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

061 **COMMERCE**

(For Both School and Private Candidates)

Year: 2025

Duration: 3 Hours

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 **blue** or **black** 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 question.

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) Mr. Migomba is an entrepreneur who buys goods in large quantities direct from producer and keeps them in his private warehouse in which he insured against all risks. Which way of managing risks adopted by Migomba?

A Preventing risks
B Reducing risks
C Transferring risks
D Accepting risks
E Scaring risks

(ii) Matata is a self- employed fruits vendor at the market. For the first year of his business operation, he made significant loss but he did not quit hoping that things will change in the future. Which feature of entrepreneurship did Matata rely on?

A Risk bearing capacity
B Leadership quality
C Goal oriented
D Action oriented
E Competitive

(iii) The Form Four students at Kisima Secondary school are engaging in large scale production of maize and beans for their own use as meal at school. Which kind of production students are engaging in?

A Direct production
B Indirect production
C Secondary production
D Tertiary production
E Primary production

(iv) Which one is a type of small-scale retailer without fixed premises?

A Single shops retailer
B Market stalls retailer
C Tied shops retailer
D Canteens
E Itinerant trader

(v) Kameme Trading company Ltd extracted the following information for the year ending 31st December 2022; selling price of their products was TZS 800,000/= and markup percentage was 25. What was the value of cost price of their products?

A TZS 960,000/=
B TZS 640,000/=
C TZS 200,000/=
D TZS 800,025/=
E TZS 600,000/=

(vi) The government of Tanzania has entered into the contract with the government of Uganda to transport large volume of gases with high speed from Mtwara region to Jinja in Uganda. Which one is the best and safe means of transporting that item?

A Air transport
B Pipeline transport
C Railway transport
D Road transport
E Water transport

(vii) In the 2019 a country tax authority introduced a simple way of collecting taxes from small-scale vendors, where every small-scale vendor was required to pay TZS 20,000/= per year regardless of size of his/her business and capital invested. Which canon of taxation violated by a country tax authority?

A Cannon of certainty
B Cannon of equality
C Cannon of economy
D Cannon of convenience
E Canon of productivity

(viii) Mr. Juma is one of the partners who forms JMN partnership. He was proposed by other partners to run partnership business on behalf of other two partners. Being knowledgeable on different types of partners, in which category of partners is he belonging?

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

(ix) Mr. Kagwai insured his building property worth TZS 20,000,000/= for TZS 15,000,000/= with premium payment of TZS. 1,000,000/= per annum. Fire occurred and destroyed all his property. What will be the amount of compensation that Mr. Kagwai will receive from Insurance Company?

A TZS 20,000,000/=
B TZS 5,000,000/=
C TZS 1,000,000/=
D TZS 15,000,000/=
E TZS 35,000,000/=

(x) Which sets of goods represents a joint demand?

A Car and fuel
B Coffee and salt
C Sugar and milk
D Bread and coffee
E Coffee and tea

2. Match the descriptions of the taxation principles in **List A** with the appropriate tax principle 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)	Tax should be charged according to the individual ability to pay.	A Economy
(ii)	Tax should change in proportion to the change of tax base.	B Convenience
(iii)	Tax payers must know exactly how much to pay and tax collectors must know how much to collect.	C Equity
(iv)	The cost and administration of tax should not exceed the revenue realized.	D Certainty
(v)	Tax collection should be easy or should not cause unnecessary hardship for tax payers.	E Productivity
(vi)	Tax should generate enough revenue for the Government.	F Simplicity
		G Elasticity
		H Flexibility

SECTION B (54 Marks)

Answer **all** questions in this section.

3. Briefly explain three positive and three negative effects of specialization and division of labour in the organization.

4. You have been invited in a school economic committee to discuss the need for the school to have some commercial activities. Briefly elaborate the following to the members;
   (a) four importance of commerce.
   (b) two commercial activities that can be undertaken by the school.

5. "Entrepreneurship activities are important." Briefly, justify this statement by using six points.

6. (a) Planning is the only function of business management. By using four points, briefly argue against this statement.

   (b) Differentiate the Unity of command from the scalar chain management as explained by Fayol.

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7. (a) How are the following mechanisms used in protecting domestic industries?
   (i) Imposing heavy import duties
   (ii) Fixing imports quotas
   (iii) Total ban

   (b) "Despites its limitations, international trade is important for the country's economic development." Briefly, use three points to justify this statement.

8. Differentiate the following terms as used in marketing:
   (a) Market and marketing
   (b) Branding and packaging
   (c) Grading and standardizing

SECTION C (30 Marks)

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

9. Explain the factors to consider when choosing a means of communication. Give six points.

10. Explain six importance of a business plan in business operations.

11. Elaborate six functions of Central Banks to the government.