

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: 2024

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 methods that industries can use to carry out the market research for the aim of increasing turnover.

Industries can use several methods to conduct market research, allowing them to understand consumer preferences, market trends, and competitive dynamics. One method is surveys and questionnaires, where businesses collect feedback from customers regarding product satisfaction, pricing, and demand. This helps in adjusting products and services to meet customer needs. Another method is focus groups, which involve selecting a small group of people to discuss a product or service. Their opinions provide insights into market perception and areas for improvement.

Observation is also a useful method, where industries monitor consumer behavior in stores, online platforms, or public spaces to understand buying patterns. This method provides real-time insights without direct customer influence. Another approach is test marketing, where industries introduce a product in a limited market before launching it nationwide. This helps assess customer reactions and make necessary modifications.

Industries also use secondary data analysis, where they gather information from existing sources such as government reports, industry publications, and competitors' data. This saves time and costs while providing useful insights. Lastly, industries can conduct online and social media analytics, where they track customer interactions, reviews, and engagement with their brand. This helps businesses understand trends and consumer preferences, leading to better marketing strategies.

2. Suggest six types of intermediaries that support importers on importation of goods.

Importers rely on various intermediaries to facilitate the importation process. One of them is freight forwarders, who handle the transportation, documentation, and logistics of imported goods, ensuring smooth shipment and delivery. Another important intermediary is customs brokers, who assist in clearing goods through customs by handling duties, taxes, and compliance with import regulations.

Warehousing companies also play a key role by providing storage facilities for imported goods before they are distributed to the market. Their services ensure proper handling and inventory management. Another type of intermediary is banks and financial institutions, which support importers by providing trade financing, letters of credit, and currency exchange services, ensuring secure payments and transactions.

Inspection and quality assurance agencies help importers by verifying the quality and standards of goods before shipment. This ensures compliance with both international and domestic regulations. Lastly, shipping and logistics companies play a vital role in transporting goods from the exporter's location to the importer's destination, offering various shipping options such as air, sea, and land transport.

3. Basing on the functions of the cooperative society, how do the cooperative members benefit from joining into cooperative societies? Give six points.

Cooperative societies provide several benefits to their members, primarily by improving their economic and social welfare. One major benefit is access to affordable credit, as cooperative societies often provide

financial services at lower interest rates compared to traditional banks. This helps members invest in businesses, agriculture, or other income-generating activities.

Another benefit is increased bargaining power, where members can collectively negotiate better prices for their products or services. This is especially useful for farmers and small businesses that may struggle to compete in the open market. Cooperatives also ensure fair pricing of goods and services by eliminating middlemen, allowing members to sell their products directly and receive fair compensation.

Members of cooperative societies also benefit from shared resources, such as machinery, storage facilities, and training programs. This reduces operational costs and improves efficiency. Additionally, cooperatives provide a platform for knowledge and skill-sharing, enabling members to learn best practices in business, agriculture, or production.

Social security and welfare benefits are another advantage, as cooperatives often establish savings programs, insurance, and pension schemes to support members in times of need. Lastly, cooperative societies promote economic stability by ensuring that profits are reinvested into the community, creating job opportunities and improving local economies.

4. The Fish Company in Tanzania has received an order of 30 tones from Burundi. The company has approached you for advice on the means in which it may secure the payment from the buyer. Using five points, explain the means of payment through which the company may use.

To secure payment from the buyer, the Fish Company can use several reliable payment methods. One option is a letter of credit, where the buyer's bank guarantees payment upon fulfilling the terms of the contract. This ensures that the company receives payment as long as the agreed conditions are met.

Another method is advance payment, where the buyer pays a portion or the full amount before shipment. This minimizes the risk of non-payment and secures funds for production and logistics. The company can also use documentary collection, where the buyer receives shipping documents only after making the payment through the bank. This method provides a level of security but does not fully guarantee payment.

Telegraphic transfers or bank wire transfers are another secure option, allowing direct payment from the buyer's bank to the company's account. This method is fast and efficient, reducing transaction delays. Lastly, the company can use trade credit insurance, which protects against non-payment by covering losses if the buyer defaults. This helps mitigate financial risks and ensures business continuity.

5. "The roles played by the supervisors of the business organisations is one of the factors that contribute to the success of any business organisations." Justify this statement by giving six roles of the supervisor in the business organisation.

Supervisors play a crucial role in ensuring the success of a business by managing daily operations and employee performance. One key role is monitoring employee productivity by ensuring tasks are completed efficiently and on time. This helps maintain overall business performance.

Another role is providing training and guidance to employees, helping them improve their skills and adapt to workplace expectations. Supervisors also enforce company policies and ensure compliance with regulations, reducing legal risks and maintaining discipline.

Supervisors play a role in conflict resolution by addressing workplace disputes and ensuring a positive work environment. Effective conflict management enhances teamwork and productivity. Additionally, they act as a communication link between employees and management, relaying important information and feedback.

Supervisors are also responsible for quality control, ensuring that products and services meet set standards. This helps maintain customer satisfaction and business reputation. Lastly, supervisors contribute to decision-making by providing insights on operational challenges and suggesting improvements, leading to better management strategies.

6. In 2020 one of the East African countries spent 900 billion dollars for both visible and invisible imports and received back 700 billion dollars for both visible and invisible exports. Identify the problem that a country is facing and suggest five ways to control such a problem.

The country is facing a trade deficit, which occurs when the value of imports exceeds exports. This leads to economic instability, increased debt, and pressure on foreign exchange reserves. One way to control this problem is by promoting local industries to reduce reliance on imported goods. This can be achieved through policies that encourage domestic production and consumption.

Another solution is export diversification, where the country invests in multiple sectors to expand its export base. This helps reduce dependency on a few commodities and improves foreign exchange earnings. The government can also implement trade policies such as tariffs and import restrictions to discourage excessive imports and protect local industries.

Encouraging foreign direct investment (FDI) is another approach, where international companies invest in local production, leading to increased exports and economic growth. Lastly, improving trade agreements with neighboring countries can create better market access for exports, reducing the trade imbalance and increasing revenue from foreign markets.

7. "In Tanzania, some of the types of taxes are either imposed by Tanzania Revenue Authority (TRA) or by Local Government Authorities (LGA)." Based on this statement, explain six types of taxes imposed by TRA.

Tanzania Revenue Authority (TRA) imposes various taxes to generate revenue for government operations. One of them is Value Added Tax (VAT), a consumption tax applied to goods and services at each stage of production and distribution. This tax ensures fair contribution from consumers.

Another type is Corporate Income Tax, which applies to businesses' profits, ensuring companies contribute to national revenue. Pay As You Earn (PAYE) is a tax deducted from employees' salaries, collected by employers and remitted to TRA.

Excise Duty is imposed on specific goods such as alcohol, tobacco, and petroleum products, generating revenue while discouraging excessive consumption. Import Duty is applied on goods entering Tanzania to regulate imports and protect local industries. Lastly, Withholding Tax is deducted from payments such as rent, dividends, and consultancy fees, ensuring tax compliance on various income sources.