

**UNITED REPUBLIC OF TANZANIA**  
**THE PRESIDENT'S OFFICE**  
**REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**  
**SINGIDA DISTRICT COUNCIL**  
**FORM FOUR PRE - NATION EXAMINATION**  
**COMMERCE**

**CODE: 061**

**TIME: 3:00HOURS**

**INSTRUCTIONS**

1. This paper consists of section **A, B, and C** with a total of ten **(11)** questions
2. Answer **all** questions in section **A and B** and **two (2)** questions from section C
3. Section A carries **twenty (16)** marks and section B **carries (54)** and **section C (30)** marks per each.
4. Cellular phones and unauthorized materials are not allowed in the examination room

QUESTION NUMBER	TICK (✓)	FOR EXAMINER'S ONLY	
		SCORE	EXAMINER'S INITIALS
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
TOTAL			

## SECTION A (16 MARKS)

1. For each of the following items (i) – (x) choose the correct answer from among given alternatives and write its letter beside the item number in answer booklet provide.
- i. Suppose you are required to classify good. Which one of the following is not among the major class
- (a) Producers good and consumer good
  - (b) Economic goods and free goods
  - (c) Consumers goods and capitals goods
  - (d) Capital goods and producers goods
- ii. The quantity of good available in the market always varies inversely proportional to the price, which law is being implied here
- (a) Law of demand and law supply
  - (b) Law of marginal utility
  - (c) Law of demands
  - (d) Law of supply
  - (e) Law of consumptions
- iii. Juma engaged in production of goods for the selling and personal use. What type of activity juma engages in
- (a) Private production
  - (b) Direct production
  - (c) Indirect production
  - (d) Production
  - (e) Joint production
- iv. Anything serving as money should passes a number of qualities which of the following is the most essential features?
- (a) Durability
  - (b) portability
  - (c) Acceptability
  - (d) Divisibility
  - (e) Scatary
- v. Salma's current account shows larger with drawls than the balance remained in the account. This situation can be describe as
- (a) Bank overdraft
  - (b) Bank rate
  - (c) Bank lose
  - (d) Bank charges
- vi. Mr. Ben is an income who receives Tshs 100,000 per month and pays 6% of his income as an income tax, on the other side Khamis is an income earners who received Tshs 150,000 per month and pay 5% of his income. What is the tax system applied/
- (a) Progressive tax system
  - (b) Regressive tax system
  - (c) Proportional tax system
  - (d) Direct tax system

(e) Indirect tax system

vii. Which of the following warehouses are located at sea ports, air ports and bus station?

- (a) Bonded warehouses
- (b) Manufacturer warehouses
- (c) Producer warehouses
- (d) Private warehouses

(e) Public warehouses

viii. Mark wants to deliver his product to customer on door-to-door basis. Suggest the suitable mode of transport. It must be

- (a) Railway transport
- (b) Sea transport
- (c) Water transport
- (d) Air transport

(e) Road transport

ix. Discouraging imports so as to serve the country against the negative effect of international trade can be attained by use of

- (a) Remove quota system
- (b) Imposing high tariff on imports
- (c) Remove total ban
- (d) Encourage free trade
- (e) High tax on domestic product

x. Nikidadi is a producer representative to the consumer. What type of middleman is (a) Wholesaler

- (b) Broker
- (c) Retailer
- (d) Agent

(e) Auctioneer

xii. Suppose you want to compare the current performance with the object set. As a manager, which function of management option

- (a) Controlling
- (b) Coordinating
- (c) Staffing
- (d) Planning

(e) Directing

xiii. Mzaramo sells his goods from one place to another by using his bicycle. What type of retailer is he?

- (a) Peddlers
- (b) Tied shop
- (c) Market trader
- (d) Road side seller

(e) Hawker

xiv. Which one of the following is a method used by the government to protect consumers especially now when there is an increase in price of basic goods?

- (a) Fixing minimum price
- (b) Fixing minimum profit
- (c) Fixing maximum price
- (d) Fixing maximum profit
- (e) Fixing minimum and maximum price

xv. Gerald is an entrepreneur. To be successful he must view challenges as

- (a) Problematic
- (b) Threatening
- (c) Inconvenient
- (d) Opportunity
- (e) Liability

2. Match the description of marketing functions in column A with the appropriate terms in the column B by writing the letter of the correct answer beside the corresponding items number in the answer sheet(s) provided.

Column A	Column B
i. Legal protection given to the inclusive to its owner	A. Grading
ii. Dividing the product based on its quality and size	B. Bland name
iii. Name, term, symbol given to a product to make it unique from other similar product	C. Standardizing
iv. A major quality of god branding	D. Brand
v. Part of brand which can be recognized but can't be pronounced	E. Trade mark
vi. Which type of bank account you recommend to lower income earner	F. Brand marks
	G. Distinctiveness
	H. Saving account

### **SECTION B (54 MARKS)**

3. Every person participates in commerce differently this indicates that commerce should be fought as basic subject to everyone. Justify this connection by giving **five points**.
4. Company formation is a process which requires several documentations. State any five (5) documents involved in the formation of the company.
5. Hafsa shop buys an article for TZS80,000. He wishes to make gross profit of 20%. He expenses are usually 60% of his gross profit. Calculate a) Selling price  
b) Mark up percentage  
c) Gross profit  
d) Expenses  
e) Net profit
6. Many Tanzanian youth now days are becoming entrepreneur instead of being employed by someone else. Identify any six (6) factors driving these youth into entrepreneurship
7. "No any business firm is likely to survive without a systematic plan". Argue for this statement by listing five facts.
8. The proper selection of communication is important for the efficient communication in the business. with five points describe factors to be consider when choosing the medium of communication.

### **SECTION C (30 MARKS)**

#### **ANSWER TWO (2) QUESTIONS IN THIS SECTION**

9. There some people who do not buy or sell goods but offer services which facilitate trade. Without such services there would be hindrances in the exchange of goods. With the help of such services there is a continuous flow of exchanges of goods and services which help in distribution of goods. Basing on this statement explain six auxiliary services in commerce.
10. Busisi traders have been doing their business activities in the country for almost thirty five years but they have been avoiding and refusing to pay tax by claiming that paying tax is just wastage of money in the economy. Use five arguments as an expert in taxation to convince and make them believe tax is not wastage in the economy.
11. Most traders in Tanzania, particularly those in rural areas are unfortunately not fully aware of the major importance and advantages of insurance many regard the payment of premium as unnecessary expenses which they argue they can do safety do without.  
Justify this statement by giving six importance of insurance.