

**CHRISTIAN SOCIAL SERVICES COMMISSION (CSSC)**  
**NORTHERN ZONE JOINT EXAMINATIONS SYNDICATE (NZJES)**



**FORM FOUR PRE-NATIONAL EXAMINATIONS AUGUST 2024**

**COMMERCE**

**MARKING SCHEME**

**SECTION A (16 Marks)**

1. Multiple choices

<b>LIST A</b>	<b>i</b>	<b>ii</b>	<b>iii</b>	<b>iv</b>	<b>v</b>	<b>vi</b>	<b>vii</b>	<b>viii</b>	<b>ix</b>	<b>x</b>
<b>LIST B</b>	<b>B</b>	<b>C</b>	<b>E</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>B</b>	<b>E</b>	<b>A</b>	<b>B</b>

**@ 01Mark, Total 10 Marks**

2. Matching items

<b>COLUMN A</b>	<b>i</b>	<b>ii</b>	<b>iii</b>	<b>iv</b>	<b>v</b>	<b>vi</b>
<b>COLUMN B</b>	<b>D</b>	<b>H</b>	<b>C</b>	<b>F</b>	<b>E</b>	<b>B</b>

**@01 Mark, Total 06 marks**

**SECTION B (54 marks)**

**Features of a sole proprietorship**

- i. **Is the second Oldest and common business:** this partnership which is the second oldest and the most common business model that has been in existence after the sole proprietorship.
- ii. **Flexibility:** Partnerships business is the flexible compared to other to Joint Stock Company. It can easily change or shift from selling ice creams to selling vegetables, from butchery to salon, or from restaurant to stationery.
- iii. **It involves minimum of two owners to the maximum of twenty people: It is**
- iv. business is owned and often operated by two person to maximum of twenty person.
- v. **It involves sharing of profit and loss :** A partnerships the sharing of profit or loses made by it among partners.
- vi. **Unlimited liability:** There is no legal separation of entity between the owner and the business. In case of loss, the business wealth, along with the personal possessions of the active partners, shall be used to settle the business liabilities.
- vii. **Stability:** Stability and continuity of the partnerships significantly depend upon the capacity, competence, experience, and life span of the partners.
- viii. **Capital cotributon.**The amount of capital invested must be contributed among partners according to the own agreement.

**Any 5 points with relevant explanation @ 1.8 marks = 09**

### 3. Factors to consider when choosing the medium of communication

- (i). **Speed/quickness;** Speed is an important factor when the message is urgent. In such a case telex, fax, telephone, telegram or e-mail would be the most suitable means of communication. Otherwise, ordinary mail would be used
- (ii). **Cost charge;** The cost incurred in using a means of communication vary from one means to another e.g. it is cheaper to send messages by ordinary mail than by telegram or telex
- (iii). **Confidentiality/ secret;** some messages are quite confidential and are intended for certain person only. Where confidential messages are involved, appropriate means should be used e.g. registered mail or internal memo enclosed in an envelope
- (iv). **Distance;** the geographical gap between the sender and recipient is very important in determining the means of communication to be used. Some means are suitable for long distances while others are not. Paging and bells are suitable for short distances. For long distances, fax letters, telephone e.g., e-mail may be appropriate
- (v). **Record/ Evidence,** some means of communication do not provide record of the message communicated while others do. All means of written communication provide evidence of messages communicated.
- (vi). **Reliability;** this is the assurance (certainty) that the message will reach the intended person at the right time in the right form. Face-to-face communication is more reliable than other forms of communication because one can ask for clearly and get answers immediately. For some written information, messenger service may be preferred
- (vii). **Accuracy;** this refers to the exactness of the message communicated as intended by the sender. Written messages are generally more accurate than other means of communication.
- (viii). **Desired impression;** The impression created upon the recipient of a message is very important e.g. a telegram or speed post mail will carry some sense of urgency, registered mail will create an impression of confidentiality while use of colourful and attractive letterheads would convey a good image of the business.
- (ix). **Availability;** One may want to telephone for example, but the services are not there so the person would be forced to use alternative means e.g. letters or radio call.
- (x). **Size of the message,** some media are good in short message while other can be used for both short and long message.
- (xi). **Safety.** Some messages are too sensitive therefore must be secured from anything that might harm the message. For example, electronic communication must be safe from software virus

**Any 5 points with relevant explanation @1.8 mark = 09**

#### 4. Significances of business plan

- i. help in starting an enterprise
- ii. help in decision making
- iii. help in setting objectives and benchmarks
- iv. help in securing finances from financial institution
- v. help in improving marketing
- vi. help in managing workforce
- vii. help to understand business competition

**Any six points 1.5@6=9marks**

**5. Data given**

- ✓ Opening stock = 150,000,000/=
- ✓ Closing stock = 30,000,000/=
- ✓ Purchases for the period 180,000,000/=

**To calculate OR Required**

(i) Cost of goods sold

Solution

Cost of goods sold = opening stock + purchases - Closing stock **(01 Mark)**

$$= 150,000,000 + 180,000,000 - 30,000,000 \text{ (01 Mark)}$$

$$= 300,000,000$$

Cost of goods sold = 300,000,000/= **(01 Mark)**

(ii) Average stock

Solution

$$\text{Average stock} = \frac{\text{Opening stock} + \text{closing stock}}{2} \text{ (01 Mark)}$$

$$= \frac{150,000,000 + 30,000,000}{2} \text{ (01 Mark)}$$

$$= \frac{180,000,000}{2}$$

$$= 90,000,000$$

Average stock = 90,000,000 **(01 Mark)**

(iii) Rate of stock turn over

$$\text{Rate of stock turn over} = \frac{\text{Cost of goods sold}}{\text{Average stock}} \text{ (01 Mark)}$$

$$= \frac{300,000,000}{90,000,000} \text{ (01 Mark)}$$

Rate of stock turn over = 3.3 times **(01 Mark)**

**6. Advantages of specialization and division of labour**

- i.** time and energy saving
- ii.** increase in efficiency
- iii.** increase production
- iv.** increase the quality of a product
- v.** decrease in cost per unit of output
- vi.** optimum use of human effort

