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

061 **COMMERCE**

(For Both School and Private Candidates)

Time: 3 Hours **Year: 2023**

Instructions

1. This paper consists of sections A, B and C with a total of **eleven (11)** questions.
2. Answer **all** questions in sections A and B and **two (2)** questions from section C.
3. Section A carries **sixteen (16)** marks, section B **fifty four (54)** marks and section C carries **thirty (30)** marks.
4. All writing must be in **black** or **blue** ink.
5. Communication devices and any unauthorised materials are **not** allowed in the examination room.
6. Write your **Examination Number** on every page of your answer booklet(s).

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SECTION A (16 Marks)

Answer **all** questions in this section.

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

(i) Which one of the following represents three main systems of taxation?

A Proportional tax, regressive tax and direct tax
B Progressive tax, proportional tax and indirect tax
C Progressive tax, proportional tax and regressive tax
D Proportional tax, income tax and regressive tax
E Progressive tax, proportional tax and export tax

(ii) Which set of economic activities is an example of tertiary production?

A Hair dressing, baking bread and banking
B Hotel keeping, banking and growing grapes
C Teaching, banking and transporting
D Car manufacturing, hair dressing and banking
E Copper mining, oil refining and hotel keeping

(iii) Madam Masyanga is an entrepreneur dealing with buying and selling of maize. Despite the speculation of fall in price in the near future, she had decided to buy large stock of maize. Which characteristic of entrepreneurship derived Masyanga to buy bulk stock?

A Creative and imaginative thinking
B Capacity and willingness to assume risks and uncertainty
C Willingness to work hard and adopt new challenges
D Commitment, determination and perseverance about possible risks
E Innovative and willingness to adopt new challenges

(iv) Which factor lead to the change in quantity demanded while other factors remain constant?

A Change in population
B Change in taste and fashion
C Change in weather condition
D Change in income
E Change in price of commodities

(v) The following are the features of major partners in partnership business **except**:

A they contribute capital to the business
B they are under 18 years age
C they are 18 and above years old
D they share profit or loss generated by the business
E they actively take part in management of the firm

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(vi) Mr. Mangino had a bag of maize and he needed to exchange with rice. In the process, he met Mr. Nyasa who had a bag of rice but needed to have some beans and not maize. Due to this, the exchange could not take place. Which problem was faced by the two individuals in accomplishing the transaction?

A Lack of double coincidence of wants
B Lack of measure of value
C Lack of store in value
D Indivisibility
E Bulkiness of the commodities

(vii) Nance bought goods worth Tsh.50,000,000/= from Lazaro and she paid him by cheque. Which part to a cheque is presented by Nance?

A Drawer
B Drawee
C Endorsee
D Payee
E Endorser

(viii) Miss Masakala bought a juice mixer worth TZS 500,000/= from the wholesaler for resell and she wanted to make a gross profit of 20 percent. How much will be the selling price?

A TZS 100,000/=
B TZS 400,000/=
C TZS 375,000/=
D TZS 625,000/=
E TZS 600,000/=

(ix) Mr. Kyanga plans to establish hardware in his village with estimated initial capital of TZS 4,000,000 of which he has only TZS 2,000,000. Which other source of capital will he use to obtain the remaining TZS 2,000,000.

A Selling of shares
B Opening current account
C Obtaining debenture
D Buying government bonds
E Trade credit

(x) Under which circumstance do business owners opts to use water transport in transporting the goods?

A When flexibility of the modes of transport is required
B When goods are bulky and moved between distant continents
C When goods are needed for urgent use from distant continents
D When goods are perishable and urgently needed
E When the cost of transport is less over short distance

2. Match the descriptions of the entrepreneurial skills in **List A** with the appropriate skills in **List B** by writing the letter of the correct response beside the corresponding item number in the answer booklet provided.

List A	List B
(i) An inner desire to do something new.	A Communication skills
(ii) An ability to assess the situation and make the right choice which can improve the business.	B Systematic planning skills
(iii) An ability to influence employees to perform their activities effectively and efficiently.	C Information seeking skills
(iv) An ability of gathering the data regarding various business opportunities.	D Initiative skills
(v) An ability to identify difficulties in the society and come up with new and creative ideas to solve such difficulties.	E Decision-making skills
(vi) An ability to develop and use the logical step by step strategies and be able to attain the goals.	F Persuasion skills
	G Problem-solving skills
	H Basic business skills

SECTION B (54 Marks)

Answer **all** questions in this section.

3. Using the knowledge in business communication;
   (a) Elaborate four benefits of using written communication in business.
   (b) Suggest two factors that may hinder effectiveness of written communication in business.

4. (a) By using four points, explain the principles of management which can be used to facilitate different activities in running a Company.
   (b) Differentiate the following terms as used in business management:
      (i) Business management from business ethics.
      (ii) Span of control from scalar chain.

5. (a) Ms. Mayasa is engaged in production of snacks and juice for sale. Identify the type of production she is involved in and give reason for your answer.
   (b) Explain the five advantages of the type of production you have identified in part (a).

6. Briefly explain three internal and external factors for the motivation to an entrepreneur.

7. (a) Describe four features of indirect tax.

   (b) Briefly explain five principles of taxation that guide tax authority in collection of tax.

8. (a) Using four points, distinguish endowment policy from whole life policy.

   (b) Suggest two main factors to consider in determining the amount of premium to be paid in endowment policy.

SECTION C (30 Marks)

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

9. How can the challenges facing international trade be avoided. Give six points.

10. Suggest six arguments against the elimination of wholesalers in the channel of distribution.

11. "Bonded warehouse is important to both importers and government." Using three points in each part, justify the validity of this statement.