THE UNITED REPUBLIC OF TANZANIA

NATIONAL EXAMINATIONS COUNCIL

CERTIFICATE OF SECONDARY EDUCATION EXAMINATION

061 **COMMERCE**

(For Both School and Private Candidates)

Time: 2:30 Hours **Year: 2002**

Instructions

1. This paper consists of sections A, B and C.
2. Answer **all** questions in sections A and B and **two (2)** questions from section C.
3. Calculators are **not** allowed in the examination room.
4. Cellular phones are **not** allowed in the examination room.
5. Write your **Examination Number** on every page of your answer booklet(s).

SECTION A (20 Marks)

Answer **all** questions in this section.

1. For each of the items (i) - (x), choose the correct answer from among the given alternatives and write its letter beside the item number in your answer booklet.

(i) The earliest form of trade in Tanzania was:
A. Foreign trade
B. Barter trade
C. Home trade
D. Retail trade

(ii) Which of the following is a function of a wholesaler?
A. Changing the form of goods
B. Selling goods directly to consumers
C. Storing goods in large quantities
D. Advising manufacturers on production

(iii) A document that shows the country of origin of imported goods is called:
A. Bill of lading
B. Certificate of origin
C. Proforma invoice
D. Consignment note

(iv) The process of selling goods in a foreign market below their production cost is known as:
A. Entrepot trade
B. Dumping
C. Hedging
D. Devaluation

(v) A business owned by 2 to 20 people who share profits and losses is called:
A. A sole proprietorship
B. A cooperative society
C. A partnership
D. A public company

(vi) Which of the following is an advantage of indirect taxation?
A. It directly affects high-income earners
B. Tax evasion is difficult
C. It is based on the ability to pay
D. It discourages consumption of goods

(vii) The most essential characteristic of money is:
A. Durability
B. Portability
C. Acceptability
D. Divisibility

(viii) Ships that do not follow fixed routes or schedules are called:
A. Liners
B. Tramps
C. Barges
D. Conference vessels

(ix) Juma bought goods for Shs. 80,000 and sold them for Shs. 100,000. What is his profit margin?
A. 20%
B. 25%
C. 30%
D. 15%

(x) The principle of insurance that ensures the insured is not overcompensated is:
A. Insurable interest
B. Utmost good faith
C. Indemnity
D. Subrogation

2. Match the items in List A with the responses in List B by writing the letter of the correct response beside the item number in your answer booklet.

LIST A	**LIST B**
(i) A tax imposed on home-produced goods	A. Hyperinflation
(ii) A condition where purchasing power exceeds the output of goods	B. Excise duty
(iii) A retail outlet selling a variety of goods under one roof	C. Departmental store
(iv) A document showing ownership of goods in a warehouse	D. Warrant
(v) A tax system where low-income earners pay a higher percentage	E. Regressive tax
(vi) A method of protecting against price fluctuations	F. Hedging
(vii) A partnership where one partner does not participate in management	G. Dormant partner
(viii) The process of valuing all goods on hand periodically	H. Stock taking
(ix) A canon of taxation ensuring tax rules are clear	I. Certainty

(x) A means of transmitting information electronically	J. Telecommunication

SECTION B (50 Marks)
Answer all questions in this section.

3. Write short notes on the following:

(a) Aids to trade

(b) Buffer stock

(c) Price list

(d) Indirect production

(e) Corporate tax

4. State three advantages and two disadvantages of a sole proprietorship to the owner.

5. (a) Define a bill of lading.

(b) Draft a bill of lading with the following details:

(i) Shipper: Amani Traders, Dar es Salaam

(ii) Consignee: Kofi Imports, Nairobi

(iii) Goods: 500 bags of maize

(iv) Vessel: MV Kilimanjaro

(v) Date of shipment: May 24, 2025

(vi) Port of loading: Dar es Salaam

(vii) Port of discharge: Mombasa

6. Study the following demand and supply schedule for tomatoes in Tanzania:

Price per kg (Shs)	Quantity Demanded (kg)	Quantity Supplied (kg)
500	10,000	2,000
600	8,000	4,000
700	6,000	6,000
800	4,000	8,000

(a) Draw the demand and supply curves on the same pair of axes.

(b) Indicate the equilibrium price and quantity.

(c) Calculate the price elasticity of supply when the price changes from Shs. 600 to Shs. 700.

(d) Comment on the elasticity result in (c).

SECTION C (30 Marks)

Answer two (2) questions from this section.

7. (a) What is a hypermarket?

(b) Outline five advantages of a hypermarket to consumers in Tanzania.

8. (a) Define taxation.

(b) Explain five reasons why the government of Tanzania collects taxes from its citizens.

9. (a) What is management?

(b) State and explain five basic functions of management in a business.

10. Explain five challenges facing small-scale retailers in Tanzania and suggest possible solutions.