**Disadvantages of specialization and division of labour**

- i.** monotony of work
- ii.** increase in cost of production
- iii.** loss of craftsmanship

- iv. risk of unemployment
- v. inflexibility of workers
- vi. hindrance of development

*Three advantages =1.5 marks@= 4.5 marks*

*Three disadvantages =1.5 marks @=4.5marks*

## 7. Introduction

Money is anything that is generally acceptable in the society to be used as a medium of exchange with other goods. **(1.5 marks)**

Barter system is an exchange involving goods for goods **(1.5 Marks)**

### Main body;

How money solved the problems of barter system

- i. By using money no need of double coincidence of wants. People can sell his/her goods and purchase something he/she needs hence money used as **standard of differed payment**
- ii. By using money people can **store value** of their goods inform of money even perishable goods can be stored for future use.
- iii. Money solved the problem of **indivisibility of some items** because money can be broken into smaller unity.
- iv. Money can be used to **transfer commodities even immovable goods** hence solved the problem of difficult to transport some commodities.
- v. Money used as a **unity of account/ measure of value** hence help to solve the problem of lack of measure of value. By using money, we can measure value different commodities compared to when they were exchange during barter trade.

**(Any five points with relevant explanation @02 Marks=10 Marks)**

**Relevant conclusion (02 Marks)**

## SECTION C

8. **Taxation** refers to the process through which the government raises revenue by collecting taxes. **Tax:** is a compulsory monetary payment made by either individuals or organizations to the government without any direct benefit to the payer.

*Paying tax is not wastage of money in the economy due to the following reasons.*

- (i). **Source of revenue:** The basic and primary objective of a government to impose tax is to raise revenue. Public revenue is needed to cater for public expenditure, for example, the national defence, development of infrastructure, payment of civil servants, and social welfare.
- (ii). **Provision of a public goods:** Taxation helps to raise revenue which is used to provide public goods to society. A pure public good is characterized by being non-rivalry and non-excludable. Therefore, the government should collect tax so as to finance all public goods
- (iii). **Regulate consumption:** The government through taxation can discourage an excessive consumption of harmful products such as tobacco and alcohol by imposing

heavy tax while encouraging the consumption of merit goods such as education and health services by imposing low tax.

- (iv). **Regulate production:** The government may stimulate the production of some products, especially through tax exemption to new industries, reducing tax on capital goods, and raise tax on imported goods to encourage locally produced goods.
- (v). **Regulating imports and exports:** Importation of undesirable products can be restricted by the imposition of the prohibitive taxes such as high tariff rates. Exports can be encouraged by cutting duties and taxes on exports.
- (vi). **Fostering economic development:** Through taxation, a country is able to secure the necessary income to support government expenditure and capital investment which are necessary for fostering economic growth and thus economic development.
- (vii). **Enhancing capital formation:** Capital formation is the creation of supportive mechanisms or infrastructures for advancement in production within the economy. This can be possible when the government collects tax to invest in productive projects.
- (viii). **Increasing employment opportunities:** The government may charge low taxes on job creation activities and also exemption may be given to activities that stimulate employment. For example, Small and Medium Enterprises (SMEs) usually have the potential for providing employment opportunities hence can be low taxed if not completely exempted.
- (ix). **Reduce income inequalities arising from economic disparities:** Income levels may differ across individuals in economies, leading to the creation of a wide gap between the rich and poor. Taxation is a powerful tool to adjust the income disparities or gaps between rich and poor, by taxing more to the rich and less to the poor.
- (x). **Reduction of regional imbalances:** Countries can be formed by several states or regions. Some states or regions may become well developed as compared to others in a country due to opportunities allocated in the areas. Taxation can be used to create balances between regions through tax incentives or tax exemptions as a solution to the problem.

**Introduction 2 marks**

**Main body 6 points @ 2 marks = 12 marks**

**Relevant conclusion 1 marks**

10. *Concept of insurance 2marks*

*Significances of insurance in the economy*

**2@6. =12**

**Conclusions 1marks**

- i. it provide security and safety for businessmen
- ii. It provide confidence and peace of mind
- iii. It reduce loss to traders
- iv. It lead to the accumulation of saving
- v. It increase the welfare of people
- vi. It generate government revenue through tax

11. Importance of business ethics in workplace

- i. Improve employ retention
- ii. Stronger collaboration
- iii. Increased professional value
- iv. More effective leadership
- v. Create a positive image
- vi. Strengthens organization relationship with customer
- vii. Increase business profit
- viii. Facilitate better decision making
- ix. Ensure fair business competition

***Introduction 2 marks***

***Main body with explanation 6 points @ 2marks=12 marks***

***conclusion***

**Introduction 2 marks**

**Main body -Three (03) challenges @ 2 marks = 6 marks**

**-Three (03) solutions @ 2 marks = 6 marks**

**Relevant conclusion 1 marks**

***NOTE:***

***Mentioning points or points without relevant explanations MUST be awarded half mark***

***(0.5)***