EXAMINATIONS COUNCIL OF ZAMBIA

Examination for School Certificate Ordinary Level

Commerce 7100/1

Wednesday 15 NOVEMBER 2017

Additional Material(s):
Answer Booklet

Time 2 hours 30 minutes

Instructions to Candidates

Write your name, centre number and candidate number in the spaces provided on the Answer Booklet.

There are ten (10) questions in this paper. Answer any five (5) questions.

Write your answers in the separate Answer Booklet provided.

If you use more than one Answer Booklet, fasten the Booklets together.

Information for Candidates

The number of marks is given in brackets [ ] at the end of each question or part question.

Non programmable calculators may be used.

Cell phones are not allowed in the examination room.
1  (a) Identify three branches of production and give an example of an activity that takes place in each of the branches. [4]

(b) (i) Describe the term "COUNTERFEIT GOODS" found on the market. [3]

(ii) Explain enterprise as a factor of production. [3]

(c) Outline the importance of Commerce to an individual, a nation and the world. [10]

[Total: 20]

2  (a) (i) State the importance of legal contracts in business. [3]

(ii) Identify the elements of a valid contract. [3]

(b) (i) Explain the main characteristics of a Mail Order Business. [4]

(ii) Describe the advantages offered by Hypermarkets to their customers. [4]

(c) On 23rd October, 2016, Paul Mukupa, a bookshop owner, bought the following goods from SIMOMO Enterprise.

- 150 box files @ K4.00 each
- 100 units of subject files @ K2.50 each
- 100 units of file fasteners @ K1.50 per unit
- 72 units of hard cover books (192 pages) @ K80.00 per unit.

All subject to 20% Trade Discount.

On 27th October, 2016 Paul Mukupa returns 30 units file fasteners because they were rusty.

The terms of payment were 2½%, 21 days and 5% 14 days.
Mukupa paid on 2nd November, 2016.

(i) Calculate the amount to be paid by Mukupa on 2nd November, 2016. [3]

(ii) Using the information above, draw a cheque that Mukupa will use to pay the bill. [3]

[Total: 20]
3  (a) There are several ways of making payments in foreign trade. List any two ways of making such payments. [2]

(b) (i) Explain why Zambia Revenue Authority keeps a record of goods exported and imported. [5]

(ii) Explain the importance of collecting customs and excise duties to the government. [5]

(iii) Describe the work of Export Credits Guarantee Department (ECGD). [5]

(c) Outline the disadvantages of foreign trade. [3]

[Total: 20]

4  (a) List five sources that a Public Limited Company uses to raise its capital. [5]

(b) (i) Explain what the term “Limited Partnership” means. [5]

(ii) What type of business is a partnership most suitable? [5]

(c) Indicate the importance of Certificate of Incorporation to a company. [5]

[Total: 20]

5  (a) Identify the types of shares found on the Stock Exchange. [5]

(b) In connection with the Stock Exchange, explain the work of the following:

(i) Stock Exchange Council (or committee) [5]

(ii) The Stock Broker [5]

(c) Outline the benefits a shareholder may receive in a company listed at the Stock Exchange. [5]

[Total: 20]

6  (a) (i) List any five modern developments in transport. [5]

(ii) What is Containerisation? [5]

(b) Explain the following:

(i) Public warehouses; [5]

(ii) The usage of ship liners. [5] [www.zedpastpapers.com]

[Total: 20]

[Turn over
7 (a) Identify **two** non-banking institutions that operate in Zambia. 
(b) (i) Explain the importance of Commercial Banks to those who run businesses. 
(ii) Explain the Banking Services offered to holders of Current Accounts. 
(iii) Describe the requirements of a valid cheque. 

[Total: 20]

8 (a) List **four** companies that offer courier services in Zambia. 
(b) Describe the following services offered by Zampost. 
   (i) Poste Restante 
   (ii) Data Post 
   (iii) Radio Message 
   (iv) Free Post 

[Total: 20]

9 (a) Name **four** different types of Accident Insurance Policies. 
(b) (i) Explain what is covered under Ship Owner's Liability Insurance. 
(ii) Insurance companies sometimes refuse to insure certain risks. 
   Give reasons why they do so. 
(c) Outline the contents of a Proposal Form used in insurance. 

[Total: 20]

10 (a) Name **five** methods of appeal used in advertising. 
(b) (i) Explain the benefits of advertising to consumers. 
(ii) Giving examples, explain **five** reasons why advertising can be undertaken other than promoting the sale of goods and persuading people to buy. 
(iii) Give **five** disadvantages of advertising to business people. 

[Total: 20]
DOWNLOAD ECZ PAST PAPERS FROM YOUR PHONE OR PC

www.zedpastpapers.com