

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 : 30 Hours

ANSWERS

Year : 2024

Instructions

1. This paper consists of sections A, B and C.
2. Answer all questions in section A and B and **two** questions from section C.
3. Communication devices and any unauthorised materials are **not** allowed in the examination room.
4. Write your **Examination Number** on every page of your answer booklet(s).

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1. For each of the items (i) – (x), choose the correct answer from among the given alternatives and write its letter beside the item number in the answer booklet provided.

(i) The following are the roles of an entrepreneur except:

- A. Bringing together various factors of production.
- B. Exploiting new sources of raw materials and capital.
- C. Identifying opportunities.
- D. Assuming the uncertainty of future.
- E. Promoting obsolete technologies, product and service.

Correct answer: E. Promoting obsolete technologies, product and service.

Reason: An entrepreneur promotes new and modern technologies, not obsolete ones.

(ii) Which of the following are examples of direct taxes?

- A. Income tax, Corporate tax and Value added tax (VAT).
- B. Custom duty, Excise duty and Pay As You Earn (PAYE).
- C. Pay As You Earn (PAYE), Cooperate tax and Capital gain tax.
- D. Capital gain tax, Income tax and Sales tax.
- E. Value Added Tax (VAT), Import duty and Property tax.

Correct answer: C. Pay As You Earn (PAYE), Cooperate tax and Capital gain tax.

Reason: Direct taxes are imposed directly on individuals and firms, examples include PAYE, corporate tax, and capital gain tax.

(iii) Which one is an advertising media which covers a wider geographical area?

- A. Television
- B. Website
- C. Radio
- D. Newspapers
- E. Outdoor publicity

Correct answer: C. Radio.

Reason: Radio broadcasts can reach wider geographical areas, including rural and urban places where other media may not.

(iv) Which means of transport is safe and convenient to transport petroleum?

- A. Air transport
- B. Railway transport
- C. Pipeline transport
- D. Containerisation
- E. Road transport

Correct answer: C. Pipeline transport.

Reason: Pipelines are the safest and most convenient method for transporting petroleum in bulk over long distances.

(v) A type of supply that involves the supply of goods which are produced together is known as:

- A. Joint supply
- B. Composite supply
- C. Derived supply
- D. Competitive supply
- E. Inelastic supply

Correct answer: A. Joint supply.

Reason: Joint supply occurs when two or more goods are produced together, for example beef and hides from cattle.

(vi) Mrs. Maneno owned a tailoring mart. She listened to her customers' opinions and implemented those which add value to her products so as to improve the quality of her products. Which function of entrepreneur is Mrs. Maneno describing?

- A. Invention
- B. Innovation
- C. Creating
- D. Risk taking
- E. Decision making

Correct answer: B. Innovation.

Reason: Innovation involves improving products based on customers' opinions to add value.

(vii) Which one is an appropriate channel for distribution of vegetable to the consumers?

- A. Producer → Wholesalers → Retailers → Consumers
- B. Producer → Retailers → Wholesalers → Consumers
- C. Producer → Wholesaler → Consumers
- D. Producer → Retailers → Consumers
- E. Producer → Consumers

Correct answer: D. Producer → Retailers → Consumers.

Reason: Vegetables are perishable goods and require short channels of distribution.

(viii) Mr. Kijiko is a wholesaler who buys goods in bulk from H.M Industry Co. Ltd. and resells them to the retailers in cash basis with charging a delivery services. In which type of wholesaler can Mr. Kijiko be categorised?

- A. General merchandise wholesaler
- B. Truck wholesaler
- C. National wide wholesaler
- D. Specialised wholesaler
- E. Cash and carry wholesaler

Correct answer: E. Cash and carry wholesaler.

Reason: A cash and carry wholesaler deals in bulk goods, sells to retailers for cash, and often provides delivery services.

(ix) How can money solve the double coincidence of wants problems experienced in barter trade?

- A. Store of value
- B. Measure of value
- C. Medium of exchange
- D. Transfer of immovable assets
- E. Standard of deferred payments

Correct answer: C. Medium of exchange.

Reason: Money eliminates the need for double coincidence of wants by serving as a medium of exchange.

(x) Mipango Group Limited deals with the production and distribution of fruits juices to their customers in all over the country. In which stage of production do the distribution of fruits juices falls?

