1. Explain the following terms:
   (a) Specialisation
   (b) Production

   Explain how:
   (c) Insurance assists trade
   (d) Specialisation depends on trade

2. Electronic Commerce is one of the latest trends in retailing.
   (a) What is Electronic Commerce?
   (b) Explain the advantages and disadvantages of Electronic Commerce to:
      (i) The consumer
      (ii) The retailer or trader
   (c) Explain the following terms as used in retailing:
      (i) Loss leaders
      (ii) Automatic Vending Machine

3. Mr L Chaamba has just opened his furniture shop along Cairo Road. Unfortunately his shop is not insured.
   (a) Explain to him the need to take out an insurance cover
   (b) List six risks which he must insure against.
   (c) Why should he consider the principles of insurable interest and indemnity before deciding to insure?
   (d) Why should he be advised to go to an insurance broker to arrange for an insurance cover rather than directly to an insurance company?

4. One of the services of the commercial banks is to advance money to customers in form of loans and overdrafts.
   (a) Describe the two forms of advance.
   (b) State the factors that a bank manager will take into consideration before granting a loan and/or overdraft facility.

5. (a) When transporting goods over a long distance, what will be taken into account to determine transportation rates?
   (b) Describe the advantages and disadvantages of sea transport.
6. (a) Name a document which may be used in each of the following transactions.
   (i) Sale of goods on credit.
   (ii) Allowance for cartons or crates used and returned.
   (iii) Payment for a debt through the bank.
   (iv) Details for goods requested for.
   (b) What information would you expect to find on each document which you have mentioned above?

7. (a) What role do the Customs and Excise authorities play in trade?
   (b) Explain the purpose of the letter of hypothecation and manifest in International Trade.
   (c) How can an exporter benefit from the services of a forwarding agent?

8. (a) List five features of cash and carry wholesalers.
   (b) Explain why warehousing is important to a manufacturer involved in both home and foreign trade.

9. Messers K Lilanda and C Mwalusaka are leading business people in your local area as partners.
   (a) What reasons would you give to encourage them to go ahead with the idea of forming a Private Limited Company?
   (b) To some extent both Private and Public Companies have common features. Give three differences between them.

10. Explain briefly four of the following:
    (a) Balance of Trade
    (b) Trade discount
    (c) Port authorities
    (d) Container vessels
    (e) Stock brokers
    (f) Balance of payments.