

**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: 2021**

**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. Lishe Bora is a small industry in Tanzania dealing with food spices production and it needs to get information on the demand of its products in the market. The marketing manager decides to use personal interview method of marketing information to get the information. Why has the manager decided to use that method? Explain by giving three benefits and three limitations of such method as a source of information.

The marketing manager has chosen the personal interview method because it allows for direct interaction with customers, enabling in-depth data collection. One benefit is that personal interviews provide detailed and accurate responses since the interviewer can clarify questions and probe further for more information. Another benefit is that this method allows for observation of the respondent's behavior, facial expressions, and reactions, which helps in understanding consumer attitudes. Additionally, personal interviews provide flexibility, as the interviewer can adjust questions based on responses and ask follow-up questions to gather more relevant data.

However, this method has some limitations. One limitation is that it is time-consuming, as conducting individual interviews with multiple respondents requires significant effort. Another limitation is that personal interviews can be costly due to expenses such as transportation, interviewer salaries, and recording tools. Lastly, there is a risk of interviewer bias, where the way questions are asked or personal opinions of the interviewer may influence the responses, affecting the reliability of the data.

2. Why do countries impose restrictions on international trade while it contributes towards the economic development of the countries involved? Explain by giving six points.

Countries impose restrictions on international trade despite its economic benefits to protect their national interests. One reason is to safeguard local industries from foreign competition. Without restrictions, domestic businesses may struggle to compete with cheaper imported goods, leading to closures and job losses. Another reason is to protect infant industries, as new businesses need time to grow before competing with established foreign companies.

Trade restrictions also help prevent over-dependence on foreign goods, ensuring that essential industries remain functional during global supply disruptions. Additionally, governments impose restrictions to control the trade balance by reducing excessive imports and promoting local production. Another reason is to ensure national security by restricting the importation of strategic goods that could pose threats to the country.

Lastly, trade restrictions are used to protect public health and the environment by regulating harmful or low-quality goods that do not meet safety standards. By doing so, countries ensure that consumers access safe and quality products.

3. Imagine that you have attended an interview for a planning officer post in one of the industries. One of the interviewers asks you to explain the importance of planning in the industry in three points and to give three criteria for a good plan. Explain in details the responses that you would provide to interviewers to qualify for the post?

Planning is crucial in an industry as it ensures proper allocation of resources, reducing wastage and improving efficiency. One importance is that planning sets clear objectives, providing direction for the organization's activities and ensuring that all departments work towards a common goal. Another importance is that it helps in risk management, allowing the industry to anticipate potential challenges and develop strategies to overcome them. Additionally, planning enhances decision-making by providing a structured approach to evaluating alternatives and selecting the most suitable course of action.

For a plan to be effective, it must meet certain criteria. One criterion is feasibility, meaning the plan should be realistic and achievable based on available resources and time. Another criterion is flexibility, allowing adjustments in response to changing circumstances or unexpected challenges. Lastly, a good plan must be goal-oriented, ensuring that all actions contribute to the achievement of the industry's objectives.

4. As the sales of goods contract is concerned, analyse three rules regarding the transfer of property and three rules regarding delivery of property.

In a sales contract, the transfer of property follows specific rules. One rule is that ownership transfers when both parties agree, meaning the seller and buyer must have a clear agreement on when ownership changes. Another rule states that in sales of specific goods in a deliverable state, property transfers immediately upon contract formation, even before delivery or payment. The third rule is that in cases where goods require modifications, ownership does not transfer until the necessary actions are completed, such as weighing or measuring.

Regarding delivery of property, one rule is that delivery must be made within the agreed timeframe, ensuring the buyer receives goods as per the contract terms. Another rule is that unless agreed otherwise, the buyer bears the cost of transportation once the goods are ready for delivery. Lastly, delivery should be made in a reasonable manner based on the nature of the goods, ensuring they reach the buyer in good condition without unnecessary delays.

5. Explain eight procedures that a tour company in Arusha Tanzania has to follow when buying two different cars from Japan.

To purchase two different cars from Japan, a tour company in Arusha must follow several procedures. First, the company must identify a reliable supplier or car dealer in Japan through online platforms or direct contacts. Next, it must verify the car details, including specifications, prices, and conditions, ensuring they meet the required standards for tourism purposes.

The third step is negotiating payment terms and making an initial deposit if required. The fourth step involves obtaining an import permit from the Tanzania Revenue Authority (TRA) to comply with legal

importation requirements. The company must then arrange for shipping and obtain a bill of lading, which serves as proof of shipment.

Once the cars arrive at the port, customs clearance must be completed by paying import duties and taxes. After customs clearance, the cars are transported to Arusha through road logistics. Finally, the company must register the cars with the Tanzania Licensing Authority (LATRA) for legal operation in the tourism industry.

6. Mr. Siwazi is in sole proprietorship for some years now. His friends convinced him to join them in partnership business but he failed to make the decision to join them because he thinks that sole proprietorship is advantageous than partnership. In six points, convince Mr. Siwazi on how he will benefit for being engaged in partnership over sole proprietorship.

A partnership offers several benefits that Mr. Siwazi would not enjoy in a sole proprietorship. One benefit is that a partnership allows for shared financial contributions, making it easier to raise capital for business expansion. Another advantage is shared responsibilities, meaning management tasks are divided among partners, reducing the burden on one individual.

A partnership also brings diverse skills and expertise, as each partner may have different strengths that contribute to business success. Additionally, risk is shared among partners, reducing the financial burden on an individual in case of losses. A partnership also provides better decision-making, as multiple perspectives help in making informed business choices.

Lastly, a partnership business has greater chances of continuity since it does not end when one partner leaves, unlike sole proprietorships that depend entirely on one person.

7. In six points, explain how tourism as an invisible export contributes to the development of commerce in Tanzania.

Tourism is an invisible export as it brings foreign income without physical goods being traded. One way it contributes to commerce is by generating foreign exchange earnings, which support national economic development. Another contribution is job creation, as tourism supports employment in hotels, transport, and cultural activities.

Tourism also promotes local businesses by increasing demand for local products such as crafts, food, and souvenirs. Additionally, it attracts foreign investment in infrastructure, such as hotels, airports, and transportation, boosting economic growth.

Another way tourism supports commerce is through cultural exchange, where visitors bring new ideas and technologies that enhance local businesses. Lastly, it helps diversify the economy by reducing reliance on traditional sectors like agriculture and mining, providing an alternative source of income.