

THE UNITED REPUBLIC OF TANZANIA
NATIONAL EXAMINATIONS COUNCIL OF TANZANIA
CERTIFICATE OF SECONDARY EDUCATION EXAMINATION

061

COMMERCE

(For Both School and Private Candidates)

Time: 2:30 Hours

Year: 2020

Instructions

1. This paper consists of sections A, B and C with a total of **ten (10)** questions.
2. Answer **all** questions in sections A and B and **two (2)** questions from section C.
3. Section A carries **twenty (20)** marks, section B **fifty (50)** marks and section C carries **thirty (30)** marks.
4. Communication devices and any unauthorized materials are **not** allowed in the examination room.
5. Write your **Examination Number** on every page of your answer booklet(s).

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SECTION A (20 Marks)

Answer **all** questions in this section.

(vii) Which method would Tanzania adopt if she wants to completely restrict importation of sugar from Zambia?

A Imposing heavy import duties B Using government agencies
 C Provision of customs drawback D Fixing import quotas
 E Total ban

(viii) How can different drinking water industries in Tanzania differentiate the same products they offered for sale in the market?

A Through packages B Through grading
 C Through branding D Through standardizing
 E Through price

(ix) Kajewa is a large scale retailer who wants to identify the fast moving goods in his business. Which stock calculation will Kajewa apply to arrive at correct identification?

A Average stock B Mark up percentage C Cost of goods sold
 D Margin percentage E Rate of stock turn

(x) If you have been employed as machine operator in one of the soft drinking industry and your salary ranked under low income earner category, which tax system will favor you as one of the low income earners?

A Indirect tax B Regressive tax C Direct tax
 D Progressive tax E Proportional tax

(xi) Some entrepreneurs debated that internal motivation in entrepreneurship is wastage of resources. Which statement evidences that internal motivation is an important aspect in entrepreneurship?

A It creates employment opportunity to workers.
 B It reduces regional development imbalance.
 C It stimulates employees to accomplish the desired goals.
 D It assists decision making in a business.
 E It encourages consumption of local resources in production.

(xii) When drawing a supply curve it is automatically that the curve slopes upwards from left to right. Why does the supply curve slopes upward from the left to right?

A The lower the price the higher the quantity demanded and vice-versa.
 B When the price held constant the quantity supplied increases.
 C The lower the price the higher the quantity supplied and vice-versa.
 D The higher the price the higher the quantity supplied and vice-versa.
 E When the factors other than price held constant the quantity supplied increased.

(xiii) Which bank account would you advise a trader to open if he/she wants to deposit/withdraw cash at any time and allows overdraft to its customers?

A Joint account B Fixed deposit account C Minor account
 D Saving account E Current account

(xiv) Suppose you have attended a commercial debate with debate with the motion “aids to trade is not necessary element of commerce”. Which option will you choose as correct to oppose the motion?

A Aids to trade support production and not commerce.
 B Aids to trade attract more buyers hence, low price for the goods.
 C Aids to trade facilitate trade to take place smoothly.
 D Aids to trade act as a link between commerce and production.
 E Aids to trade is used to determine price of the goods produced.

(xv) The following are the roles of entrepreneurship in economic development **except**:

A creation of friendship among the countries
 B creation of employment opportunities
 C improvement on peoples' living standards
 D improvement in per capital income
 E capital formation.

2. Match the descriptions on taxation terminologies in **Column A** with the corresponding terminology in **Column B** by writing the letter of the correct terminology beside the item number in the answer booklet provided.

Column A	Column B
(i) The situation from which the tax payers omit or refuse to declare their business income for tax payment.	A Regressive tax
(ii) The tax which its tax rate is determined by basing the value of the goods.	B Ad valorem duty
(iii) The tax which is levied at each stage of production.	C Corporation tax
(iv) The situation in which the tax payers provide incorrect record so as to be charged with less amount of tax.	D Tax evasion
(v) The tax system from which the percentage of tax paid is inversely to the income of the tax payer.	E Value added tax
	F Tax avoidance
	G Tax incidence

SECTION B (50 Marks)

Answer **all** questions in this section.

3. (a) You have been appointed as a food prefect at your school and one of your duties is to maintain different levels of stock in the food store. Briefly explain four essential levels of stocks which should be maintained in a food store.

(b) You have been given maize flour stock information for the month of February, 2018 as:

Opening stock.....	500 bags
Weekly sales.....	700 bags
Minimum stock.....	300 bags
Closing stock.....	200 bags
Delivery time.....	02 weeks

(i) Calculate Order point.
(ii) Calculate Average stock.
(iii) Interpret the answers obtained in part (i) and (ii).

4. Suppose your commerce teacher had assigned you to prepare the class presentation about the essential elements of communication. Briefly explain five essential elements of effective communication that you will consider in your presentation.

5. (a) Mbao furniture industry needs to advertise its new products to the public by using magazine instead of newspapers. Why do you think it is better for the industry to advertise its product through magazine than newspapers? Give two reasons.
(b) Standardizing and grading is one of the marketing functions. With three points, briefly explain how grading become necessary in marketing the products.

6. (a) Miss. Papaye is a large retail trader who insured her business under general accident with insurer and she took a burglary insurance cover. Mention four policies that Papaye has to be given by insurer under burglary insurance cover.
(b) Your uncle fears taking-up a life assurance policy because he does not know what makes such policy to come to an end. Explain to him three factors that made the life insurance policy come to an end.

7. (a) Production is categorized into direct and indirect production and the categorization depends on their features. Describe two main features used to categorize production as indirect production.
(b) One of the villagers wants to engage in production of goods and services but he/she needs to know about the levels of production. Briefly explain to the villager that three levels of production.

SECTION C (30 Marks)

Answer two (2) questions from this section.

8. Ms. Nash is a retail trader who believes that business location and capital are the basic qualities for a successful retailer. Prove that Nash's belief is wrong by providing six justifiable qualifications of the successful retailers.

9. The trend of winding up private limited companies is increasing day after day. Justify this statement by giving six reasons for winding up of private limited companies.
10. Mr. Kashinde the winner of 20 million from Tatu Mzuka Jackpot wishes to invest in business as entrepreneur but he does not know how to identify the business opportunity available in markets. Assist him to discover various business opportunities for investment by explaining six ways that can be used to discover business opportunity to invest in market.