

THE UNITED REPUBLIC OF TANZANIA

**PRESIDENT'S OFFICE – REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
SECONDARY SCHOOL CONTINUOUS ASSESSMENT**

BUSINESS STUDIES – FORM ONE

ANNUAL EXAMINATION – NOVEMBER 2025

TIME: 2:30 HOURS

INSTRUCTIONS

1. This paper consists of Sections A, B, and C with a total of ten (10) questions.
2. Answer all questions.
3. Use blue or black ink for writing. Use pencil for drawings where necessary.
4. Cellular phones and unauthorized materials are not allowed in the examination room.
5. Section A and C each carry 15 marks. Section B carries 70 marks.

SECTION A: MULTIPLE CHOICE AND MATCHING ITEMS (15 MARKS)

1. Choose the correct answer and write its letter in the space provided (i–x):

i. Business Studies is mainly concerned with:

- A. The study of historical events
- B. The study of how to start and run business activities
- C. The study of living organisms
- D. The study of political systems

ii. Which of the following is **not** a factor of production?

- A. Land
- B. Labour
- C. Profit
- D. Capital

iii. An entrepreneur is best described as:

- A. A person who works in a factory
- B. A person who initiates and manages business risks
- C. A government employee
- D. A bank manager

iv. Which of the following is a characteristic of a sole proprietorship?

- A. Ownership by two or more people
- B. Shares are sold on the stock exchange
- C. Unlimited liability
- D. Limited liability

v. The reward for land as a factor of production is called:

- A. Salary
- B. Interest
- C. Rent
- D. Profit

vi. Which of the following is **not** an example of entrepreneurship skills?

- A. Creativity
- B. Risk taking
- C. Time management
- D. Sleeping

vii. Which of the following is an advantage of a sole proprietorship?

- A. Complex decision-making process
- B. Quick decision making

- C. Easy transfer of ownership
- D. Separate legal entity

viii. Business knowledge helps individuals to:

- A. Avoid risks completely
- B. Manage resources effectively
- C. Eliminate all business costs
- D. Avoid paying taxes

ix. Which of the following is a challenge faced by entrepreneurs?

- A. Access to credit facilities
- B. Availability of raw materials
- C. Lack of capital and competition
- D. Unlimited profits

x. The person who provides labour in a business expects to receive:

- A. Rent
- B. Wages or salary
- C. Interest
- D. Profit

2. Match the items in Column A with the correct responses in Column B:

COLUMN A	COLUMN B
i. Capital	A. Income received by the entrepreneur
ii. Profit	B. Human effort used in production
iii. Land	C. Money or property invested in business
iv. Labour	D. Physical and natural resources used for production
v. Entrepreneur	E. Person who starts and manages a business

SECTION B: STRUCTURED QUESTIONS (70 MARKS)

3.

- (a) Define Business Studies. (3 marks)
- (b) State four (4) reasons why Business Studies is important in daily life. (7 marks)

4.

- (a) List and explain three (3) types of business activities. (6 marks)
- (b) State four (4) ways in which business contributes to the economic development of a country. (4 marks)

5.

- (a) Define the term entrepreneurship. (3 marks)
- (b) Mention four (4) qualities of a good entrepreneur. (7 marks)

6.

- (a) Explain three (3) main roles played by entrepreneurs in the society. (6 marks)
- (b) Identify and explain two (2) challenges faced by entrepreneurs. (4 marks)

7.

- (a) Define a sole proprietorship. (3 marks)
- (b) State four (4) advantages and three (3) disadvantages of a sole proprietorship. (7 marks)

8.

- (a) Explain three (3) sources of capital for a sole proprietor. (6 marks)
- (b) Mention four (4) reasons why many people choose to start sole proprietorship businesses. (4 marks)

SECTION C: ESSAY QUESTIONS (15 MARKS)

9. Explain the importance of entrepreneurship to the economic and social development of a country.
10. Discuss the reasons why many small businesses in Tanzania operate as sole proprietorships.

END OF EXAMINATION