- A. Primary production
- B. Tertiary production
- C. Secondary production
- D. Direct production
- E. Indirect production

Correct answer: B. Tertiary production.

Reason: Distribution is a service that belongs to tertiary production, which provides services to support goods flow.

2. Match the descriptions of the terms used in the theory of demand in List A with the appropriate terms in List B by writing the letter of the correct response besides the corresponding item number in the answer booklet provided.

List A	List B
(i) The movement along the demand curve due to a conversion in price.	D. Change in quantity demanded
(ii) The list which shows the amount of commodity that is demanded at various prices by the consumer.	H. Demand schedule
(iii) Demand for one commodity that has many uses.	A. Competitive demand
(iv) Demand for two or more goods which serve the same purposes.	C. Composite demand
(v) Demand for a commodity due to an increase in the demand for another commodity.	G. Complementary demand
(vi) Demand for goods which are being used together.	E. Derived demand

Correct answers:

- (i) D
- (ii) H
- (iii) A
- (iv) C

(v) G

(vi) E

3. In six points, briefly explain civic duties a Tanzanian citizen is expected to perform for his own and national development.

One civic duty is paying taxes. Citizens are required to contribute revenue to the government so that it can finance development projects such as schools, hospitals, and roads.

Another civic duty is obeying laws. Respecting the constitution and following national laws ensures peace, order, and security which are necessary for personal and national development.

A third civic duty is voting in elections. By participating in democratic processes, citizens choose leaders who will represent their interests and promote national development.

A fourth civic duty is protecting the environment. Citizens should conserve natural resources, plant trees, and prevent pollution so that the country's resources can be used sustainably.

A fifth civic duty is promoting unity and peace. Tanzanians should avoid discrimination, tribalism, or violence and instead encourage cooperation that strengthens national stability.

A sixth civic duty is defending the country. Every citizen has the responsibility to safeguard national sovereignty by cooperating with security forces and protecting the nation against threats.

4. Identify six ways that can help the youth in Tanzania avoid irrational decisions in their daily life.

One way is by acquiring education. Knowledge equips youth with reasoning skills and critical thinking abilities which guide them in making rational decisions.

Another way is by seeking guidance from elders and mentors. Advice from experienced people helps youth avoid mistakes and make informed choices in life.

A third way is by engaging in productive activities. Keeping busy with studies, sports, or entrepreneurship prevents idleness that often leads to irrational decisions.

A fourth way is by avoiding peer pressure. Youth should learn to resist negative influence from friends who may encourage harmful or irresponsible behavior.

A fifth way is by embracing good morals and discipline. Following cultural and religious values helps youth to control their actions and respect others.

A sixth way is by setting personal goals. Having clear life objectives enables youth to evaluate options carefully and avoid decisions that may derail their future.

5. How would you defend the view that culture plays a significant role in any society? Give six points.

One point is that culture preserves identity. It provides language, traditions, and customs that make people recognize themselves as members of a specific community.

Another point is that culture promotes unity. Shared values, beliefs, and practices bring people together and encourage peaceful coexistence.

A third point is that culture guides behavior. It sets moral standards and norms that influence how people interact, solve conflicts, and respect one another.

A fourth point is that culture supports economic activities. Skills such as traditional farming, fishing, and handicrafts contribute to livelihoods and the economy.

A fifth point is that culture transmits knowledge. Through songs, stories, and rituals, societies pass wisdom from one generation to the next.

A sixth point is that culture provides a sense of belonging. People feel emotionally connected to their community, which promotes loyalty and responsibility.

6. Why most modern societies prefer indirect democracy to other forms of democracy? Give six brief points.

One reason is population size. Modern societies are large, so direct democracy where everyone participates in decision making is impractical, making indirect democracy more effective.

Another reason is representation. Citizens elect representatives who make decisions on their behalf, which saves time and ensures diverse views are considered.

A third reason is expertise. Elected leaders are often more informed and skilled in governance, which leads to better policy decisions.

A fourth reason is convenience. Indirect democracy allows citizens to focus on their personal lives while still influencing governance through periodic elections.

A fifth reason is efficiency. It ensures quick decision-making compared to direct democracy, where every citizen would need to be consulted before laws are passed.

A sixth reason is accountability. Representatives can be voted out if they fail to meet the expectations of the people, ensuring responsibility in leadership.

