader is covered against loss
- 34 What is the disadvantage of using containers in transport?
- A containers are sealed in transport
 - B container terminals are expensive to build
 - C packaging costs are reduced
 - D small loads require groupage
- 35 Which is **not** a function of a seaport authority?
- A providing refuelling facilities
 - B maintaining dry docks
 - C dredging the harbour
 - D collecting customs duty
- 36 In which agreement does an exporter hire a tramp together with its crew?
- A demise charter
 - B bill of lading
 - C time charter
 - D voyage charter
- 37 Where does a communal farmer store grain?
- A granery
 - B grain silo
 - C metal container
 - D storeroom

- 38 Marketing a product to benefit a few customers is
- A market researching.
 - B market segmentation.
 - C mass marketing.
 - D niche marketing.
- 39 The process of dividing a market into groups is
- A market research.
 - B market segmentation.
 - C mass marketing.
 - D niche marketing.
- 40 What is marketing mix?
- A all activities used to sell a product
 - B brand name distinguishing products
 - C selling a variety of products
 - D set of questions for market research