THE PRESIDENT'S OFFICE
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
ILEMELA MUNICIPAL COUNCIL

FORM FOUR MID-TERM JOINT EXAMINATION MARCH, 2024
COMMERCE

TIME: 3.00 HOUR **MARCH 2024**

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. Sections A carries twenty (20) marks, sections B fifty (50) marks and section C carries thirty (30) marks.
4. Communication devices and any unauthorized materials are **NOT** allowed in the examinations room
5. Write your examination number on every page of your answer booklets.

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 writes its letter beside the item number.

(i) Which method would Tanzania adopt if she wants completely to restrict importation
of sugar from Zambia?

A. Imposing heavy duties
B. using government agencies
C. Provision of customs drawbacks
D. Fixing imports quotas E. Total ban

(ii) If you have been employed as a machine operator in one of the soft drinking industries and your salary ranked under low income earners category, which tax system will favour you as one of the low-income earners?

A. indirect tax
B. regressive tax
C. direct tax
D. progressive tax
E. proportional tax

(iii) Suppose you are self-employed in carpentry activities but you have spent two days to produce dining table for your family. In which category does the production of such table be grouped?

A. Indirect production
B. Direct production
C. Tertiary production
D. Direct services
E. Indirect services

(iv) Which bank account would you advice a trader to open if he/she wants to deposits withdrawal cash at any time and allows overdraft to its customers?

A. Joint account
B. Fixed deposits account
C. Minor accounts
D. Savings accounts
E. current accounts

(v) Suppose you have attended a commercial debate with the motion' **aids to trade are not necessary elements of commerce'**' Which option will you choose as correct to oppose the motion?

A. aids to trade support production and not commerce
B. aids to trade facilitate trade to take place smoothly
C. aids to trade acts as a link between commerce and production
D. aids to trade used to determine price of goods produced.

(vi) Ms Mashikolo is an entrepreneur who owns a retail shop at a city centre 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 entrepreneur is described by such statement?

A. Hard working
B. Goals setter
C. Long term commitment
D. Creative

E. Self-confidence

(vii) You have learnt about the factors for the change in the quantity demanded and the factor for the change in demand. Which factors would you opt for change in the quantity demanded?

A. change in weather
B. change in fashion
C. change in price of commodity
D. change in technology
E. change in price of related goods.

(viii) Suppose you have been employed in a bonded warehouse and one of the customers needs to collect his car from warehouse. Which tax would you require the customers to pay before releasing the car?

A. Property tax
B. Export duty
C. Excise duty
D. Value added tax
E. Cotton spinning

(ix) Mr.Bukaba want to engage in hire purchase but he doesn't' 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 installment the seller can repossess the goods
D. He can pay all the amount required in cash and possess the property.
E. Once he failed to pay the last installment the seller cannot repossess the goods.

(x) Identify the appropriate international trade term which fit for the following transactions; Tanzania has paid tsh.30millions as payment of interest of loan from Canada.

A. Terms of trade
B. Balance of trade
C. Deficit balance of trade
D. Invisible trade
E. Visible trade

(xi) Suppose Maiki and Juri are employed by Azam food processing industry and their monthly salary is tsh. 1million and tsh.1.5 million respectively. Which type of tax system applied if both are charged with 18% income tax?

A. Tax incidence
B. Proportional tax
C. Progressive tax
D. Indirect tax
E. Regressive tax

(xii) Why face to face business communication is advantageous to both retailer and final consumer?

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.

(xiii) Which of the following is not an element of transport?

A. Terminal
B. way of transport
C. Motive
D. Cointernerization
E. unit of carriage

(xiv) Mr. E.Ngosha had an opening stock of sh.20,000/= and closing stock of shs.25000/=.His purchases for the year amounted to shs.150,000/= and his gross profit margin was 40% on cost. His expenditure for the year was shs. 28,600/=.What was his net profit?

A. 58, 000/=
B. 145, 000/=
C. 56,000/=
D. 203,000/=
E. 29,000/=

(xv) An agent authorized to sell goods on commission at public auction is called;

A. Commission agent
B. auctioneer

C. Forwarding agent
D. Broker
E. Factor.

2. Match the description s of types of tax in column A with the corresponding terminology in column by writing the letter of the correct terminology besides the item number.

Column A		***ColumnB***
i.	These are the tax paid by companies. For example bonite bottlers limited company	***A.*** property tax ***B.*** corporation tax
ii.	These are tax assessed and collected by the local authorities .For example municipal and district council	***C.*** surtax ***D.*** Estate or death duty
iii.	These are tax imposed on the properties which has increased its value when sold.	E. Capital gain tax F. Octoroi tax
iv.	These are tax imposed on the wealth of a person at the time of death.	G. Sumptuary tax H. Graduated tax
v.	A tax used to discourage consumption of harmful products like beer and cigarettes.	I. Value added tax

SECTION B (50 MARKS)

Answer all questions in this section.

3. **(a)** An illiterate person before the district commissioner urged that the government treating his citizen unfairly by imposing them with different types of tax. As an expert student in commercial subjects, educates him by giving four reasons of paying tax.

(b) When the government wants to control a demand-pull inflation and consumption of harmful products it can use tax. Briefly explain a tax that the government can use to;

(i) Control demand pull inflation

(ii) Control consumption of harmful product like beer and cigarettes

(c) A rich person with monthly income of tsh.10, 000,000/=bought a bread for tsh.2000/- and the poor person with monthly income of tsh. 100,000/= bought the bread with the same price. If both of them paid value added tax rate of 18% included in the price of the bread, therefore;

(i) Calculate the percentage income of the rich person paid as tax

(ii) Calculate the percentage income of the poor person paid as tax

(iii) State the type of taxation system applied

(iv) Draw a diagram to illustrate your answer.

4. (a) Production is categorized into direct and indirect and the categorization depends on their features. Describe two main features used to categorize production as indirect production

(b) One of the villagers wants to engage in production of goods and services but he/she needs to know about the levels of production. Briefly explain to the villagers the three levels of production.

5. Imagine that you are a large-scale farmer harvested beans from your farm which are mixed with poor and high quality and decides to sort the beans to separate the poor quality from high quality beans. Identify which kind of marketing functions have you done? Briefly explain four advantages will get from that marketing function to your beans.

6. A grandmother of 100 years old who experienced barter trade system was narrating to her grandchildren about problems they faced during barter trade. What problems do you think the grandmother should narrate to her grandchildren? Explain five

7. Mr.Nickson a pilot who employed by Air Tanzania Corporation Limited (ATCL)wants to make application of endowment life assurance policy because of risks associated with his work but he doesn't know the advantages of having such policy. You as an expert in commercial subjects, explain to him five advantages will enjoy when having endowment life assurance policy.

SECTION C (30 marks)
Answer two questions from this section*;*

8. One of the form four students argued that ‘’ business is mostly likely to collapse in future if there is no good business communication ‘’Support this argument by analyzing six roles of business communication.

9. Whenever someone buys goods or service, payment can be done by either cash or cheque. Explain five advantages of paying the debts by using cheques.

10. Mkazakamba is a trader who exports fresh fish and flowers from Tanzania to Japan and he is planning to use air means of transport. As a commercial student describe to him five advantages and five disadvantages of this mode of transport.