7. In six points, briefly show the importance of having good student's leadership in your school.

One importance is discipline. Good student leaders help enforce school rules and encourage students to behave responsibly.

Another importance is representation. They act as a bridge between students and teachers, ensuring student concerns are communicated and addressed.

A third importance is teamwork. Student leaders organize group activities and motivate others to work together for school improvement.

A fourth importance is inspiration. By setting good examples, they influence other students to work hard and show commitment to their studies.

A fifth importance is problem solving. They help in resolving conflicts among students peacefully, maintaining harmony in the school.

A sixth importance is participation. Student leaders involve their peers in decision-making processes, which builds confidence and prepares them for future leadership.

8. Briefly explain the role of six agents of socialization in promoting and preserving the cultural values in Tanzania.

The family plays the role of teaching children moral values, traditions, and customs that preserve Tanzanian culture.

The school plays the role of transmitting knowledge, civic education, and social values through the curriculum and extracurricular activities.

Religion plays the role of shaping behavior, promoting morality, and reinforcing respect for cultural and spiritual values.

The media plays the role of spreading information, promoting cultural heritage, and discouraging practices that may erode national values.

Peer groups play the role of influencing behavior, encouraging cooperation, and teaching young people to adapt to social expectations.

The community plays the role of preserving traditions, organizing ceremonies, and ensuring that younger generations inherit cultural practices.

9. Explain three causes of communication barriers in an organization and suggest three solutions to avoid it.

One cause of communication barriers is language and semantic problems. This happens when people use jargon, technical words, or ambiguous expressions that others cannot easily understand. As a solution, organizations should use simple, clear, and precise language that everyone can easily interpret.

Another cause of communication barriers is psychological and perceptual issues. These arise when emotions such as fear, anger, or bias distort how messages are received or interpreted. A solution is to provide training that promotes empathy, tolerance, and active listening so that employees interpret messages without prejudice.

A third cause of communication barriers is physical and channel-related issues. These occur when messages are delayed or distorted due to noise, poor technology, or long chains of communication. A solution is to improve communication infrastructure and shorten communication channels so that messages reach the intended people directly.

10. Analyse six entrepreneurial activities which are conducted in Tanzania.

One entrepreneurial activity conducted in Tanzania is agribusiness. Farmers and entrepreneurs engage in poultry farming, horticulture, fish farming, and food processing to generate income and add value to agricultural products.

Another entrepreneurial activity is tourism and hospitality. Entrepreneurs invest in lodges, guest houses, tour companies, and cultural tourism services to cater for both domestic and international tourists.

A third entrepreneurial activity is manufacturing. Small and medium industries in Tanzania produce furniture, textiles, construction materials, and processed food products that contribute to industrial development.

A fourth entrepreneurial activity is ICT and digital services. Young people in Tanzania are involved in mobile money services, software development, internet cafés, online content creation, and graphic design.

A fifth entrepreneurial activity is trade and logistics. Many Tanzanians engage in retail and wholesale businesses, e-commerce platforms, transport services, and courier companies that link producers and consumers.

A sixth entrepreneurial activity is renewable energy and environmental ventures. Entrepreneurs establish solar energy companies, water purification services, and waste recycling businesses that support sustainable development.

11. In six points, explain the advantages of indirect tax in a country like Tanzania.

One advantage of indirect tax is that it has a broad base. It is collected on goods and services consumed by a large population, including those in the informal sector, making it a reliable source of government revenue.

Another advantage is convenience. Consumers pay indirect tax in small amounts at the point of purchase, and traders remit it to the government, which makes collection easy and less noticeable to taxpayers.

A third advantage is elasticity. Indirect tax revenue automatically increases as people spend more on goods and services when the economy grows, which strengthens government finances without raising tax rates.

A fourth advantage is that it is relatively cheap to administer. The government collects the tax from a limited number of registered businesses, which reduces the cost of collection and monitoring.

A fifth advantage is that it can influence consumption patterns. The government can impose high taxes on harmful goods such as alcohol and tobacco to discourage their consumption, while lowering tax rates on essential goods to make them affordable.

A sixth advantage is that indirect tax encourages savings and investment. Since it does not directly tax personal income or profits, individuals and businesses may be more motivated to save and reinvest their earnings into productive activities.