TANZANIA HEADS OF ISLAMIC SCHOOLS COUNCIL

FORM SIX INTER ISLAMIC MOCK EXAMINATION

152/2

COMMERCE 2

MARKING SCHEME

01. The following are quotations in foreign market.

(i) loco price/~~ex~~ ex-warehouse/ex-works
Price of the goods quoted are as they are at the manufacturers premises. The rest of the expenses of moving goods up to importers premises will be met by the importer.

(ii) F.O.R [Free on Rail]
Price quoted includes the expenses of transporting the goods from manufacturer to the nearest railway station. Other railway charges are met by the importer.

(iii) F.A.S [Free Along side a Ship]
Price quoted include the expenses from the exporter's premises to the ~~dock, nearest~~ dock, including loading expenses. Any other expenses are met by the importer.

(iv) F.O.B [free on Board]
Price quoted include all expentenses to be met till goods are delivered on board the ship. Here exporter meets all expenses of packing, carriage to port, loading charges and export duties. All other expenses from there will be met by the importer.

(v) C&F (Cost and Freight)
Price quoted includes F.O.B as well as shipping expenses. The importer meet the insurance charges.

(vi) C.I.F (Cost, Insurance & Freight]
Price quoted includes C&F, also includes insurance charges

Introduction	1 mark
Six points @3marks	18 marks
Suitable Conclusion	1 mark
	20%

2. Factors to consider in office layout.
(i) Cost of construction and maintanance,
(ii) Number of staff to be accomodated in the office
(iii) The climatic condition of the area
(iv) Government directives if any
(v) Nature of work to be carried out
(vi) Nature and rank of the staff
(vii) Floor space available for the office.

Introduction	1 mark
Six points @3marks	18marks
suitable conclusion	1 mark
	20%

3. Disadvantages of direct tax to individuals,
(i) Discourage savings
(ii) Disincentive to hardwork
(iii) Discriminatory in nature.

Disadvantages to the government.
(i) Discourage investment
(ii) Easy to evade
(iii) Reduce demand and hence yield low income to the government.

Introduction	1 mark
Six points @3marks	18 marks
suitable conclusion	1 mark
	20%

04. Arguments against trade restristictions.

(i) It limit Competition.

(ii) Discourage International specialisation

(iii) Leads to decline in Consumers' welfare

(iv) It affect the volume of trade

(v) May lead to International misunderstanding

(vi) limit Consumers choice

Introduction	1 Mark
Six points @3marks	18 marks
Suitable Conclusion	1 mark
	20marks

05. Disadvantages of joint stock Companies

(i) High Cost of formation

(ii) legal restrictions ie There are legal procedures to be followed before forming it. Such procedures may be Complicated.

(iii) lack of secrecy as they are required to publish financial statem

(iv) Delay in decision making

(v) Double taxation.

(vi) Inflexibility ie: not easy to change from one form to another

(vii) lack of participation in decision by all members.

Introduction	1 mark
Six points 3marks@	18marks
Suitable Conclusion	1 marks
	20%

06. Advantages of Indirect exportation:

(i) High degree of assistance is attained in export process from Professional export intermediaries

(ii) High possibility of increasing the size of foreign market through using various intermediaries

(iii) Export agents can perform many activities in complicated foreign market situations

(iv) Assist the exporter in preparation of the goods

Disadvantages of Indirect exportation

(i) High cost as exporter needs to pay the agents

(ii) Exporter continues to lack experience and exposure in foreign market.

Introduction	1 mark
Six points @3marks	18
suitable Conclusion	1
	20%

07. Factors to consider when determining price of a particular product

(i) Demand and supply of the product

(ii) Cost of the product

(iii) Government policy (price control by the government)

(iv) Level of competition

(v) Recommended manufacturer price such as air time voucher

(vi) Nature of the product.

Introduction	1 mark
Six points @3marks	18
Suitable conclusion	1 mark
	20%