

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

052/2

COMMERCE 2

(For Both School and Private Candidates)

Time: 3 Hours

ANSWERS

Year: 2019

Instructions

1. This paper consists of Eight questions.
2. Answer five questions, choosing at least two questions from each section. question number one is compulsory

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1. Explain six essential factors that should be taken into consideration before selecting a suitable form of business unit to undertake.

Before choosing a business unit, several factors must be considered to ensure long-term success. One factor is the nature of the business, as some businesses require large investments and may be better suited to partnerships or corporations, while small businesses may operate efficiently as sole proprietorships. Another factor is capital availability, as businesses that require significant funding may need investors or partnerships, whereas sole proprietorships rely on personal savings.

Liability is another crucial factor, where business owners must decide whether they are willing to take unlimited personal responsibility for debts, as in sole proprietorships, or prefer limited liability in corporations. Taxation also plays a role, as different business structures have different tax obligations, and some may offer tax advantages over others.

Control and decision-making should also be considered, as sole proprietors have full control, while partnerships and corporations involve shared decision-making. Lastly, future expansion is important, as businesses aiming for growth may benefit from forming partnerships or corporations that allow easier access to additional capital and resources.

2. Elaborate six common sources of information available for importers in Tanzania.

Importers in Tanzania can access information from various sources to facilitate trade. One source is government agencies such as the Tanzania Revenue Authority (TRA) and Tanzania Bureau of Standards (TBS), which provide information on import regulations, taxes, and product standards. Another source is trade associations, where organizations like the Tanzania Chamber of Commerce, Industry, and Agriculture (TCCIA) offer market insights and networking opportunities.

Banks and financial institutions provide information on trade financing, currency exchange rates, and payment methods for international transactions. Online trade portals and websites, such as international trade directories, also offer valuable information on suppliers, market trends, and regulations.

Embassies and trade missions serve as sources of information by connecting importers with foreign suppliers and providing details on business opportunities. Lastly, importers can obtain information from trade fairs and exhibitions, where they interact with suppliers, learn about new products, and establish business relationships.

3. Analyse four advantages and five disadvantages of market research in business organizations.

Market research provides several advantages to businesses. One advantage is that it helps in understanding customer needs, allowing businesses to develop products and services that meet market demand. Another advantage is that it reduces business risks by providing insights into market trends, competition, and potential challenges before making investment decisions.

Market research also improves decision-making by offering data-driven insights that guide pricing, promotion, and distribution strategies. Additionally, it enhances competitive advantage, as businesses can analyze competitors and position themselves strategically in the market.

However, market research also has disadvantages. One disadvantage is the high cost, as conducting surveys, focus groups, and data analysis requires significant financial resources. Another disadvantage is time consumption, as thorough research takes time, delaying decision-making and product launches.

Market research may also provide inaccurate or biased results if respondents provide false information or if the sample size is not representative. Additionally, rapidly changing market conditions can make research findings obsolete before they are implemented. Lastly, some businesses may find it difficult to interpret complex data, leading to incorrect conclusions and poor decision-making.

4. (a) Managers are encouraged to delegate some of their duties to their subordinates. Analyse five reasons that necessitate managers to delegate their duties.

Delegation is essential for effective management. One reason is to improve efficiency, as distributing tasks among employees allows managers to focus on strategic planning and decision-making. Another reason is employee development, as delegation provides subordinates with opportunities to learn new skills and gain experience.

Delegation also enhances motivation, as employees feel valued when trusted with responsibilities, leading to increased job satisfaction and productivity. Additionally, it promotes teamwork by encouraging collaboration and shared responsibility in achieving organizational goals.

Lastly, delegation helps managers manage workload and prevent burnout, allowing them to focus on critical issues rather than being overwhelmed with minor tasks.

(b) What is the main difference between line organization and staff organization?

The main difference between line organization and staff organization is in their structure and authority. A line organization follows a direct chain of command where authority flows from top management to lower-level employees. Each employee reports to one supervisor, ensuring clear responsibility and accountability.

In contrast, a staff organization includes specialized advisory roles that support the line organization without direct authority over employees. Staff members, such as consultants, accountants, or legal advisors, provide expert guidance but do not make direct operational decisions.

5. Explain five advantages and four disadvantages of using office machines.

Office machines offer several advantages in business operations. One advantage is increased efficiency, as machines such as computers, printers, and scanners speed up tasks, reducing manual work. Another advantage is accuracy, as office machines reduce human errors in data processing and calculations.

Cost savings are another benefit, as machines minimize the need for additional labor, lowering operational expenses. Office machines also improve communication, as devices like telephones and emails facilitate instant messaging within and outside the organization. Additionally, they enhance record-keeping by storing large volumes of data digitally for easy retrieval.

However, office machines also have disadvantages. One disadvantage is the high initial cost of purchasing and installing machines, which may be expensive for small businesses. Another disadvantage is maintenance requirements, as machines need regular servicing and repairs.

Technical failures can also disrupt business operations if machines break down unexpectedly. Lastly, office machines may require employee training, as not all staff members are familiar with using advanced equipment.

6. Evaluate six commercial advantages of regional integration to a country like Tanzania.

Regional integration offers various commercial advantages. One advantage is expanded markets, as Tanzania gains access to a larger customer base within the region, increasing sales opportunities. Another advantage is reduced trade barriers, as tariffs and restrictions are lowered, making imports and exports more affordable.

Regional integration also encourages investment, as businesses benefit from a stable trade environment and improved infrastructure. Additionally, it promotes efficiency by allowing the free movement of goods, services, and labor, reducing production costs.

Another advantage is currency stability, as economic cooperation within a region helps stabilize exchange rates, benefiting trade and investments. Lastly, regional integration strengthens bargaining power in global trade negotiations, as countries negotiate as a bloc rather than individually.

7. Elaborate four rules regarding delivery of goods in a contract of sale and five ways in which an offer can be terminated.

In a contract of sale, delivery of goods follows specific rules. One rule is that delivery must be made within the agreed time frame; otherwise, the seller may be liable for breach of contract. Another rule is that unless stated otherwise, the buyer is responsible for transportation costs once the goods are ready for delivery.

A third rule states that delivery must match the contract description in terms of quantity and quality. If the goods do not meet specifications, the buyer has the right to reject them. Lastly, if delivery is made in installments, each installment must conform to contract terms; failure in one installment may allow the buyer to terminate the contract.

An offer can be terminated in several ways. One way is through revocation, where the offeror withdraws the offer before it is accepted. Another way is by rejection, where the offeree declines the offer, making it invalid.

Lapse of time also terminates an offer if it is not accepted within the specified period. Termination can also occur through counter-offers, where the offeree proposes new terms, nullifying the original offer. Lastly, an offer is automatically terminated if the offeror or offeree dies before acceptance.

8. Consumers need to be protected as the final users of the products. Justify this statement by explaining six techniques used to protect consumers.

Consumer protection is essential to ensure fair trade and safety.

One technique is government regulations, where laws set quality standards to prevent harmful or defective products from entering the market.

Another technique is product labeling, which provides consumers with important information about ingredients, usage, and expiry dates.

Consumer education programs also help by informing people about their rights and how to make informed purchasing decisions. Additionally, consumer protection agencies investigate complaints and take action against fraudulent businesses.

Warranties and guarantees protect consumers by ensuring they receive refunds or replacements for defective goods.

Lastly, ethical advertising regulations prevent misleading advertisements that may deceive consumers into purchasing substandard products.