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).

SECTION A (20 Marks)

Answer **all** questions in this section.

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

(i) The shipping company charged one of its customers with a demurrage fee. Which condition is not fulfilled by such a customer?

A Loading the goods on time
B Offloading the goods on time
C Paying freight charges on time
D Paying insurance charges on time
E Keeping the records of all goods loaded in the ship

(ii) Why elimination of a wholesaler from the channel of distribution does not affect the flow of goods from the manufacturer to the final consumer?

A The wholesaler has very small amount of capital.
B The wholesaler performs the only selling function.
C All goods involved in the channel of distribution are branded.
D In regardless of the financial position, manufacturer can sell direct to final users.
E The wholesaler's functions can be performed by other agents.

(iii) Suppose you are in the process of insuring your house against fire and you have already paid the premium. Which document is temporarily issued to you by an insurer as an evidence of premium payment?

A Assurance policy
B Insurance cover note
C Insurance policy
D Insurance claim form
E Insurance proposal form

(iv) A business manager must obey the management functions so as to attain the business goals. In which function does a manager is involved in manpower planning and recruitment?

A Staffing
B Directing
C Planning
D Organizing
E Controlling

(v) By being a Form Four students of 17 years old, you want to be admitted in one of the partnership dealing with selling of books. In which types of partners would you fit?

A Dormant partner
B Quasi partner
C Active partner
D Minor partner
E General partner

(vi) Suppose you are self-employed in carpentry activities but you have spent two days to produce dining table for your family; In which category does the production of such table be grouped?

A Indirect production
B Direct production
C Tertiary production
D Direct services
E Indirect services

(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 vise-versa.
B When the price held constant the quantity supplied increases.
C The lower the price the higher the quantity supplied and vise-versa.
D The higher the price the higher the quantity supplied and vise-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 B Ad valorem duty
(ii)	The tax which its tax rate is determined by basing the value of the goods.	C Corporation tax
(iii)	The tax which is levied at each stage of production.	D Tax evasion
(iv)	The situation in which the tax payers provide incorrect record so as to be charged with less amount of tax.	E Value added tax F Tax avoidance
(v)	The tax system from which the percentage of tax paid is inversely to the income of the tax payer.	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 use to discover business opportunity to invest in market.