**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** **Thursday, 09th November 2017 p.m.**

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**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. Calculators, cellular phones and any unauthorized materials are **not** allowed in the examination room.

4. 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(s) provided.

(i) Which of the following is **not** a major goal of planning in business?
- A To gain economic operation
- B To focus attention on objectives
- C To facilitate control
- D To maintain profits
- E To offset uncertainty and change

(ii) Marine insurance policy which **do not** specify the subject matter insured is referred to as
- A time policy
- B cargo policy.
- C floating policy
- D mixed policy
- E voyage policy

(iii) Which of the following is the disadvantage of mail order business?
- A There is limited range of goods
- B Middlemen can be eliminated
- C Trade is carried out 24 hours
- D Not necessary to maintain a big shop
- E No shop assistants are employed

(iv) The traders who buy goods from abroad in their own name and sell them locally are called
- A import commission agents
- B import argents.
- C import merchants
- D import brokers
- E importers' argents.

(v) A certificate of incorporation is a document that
- A governs the relationship of the company with outsiders.
- B empowers the company to commence business activities.
- C gives a company a legal existence.
- D lays down rules and regulations of the internal organization of a company.
- E invites offer from the public for subscription of shares of a company.

(vi) Which of the following is **not** the aim of marketing boards?
- A Finding a satisfactory market.
- B Stabilizing prices of agricultural products.
- C Ensuring a steady supply of the commodity all through.
- D Encouraging competition between marketing boards.
- E Assisting farmers with collection and storage of their produce.

(vii) The warehouses which are situated at terminals of railway, air ports and sea ports are known as

A public warehouse.
B bonded warehouse
C wholesaler's warehouse
D manufacture's warehouse.
E private warehouse.

(viii) A special crossing is a type of crossed cheque which consists of

A two parallel lines with no words between them.
B two parallel lines with words 'and Company' between them
C two parallel lines with drawee's name between them
D two parallel lines with drawer's name between them
E two parallel lines with endorser's name between them.

(ix) An insurance principle which restored the insured to the same position after the event is known as

A Insurable interest.
B Utmost good faith.
C Subrogation.
D Contribution.
E Indemnity.

(x) What are the two main stages in production?

A Direct production and indirect production.
B Direct production and secondary production.
C Commerce and industry.
D Primary and secondary industries.
E Trade and industry.

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

| Column A | | Column B |
|---|---|---|
| (i) | The accounts in which the account holders are allowed to overdraw their accounts. | A Travellers cheques |
| (ii) | The cheques issued by the banks in fixed denominations to a person who pays for them in advance. | B Dishonoured cheques |
| (iii) | A cheque drawn on a bank and is more readily acceptable as a bank guarantees payments against it. | C Bank draft |
| (iv) | The cheques made payable on a later date in future. | D Crossed cheques |
| (v) | The situation in which the current account holders are allowed to overdraw their accounts. | E Credit transfer |
| (vi) | The payee signs the back of the cheque authorizing the drawee to pay the cheque to any one presenting it. | F Stale cheques |
| (vii) | A cheque made payable to a specified person. | G Bank charges |
| (viii) | A written order from an account holder to his bank to pay a specified sum of money to the person named therin or to bearer. | H Order cheques |
| (ix) | A single cheque prepared by the bank from instructions given by the account holder to pay the named people directly to their accounts. | I Post-dated cheques |
| (x) | A cheque that is presented to the bank six months after the date on it. | J Bank overdraft |
| | | K Current accounts |
| | | L Savings accounts |
| | | M General endorsement |
| | | N A cheque |
| | | O Transfer of cheque. |

## SECTION B (40 Marks)

Answer **all** questions in this section.

3. (a) Elaborate five disadvantages of departmental stores.
   (b) Briefly explain five benefits of installments selling to the seller.

4. (a) Giving five points, discuss the importance of commerce to a developing country.
   (b) Describe five functions of capital as factor of production.

5. (a) Tabinza insured his house against fire accident, the value of that house was shilings 20 million. Two months later, the house was destroyed as a result of an insured risk and he would be entitled to claim the total amount insured. The insurance company sales the scrap from the destroyed house for shilings 5 million. How much would Tabinza receive from the insurer? Justify your answer with clear explanation principle applied to compensate him.
   (b) Giving three points, explain how insurance companies make their profit.
   (c) Differentiate co-insurance from re-insurance.

6. The following details were extracted from the books of Mawaya for the year ended 30th June 2015.
   Sales shs 840,000
   Cost of sales is 75% of sales
   Opening stock at cost shs 90,000
   Closing stock 20% of cost of goods sold
   Owner's capital was shs 500,000
   Trade debtors shs 110,000
   Cash in hand shs 23,500
   Lorry shs 400,000
   Trade creditors shs 45,500
   Net profit is 20% of sales.

   Compute the following:
   (a) Cost of goods sold
   (b) Closing stock
   (c) Gross profit
   (d) Net profit
   (e) Working capital
   (f) Working capital ratio
   (g) Total value of assets
   (h) Total expenses for the year.
   (i) Mark-up ratio
   (j) Margin ratio

## SECTION C (40 Marks)

Answer **two (2)** questions from this section.

7. (a) What is meant by the term branding in marketing? Give one example.
   (b) Analyze six functions of marketing.
   (c) Describe three disadvantages of using radio as an advertising media.

8. (a) (i) Describe three importance of management in business organization.
   (ii) What is the different between planning and staffing in relation to management?
   (b) (i) Describe the term organization.
   (ii) With four points, explain the importance of organization in any business.
   (c) Mr Kenge is a supervisor in printing department of a certain organization. His department has 120 subordinates. Which principle of organization had been violated for him to supervise large number of subordinate? Justify your answer by stating clearly the principle violated.

9. (a) Explain by giving five reasons, why a wholesaler can usually sell his goods on a lower profit margin than a retailer?
   (b) Discuss five services rendered by the wholesaler to the manufacturer.

10. (a) Explain five roles of transport to the development of a country.
   (b) Elaborate two advantages and three disadvantages of water transport.