

Commerce Paper 2, May/June 2012

Question 1

1. This question was on the completion of chart showing main divisions of commerce
2. Explain the following, give one example of each:
3. Primary production;
4. Secondary production;
5. Tertiary production.

Question 2

1. Explain the following:
2. Limited liability;
3. Separate legal entity;
4. Certificate of incorporation;
5. Participating preference shares;
6. Ordinary shares.

State five advantages of Public Corporation

Question 3

- What is channel of distribution?
- With the aid of diagrams show four examples of channels of distribution.
- Explain five advantages of home trade.

Question 4

- What is credit?
- List and explain six principles of insurance.

Question 5

1. Explain five factors affecting the choice of transport of frozen products.

State five disadvantages of air transport.

Question 6

1.

- **Define the term market segmentation.**
- **List six factors that influence market segmentation.**
- **State five advantages of advertising.**

Question 7

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- **What is a contract?**
- **List five elements of a valid contract.**
- **Explain four ways by which a contract may be discharged**

Question 8

1.

Explain the following documents used in international trade:

- **Indent;**
- **Bill of lading;**
- **Consular invoice;**
- **Certificate of origin;**
- **Bill of exchange;**

Question 9

- ● **Differentiate between Nationalization and indigenization.**
- **State six reasons why a country would indigenize some industries.**

Question 10

- **This question was on the calculation of the following:**

- **Issued capital;**
- **Unissued capital;**
- **Total assets;**
- **Working capital.**