

NATIONAL UNIVERSITY OF LESOTHO

B.ED SUPPLIMENTARY EXAMINATIONS

ABE 311-6 – COMMERCE FOR A HIGH SCHOOL TEACHER

July, 2010

MARKS: 100

TIME: 3 HOUR

INSTRUCTIONS: Answer ALL questions.

1. In recent years changes have taken place in the retailing of goods particularly in the grocery trade. Discuss these changes with regard to:
 - (a) mass distribution
 - (b) transport
 - (c) Packaging
 - (d) goods conveyed to consumers' houses
 - (e) shopping after normal hours (20)
2. (a) Discuss the relationship between the rate of turnover and gross profit in the cases of:
 - (i) a retail grocery store
 - (ii) a shop selling radio and television sets (6)

(b) Show how the amount of working capital required is influenced by increases in:

 - (i) the stock carried;
 - (ii) the rate of turnover;
 - (iii) the wages and expenses;
 - (iv) the credit received;
 - (v) the credit allowed. (10)
3. (a) Explain the uses of stock exchange to investors and show how it protects them. (4)
- (b) In stock exchange a broker is an agent and the jobber the principal. Describe the job of the broker and of the jobber. (4)
- (c) When are the shares undersubscribed? How can a company make sure that it will receive the minimum subscription? (6)
- (d) A company's capital, fully paid is made up of:
 - 8 000 shares of \$1 each
 - 1 000 000 5 per cent preference shares of \$1 each
 - 10 000 7 per cent debentures of \$100 each.

Its profits is \$2 000 000 and it places \$280 000 to reserve. How much per cent will the ordinary shareholders receive? is the gearing high or low? (6)
4. (a) Briefly explain the following types of advertising informative, persuasive and generic advertising. (12)
- (b) What is the purpose of consumer protection? In what ways does the government provide for the protection of the consumer? (12)
5. A local business is operating successfully in the home market. The government is urging businessmen to export, promising to offer export subsidies. Discuss the extra problems which may face the local business if the proprietor decides to try to embark on export trade. (20)