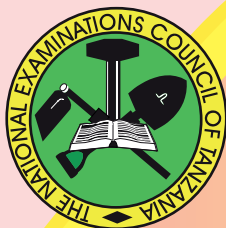


THE NATIONAL EXAMINATIONS COUNCIL OF TANZANIA



**EXAMINERS' REPORT ON THE PERFORMANCE
OF CANDIDATES**

ACSEE, 2014

152 COMMERCE

THE NATIONAL EXAMINATIONS COUNCIL OF TANZANIA



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152 COMMERCE

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Table of Contents

FOREWORD.....	iv
1.0 INTRODUCTION	1
2.0 ANALYSIS ON INDIVIDUAL QUESTIONS.....	2
2.1 Paper one.....	2
2.1.1 Question 1: Insurance.....	2
2.1.2 Question 2: Communication.....	8
2.1.3 Question 3: The scope of commerce.	13
2.1.4 Question 4: Stock Exchange.....	20
2.1.5 Question 5: Transport.....	25
2.1.6 Question 6: Advertising.....	30
2.1.7 Question 7: Banking.....	36
2.1.8 Question 8: Whole sale trade.....	41
2.2 Paper 2.....	47
2.2.1 Question 1: Business Units.....	47
2.2.2 Question 2: Taxation.....	52
2.2.3 Question 3: Business Office	58
2.2.4 Question 4: Contract of Sales	63
2.2.5 Question 5: Organisation and Management.	68
2.2.6 Question 6: Export Trade.....	73
2.2.7 Question 7: Import Trade.....	77
2.2.8 Question 8: Marketing.	83
3.0 CONCLUSION AND RECOMMENDATIONS	90
Appendix.....	92

FOREWORD

The Examiners' Report on the Performance of the Candidates in Commerce was written in order to provide feedback to students, teachers, parents, policy makers and other educational stakeholders on the candidates' performance and the challenges the candidates are facing in answering examination questions. Commerce is among the subjects which had good performance. The report has therefore tried to reveal a number of factors that can be attributed to candidates' performance.

The Advanced Certificates of Secondary Education Examinations marks the end of two years of Advanced Secondary Education. It is summative evaluation which among other things shows the effectiveness of education system in general and education delivery system in particular. Essentially, candidates' response to the examination questions is a strong indicator of what the education system was able or unable to offer to the students.

The analysis presented in this report is intended to contribute towards understanding of some of the reasons behind good and poor performance of candidates. The report highlights some of the factors that made candidates score high marks in the questions which includes sufficient knowledge and skills on the topics, good flow of ideas, ability to identify the demands of the questions and to express the points in good English Language. Also the report highlights some of the factors that account for candidates' failure to score high marks in the questions. Such factors include; failure to identify the task of the question, inability to express themselves in English Language and lack of knowledge of the concepts related to the subject. The feedback provided will enable the educational administrators, school managers, teachers and students to identify proper measures to be taken in order to improve candidates' performance in future examinations administered by the Council.

The National Examinations Council of Tanzania will highly appreciate comments and suggestions from teachers, students and the public in general that can be used in improving future Examiners' Reports.

Finally, the Council would like to thank all the Examination Officers, Examiners and all others who participated in preparation of this report.



Dr. Charles E. Msonde
EXECUTIVE SECRETARY

1.0 INTRODUCTION

This report presents the performance of candidates who sat for the Advanced Certificate of Secondary Education Examination (ACSEE), May 2014. The ACSEE Commerce examination tested the candidates' abilities stated in the 2009 syllabus.

The examination had two papers, 152/1 Commerce 1 and 152/2 Commerce 2. Paper 1 had eight questions divided into section A and B. Each section had four questions. Candidates were required to answer five (5) questions choosing at least two questions from each section. Commerce paper 2 had eight questions; four questions in section A and four questions in B. Candidates were required to answer five questions choosing three questions from section A and any two questions from section B. Question 1 was compulsory. Each question in both papers carried 20 marks.

This report has analysed the performance of candidates by indicating the demand of the questions and identifying the strength and mistakes made by candidates while attempting the questions. It is expected that this report will be useful to students, teachers and other stakeholders in their efforts to improve the teaching and learning of Commerce subject.

The number of candidates who sat for this paper in 2014 were 824, of which 99.76 percent passed the examination while in 2013 a total of 1,777 candidates sat for examination of which 1,573 (88.57%) passed the examination. This shows an increase of 11.19 percent in 2014 compared to 2013. The Candidates performance in 2013 and 2014 are presented in the table below.

