

**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: 2021

Instructions

1. This paper consists of sections A, B and C with a total of **ten (10)** questions.
2. Answer **all** questions in sections A and B and **two (2)** questions from section C.
3. Section A carries **twenty (20)** marks, section B **fifty (50)** marks and section C carries **thirty (30)** marks.
4. Cellular phones and any unauthorised materials are **not** allowed in the examination room.
5. Write your **Examination Number** on every page of your answer booklet(s).



SECTION A (20 Marks)

Answer **all** questions in this section.

1. For each of the items (i) – (xv), choose the correct answer from among the given alternatives and write its letter beside the item number in the answer booklet provided.
- (i) Which document is issued by the registrar of the companies to empower the company to commence business operation?
- A Memorandum of association B Partnership deed
C Articles of association D Certificate of incorporation
E Certificate of trading
- (ii) Mr. Bukaba wants to engage in hire purchase but he does not know its consequences. Identify one consequence that he can face.
- A He can own the property soon after payment of the first installment.
B He can own the property soon after payment of the last installment.
C Once he failed to pay other installments the seller cannot repossess the goods.
D Once he failed to pay other installments the seller can repossess the goods.
E He can pay all the amount required in cash and possess the property.
- (iii) Which one is an example of constructive industry?
- A Fishing B Lumbering
C Road making D Pot making
E Cotton spinning
- (iv) Suppose you have been employed in a bonded warehouse and one of the customers needs to collect his car from the warehouse. Which tax would you require the customer to pay before releasing the car?
- A Property tax B Export duty
C Exercise duty D Value added tax
E Custom duty
- (v) What is the main source of funds used by insurance companies to pay for claims and administrative expenses?
- A Income from investments and premiums paid
B Income from selling of shares and debenture to insured
C The difference between the value insured and the actual loss
D Loan received from different financial institutions
E Income from selling of the property destroyed and loans from friends

- (vi) Mrs. Makuchi as house wife prepared a fresh fruits juice for her kids' consumption. In which type of production does the activity done by Mrs. Makuchi be grouped?
- A Primary production B Tertiary production C Personal services
D Direct production E Indirect production
- (vii) Suppose Maiki and Juri are employed by Azam food processing industry and their monthly salary is Tsh. 1 million and Tsh. 1.5 million respectively. Which type of tax system is applied if both are charged with 18% income tax?
- A Tax incidence B Proportional tax C Progressive tax
D Indirect tax E Regressive tax
- (viii) Suppose you are a marketing manager who wants to satisfy the target market at the same time achieves the marketing objectives. Which elements of market mix would you consider?
- A Branding, grading, standardizing and pricing
B Product, price, brand name and promotion
C Package, price, product and place
D Product, price, promotion and place
E Brand name, package, packaging and product
- (ix) Why face to face business communication is advantageous to both retailer and final customers?
- A There is no need of keeping record of the message communicated.
B It provides immediate feedback on the message communicated.
C It reduces unnecessary noise between the sender and the receiver.
D It promotes trust worth between the sender and the receiver.
E The message communicated cannot be distorted.
- (x) A written document prepared by an entrepreneur which describes the objectives of the proposed business and the steps necessary to attain those objectives is referred to as
- A business plan B business idea
C business opportunity D business innovation
E business organization chart
- (xi) You have learnt about the factors for the change in quantity demanded and the factors for the change in demand. Which factor would you opt for change in quantity demanded?
- A Change in weather B Change in fashion
C Change in price of a commodity D Change in technology
E Change in price of related commodities

- (xii) How does business management support business in achieving its business goals?
- A It promotes staff creativity to increase output.
 - B It enables the management to establish business objectives.
 - C It can change the type of business to meet customers' demand.
 - D It guides business manager on how to calculate business net profits.
 - E It guides business manager on how to calculate business gross profits.
- (xiii) Identify the appropriate international trade term which fit for the following transaction; Tanzania has paid Tsh. 30 million as payment of interest of loan from Canada.
- A Terms of trade
 - B Balance of trade
 - C Deficit balance of payment
 - D Invisible trade
 - E Visible trade
- (xiv) Ms Mashikolo is an entrepreneur who owns a retail shop at city center where there are so many retail shops. "She succeeded in her business because she believes in her-self and her ability to achieve the goals set". Which characteristic of entrepreneurs is described by such statement?
- A Hard working
 - B Goals setter
 - C Long-term commitment
 - D Creative
 - E Self-confidence
- (xv) One of the Form Four students argued that, some characteristics of departmental stores and multiple shops are similar. Which statement proves that the argument is correct?
- A They all work under one roof and one management.
 - B They all sell the products of one manufacturer only.
 - C They all sell on cash basis and have centralized management.
 - D They all adopt centralized buying and decentralized selling.
 - E They are located in different areas and each branch has its branch manager.

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

Column A		Column B
(i)	The price quoted to the buyer which includes carriage charges to the dock, dock handling charges and loading charges.	A Loaded
(ii)	The price quoted to the buyer which includes all costs of goods as they leave the factory.	B Free on rail
(iii)	The price charged to the buyer which includes all costs of carrying goods to the port of destination plus unloading charges.	C Ex-works
(iv)	The price quoted to the buyer which includes carriage charges to the dock, dock dues and handling but do not include loading charges.	D Franco
(v)	The price quoted to the buyer which includes all charges incurred to bring the goods to the buyers' premises.	E Fee on board
		F In bond
		G Free alongside ship

SECTION B (50 Marks)

Answer **all** questions in this section.

3. (a) Many graduates in Tanzania are faced with unemployment problem, suppose the government provides them with loans capital and conducive places for business. Briefly explain three benefits those entrepreneurs could enjoy for being self-employed.
- (b) In summary give two problems faced people who are self-employed.
4. (a) You have a saving account with CRDB bank and you have been issued with a bank card. What are the three modern self-services banking you will get from the bank?
- (b) Ms. Akido needs to open fixed deposit account with NMB Bank but she wants to know the basic features of fixed account before opening the account. Briefly explain her two features of the fixed deposit account.

5. (a) Draw the supply curves to show an increase in supply of maize and state the effect of an increase in supply on equilibrium prices and equilibrium quantity.
- (b) Draw the supply curves to show a decrease in supply of maize and state the effect of a decrease in supply of maize on equilibrium prices and equilibrium quantity.
6. Storage facility is one of the problems facing mobile shop traders in Tanzania. The solution towards this problem is to hire a space in private warehouses. Briefly elaborate to them four types of private warehouses and advise them the one which is suitable for their business.
7. (a) Mr. Konge insured his car against accident but he thought that the principles of utmost good faith, insurable interest and indemnity are not necessary principles in insurance. Describe the necessity of these three principles of insurance to Mr. Konge.
- (b) Mr. Pokea received a cover note after paying the premium to insurer but did not know why the insurer issued him such a document. Give him two functions of the document received.

SECTION C (30 Marks)

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

8. A good transport facility in business is regarded as blood vessels in the human body. Justify this statement with six importance of a good transport facilities in business.
9. One of the Form Four students argued that “business is most likely to collapse in future if there is no good business communication”. Support this argument by analyzing six roles of business communication.
10. Suppose your name have been shortlisted by SIDO (Small Industries Development Organization) as a job applicant under research and development department. An interviewer asked you to explain the contributions of innovation towards business success. What would be your response? (Give six points)