

**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: 2022**

**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 unauthorized 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 the given alternatives and write its letter beside the item number in the answer booklet provided.
- (i) The process through which entrepreneurs convert business opportunities into marketable solution is considered as
- A innovation                      B risk taking  
C creation                         D mobilization and allocation of resource  
E market research
- (ii) Which tax system is applied by the tax revenue authority if it charges 15 per cent tax rate to a person who earns TZS 1 million per month and 18 per cent tax rate to a person whose income is TZS 500,000 per month?
- A Tax incidence                      B Proportional tax  
C Progressive tax                      D Regressive tax  
E Value Added Tax
- (iii) The means of advertising through which goods are neatly arranged to create an impact on customers' mind so that they can be attracted to buy is referred to as
- A magazine and trade journals                      B window shopping  
C trade fairs and exhibitions                      D personal selling  
E window display
- (iv) Suppose you are a shareholder in one of the private companies, what return do you expect from the shares that you have invested?
- A interest                      B dividends                      C profit  
D borrowed capital                      E capital owned
- (v) As a bank customer, which means of bank payment is appropriate for you to adopt when funds is not immediately available?
- A Credit transfer                      B Direct debit                      C Standing order  
D Credit card                      E ATM card
- (vi) The reallocation of supply curve outwards to the right due to change in factors that affect supply other than price indicates
- A an increase in supply                      B constant supply                      C the first law of supply  
D decrease in supply                      E change in supply

- (vii) Suppose your desire is to have your own calculator to satisfy your need and your uncle bought for you a calculator of your choice. Which type of utility do you get by having your own calculator?
- A Form utility                      B Time utility                      C Place utility  
D Marginal utility                      E Possession utility
- (viii) As a store keeper in one of the manufacturers' warehouses, why do you think stock taking is necessary to owner of the warehouse?
- A It helps to identify the spoiled items.  
B It helps to identify old and new stock held in the warehouse.  
C It helps to identify the quantity and values of stock held in the warehouse.  
D It helps to identify the level of stock reached after receipts of new stock.  
E It helps to identify the market price of the items in stock.
- (ix) Most of the young entrepreneurs in Tanzania fail to access profitable markets because they are not creative in doing business. Which way can help them in addressing the problem?
- A Mistakes and failure not an end                      B Applying for more capital  
C Throw away outwardly bad ideas                      D Notes what is available  
E Buying attractive products
- (x) Mr. Manda needs to insure his house against fire. Which one would be his first step in taking out insurance?
- A Fills in a proposal form                      B Preparation of cover note  
C Calculation of premium                      D Filling in a claim form  
E Payment of premium
- (xi) Suppose your uncle is a large scale retailer who bought maize flour in bulk from Kicheko milling industry on cash. What kind of discount he is supposed to receive from the industry as a motivation from bulk buying?
- A Trade credit                      B Cash discount  
C Discount allowed                      D Trade discount  
E Discount received
- (xii) Which one is the best memorable form of communication traders would adopt to remind their debtors to pay for debts?
- A Verbal communication                      B Written communication  
C Visual communication                      D Internal communication  
E Sign communication



(xiii) Which managerial function is a continuous function performed by managers at all levels in the business organization?

- A Controlling.                      B Directing.                      C Staffing.  
 D Organizing.                      E Planning.

(xiv) Sahar is a mining project coordinator in one of the mining firm in Arusha Tanzania. She received an immediate call to attend the meeting in Dubai. Which of the following mode of transport do you think is appropriate for her journey?

- A Land transport                      B Pipeline transport                      C Water transport  
 D Railway transport                      E Air transport

(xv) Why traders are advised to consider the cost element in selecting the channel of distribution?

- A The higher the cost of the channel the higher demand for the products  
 B The lower the cost of the channel the lower the price per unit of the product  
 C The higher the cost of the channel the higher the quality of the products  
 D The higher the cost of the channel the higher the quantity of the products  
 E The lower the cost of the channel the higher price per unit of the product

2. Match the descriptions of the forms of trade in **Column A** with their corresponding names in **Column B** by writing the letter of the correct response beside the item number in the answer booklet provided.

Column A		Column B	
(i)	The art of selling goods and services to other countries.	A	Entre-pot trade
(ii)	The art of buying and selling of goods and services within and outside the country.	B	Export trade
		C	Import trade
(iii)	The exchange of goods and services within the national boundaries.	D	Trade
		E	Retail trade
(iv)	The art of buying goods in relatively large quantity and re-sale them in small quantities to final consumers	F	Barter trade
		G	Home trade
(v)	The art of buying goods and services outside the national boundaries.		

## SECTION B (50 Marks)

Answer all questions in this section.

3. (a) Mrs. Masaa house wife at Ndala, insured her car with comprehensive policy. She thinks that, by having such a policy, life assurance is not necessary for her. In brief, use two points to convince her that life assurance is important.
- (b) Suppose your answer in part (a) attracted Mrs. Masaa to join life assurance and therefore she needs to know types of policies involved in life assurance for decision making, describe three types of life assurance policies that will satisfy her needs.
4. (a) Some Tanzania traders sell processed food from Tanzania to other countries but, they encountered with some challenges which hinder their performance. Describe three possible challenges those traders encountered.
- (b) Suggest two ways to overcome the challenges in part (a).
5. Suppose you have been employed in one of the wholesalers' warehouses as a store keeper. Describe five stock administration functions that would help you to perform your work properly.
6. (a) Many sole traders in Tanzania are faced with the challenge of business capital to establish businesses. Suggest three common sources of capital that could help them to overcome such a challenge.
- (b) Describe two challenges that a sole trader would face by using the sources of business capital suggested in part (a). Limit your answer in only one source of business capital.
7. (a) Some Form One students failed to answer one of their homework which was about the levels of production. Assist them by providing brief explanations on the three levels of production.
- (b) From your explanations in part (a), one of the students told you that, her mother owned a tailoring market and she is a tailor too. In which level of production is the activity performed by her mother categorised? Give one reason.

### SECTION C (30 Marks)

Answer two (2) questions from this section.

8. Some entrepreneurs in your area of residence failed to succeed in their businesses because they lacked knowledge of the preparation of a business plan. Assist them to solve the problem by explaining to them the major components that they should consider when preparing a business plan.
9. "Change in demand of a commodity is different from change in quantity demanded of the same commodity at a particular time." In five points, argue for this statement.
10. Mr. Mwasasa a wholesaler in Dar es Salaam imports 2,000 bolls of bed sheets from Norway. He is in dilemma whether to use water or air transport because he is not aware of the advantages and disadvantages of each mode. Basing on the nature of the imported product, explain to him two advantages and disadvantages of each of the two modes of transport.