Candidates' performance in 2013 and 2014 in grades.

Year	Candidates performance						
2013	A	B	C	D	E	S	F
% Candidates	0	0	0.39	15.6	54.2	18.4	11.4
2014	A	B+	B	C	D	E	F
% of candidates	0.24	37.7	39.2	18.3	4.1	0.24	0

The comments on individual questions are presented in the next section. The presentation highlights the requirements of the questions and analysis of the answers. Some extracts of good and poor performances are included for more illustration.

2.0 ANALYSIS OF INDIVIDUAL QUESTIONS

2.1 Paper one

2.1.1 Question 1: Insurance

The question had two parts (a) and (b). In part (a) candidates were required to describe four importance of life insurance to individual and part (b) candidates were required to elaborate six procedures of acquiring life insurance policies.

This question was extensively omitted by majority of the candidates as only 298 (35.9%) of the candidates attempted it, of which 1.3 percent scored a 0 mark out of 20 allotted, 26.9 percent scored from 0.5 to 5.5 marks, 53.3 percent scored from 6 to 10 marks, 15.5 percent scored from 10.5 to 15 marks while 3 percent scored from 16 to 18 marks. No candidate scored all the marks allotted in this question, though, the general performance in this question was good.

The candidates who performed poorly in this question scored from 0 to 5.5 marks out 20 allotted marks. In part (a) candidates deviated from the requirements of the question. Some candidates had a misconception on the two concepts life insurance and National Health Insurance, hence they explained the types of life insurance such as whole life insurance and endowment policies, while others embarked on the importance of insurance company to an individual and their responses were like “to provide education to the insured, to provide health education, create employment opportunity, provide revenue to the government.” Also, some candidates explained how individual (insured) benefited on the calculation of premium.

Candidates who performed poorly in part (b) failed to differentiate between principles of insurance and procedures to acquire life insurance and others failed to arrange the procedures sequentially. Likewise, some candidates' explanations based on procedures of life insurance which are necessary for the calculation of premium such as "doctor's report and submission of certificate of birth." Extract 1.1 presents a sample of poor response from the candidate who did not understand the demands of the question in part (a) and extract 1.2 shows one of candidates whose response focused on the principles on insurance instead of procedures of life insurance policies in part (b).

Extract 1.1

1(E)	Life insurance is the types of insurance which deal with the assuring the health of the assured like sickness, also (long) by compensation of insurance to bring back him into previous condition without to be suffer loss - In some words it done by National Insurance Health Fund (NIHF). The person can tribute the sum of the money to the common pool and change the premium. The following are the importance of the life insurance.
	It save the life of (the people); life insurance it help the person to get the service without paying less to the hospital by representing the card of NIHF to the center where he/she can get the service at the regular time.
	It save the income; Instead of going outside to the hospital and pay cash, because the of precaution motive the sick disease have no report when it come so the card will serve the best also during the time where he has nothing to pay for medical service.
	It improve the health of the people; These service help to improve the health condition of the person because he/she can get the medical at the any time he/she want.
	It is the source of government income; These help people to get more income because it employed people in order to participate for service rendered to the individual like doctors, accountant and others.
	This also shows that is explain the importance of the life insurance. I concluded that it was by the lack of education people in the Nigerian.

Extract 1.1 presents a response of the candidate who responded incorrectly to the question by describing on the importance of N.H.I.F to individual instead of importance of life insurance to individual.

Extract 1.2

1 (b)	<p>Procedures of life insurance policies are the principles that should be considered when registering to life insurance. The following are six of them:</p> <p>Utmost good faith by a client when providing or giving information to the insurance company (insurer) concerning his health. This principle or procedure requires an individual to present true information regarding his health and life at large.</p> <p>Proximate cause is another life insurance policy which states or identifies the risks one is insured with to life. An individual life may be terminated by diseases such as chronic diseases, accidents.</p> <p>Insurable interest is one of the procedures an individual should have when registering to insurance. Life insurance takes into consideration the life cycle of an individual. That is the way of life of an individual hence determine if the client values his/her life. A client registering to life insurance should value his life; that is not to expose him/her self to dangerous activities which may harm his life. For example smoking.</p> <p>Subrogation is one of the life insurance policy which states that the insured any benefit obtained from insured is the property of insurance company. For example: An individual can not claim for the equipment of insurer if he/she is compensated</p>
-------	--

Extract 1.2 is a sample of incorrect response extracted from the script of a candidate who responded on principles of insurance instead of the procedures. He/she described utmost good faith, proximate cause, insurable interest and subrogation.

However, most candidates whose performance was average in this question scored from 6 marks to 10 marks out of 20 allotted marks. In part (a), they had knowledge on insurance and managed to provide correct response to some items, they described at least two importance out four required, some mentioned the points with very brief explanations. In part (b) they managed to elaborate correctly at least three procedures out of six required. Most of them failed to explain correctly on cover note, policy and termination of the policy in this part.

The candidates with high marks in this question scored from 10.5 to 18 marks. In part (a) they were able to describe at least three points out of four required with examples. The importance described were “encourage saving, loan security, to provide funds for future purpose/ investment, to provide an immediate estate for the dependants of the policy holder”. Likewise candidates who performed well in part (b) managed to elaborate the procedures of life insurance as: “filling of proposal form, statistical basis of insurance, payment of premium, provision of cover note, provision of policy and termination of the policy”. Extract 1.3 and 1.4.illustrate the cases respectively.

Extract 1.3

1.1	<p>Life insurance is the kind of insurance policy where by a person is contributing sum certain of money to the common pool by paying premium and in return he will paid for back depending on the type of the life assurance. The following are the importance of life insurance to individual.</p> <p>It act as a means of saving such as endowment policy where by the assured will be paid/compensated her money at the end of stated period if he/she still survive.</p> <p>Enable the assured to secure loan from different sources because of the life insurance policy that he/she has and it act as ^{security}.</p> <p>It act as investment when the policy taken is with profits and the assured is assured to get back her/his money as long as he or she survive.</p>
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Extract 1.3 is a sample of candidates' good responses. The candidate managed to describe the importance of life insurance to individual such as it act as a means of saving, act as loan security and it act as investment.

Extract 1.4

1.B	<p>Life Insurance policy is the kind of insurance where by people who wishes to insure their life they contribute money to the common pool by paying premium. The following are the procedures of life insurance policies.</p> <p>Filling the application form to the insurance company is the first procedure where by a person has to disclose all her information concerning her/him.</p> <p>Health checkup where necessary has to be done to the assured so as to calculate the amount of premium to be paid because a premium will depend with the health condition of the assured and hence premium is calculated.</p> <p>Payment of premium by the assured to the assurer follows. The payment of premium depends on the type of life assurance taken.</p> <p>Provision of the cover note by the assurer to the assured follows as soon as the first premium is paid to the assurer by assured. Thirty days later the policy is provided to the assured by the insurer which states the term and agreements of the contract as well as condition of the insurance contract.</p> <p>Filling of the claim form by the assured or his/her beneficiaries after the end of time stated or death in case of whole life insurance.</p> <p>Payment of the money to the assured or her beneficiaries or her survivors by insurer</p>
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1.8	<p>Life Insurance policy is the kind of insurance where people who wish to insure their life they contribute money to the common pool by paying premium. The following are the procedures of life insurance policies.</p> <p>Filling the application form to the insurance company is the first procedure where by a person has to disclose all her information concerning her/him.</p> <p>Health checkup where necessary has to be done to the assured so as to calculate the amount of premium to be paid because a premium will depend with the health condition of the assured and hence premium is calculated.</p> <p>Payment of premium by the assured to the insurer follows. The payment of premium depends on the type of life assurance taken.</p> <p>Provision of the cover note by the insurer to the assured follows as soon as the first premium is paid to the insurer by assured. Thirty days later the policy is provided to the assured by the insurer which states the term and agreement of the contract as well as condition of the insurance contract.</p> <p>Filling of the claim form by the assured or his/her beneficiaries after the end of time stated or death in case of whole life assurance.</p> <p>Payment of the money to the assured or her beneficiaries or her survivors by insurer.</p>
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Extract 1.4 is the sample of the candidate's response which shows that the candidate understood the demands of the question and elaborated procedures of acquiring life insurance policies.

2.1.2 Question 2: Communication

The question had two parts (a) and (b). In part (a) candidates were required to describe six importance of communication in the development of Commerce while in part (b) candidates were required to outline the roles of internal communication in the organization.

The question was attempted by 532 (64%) candidates whereby 20.5 percent scored from 0 to 5.5 marks, 49 percent scored from 6 to 10 marks and 30.5 percent scored from 10.5 and 18 marks out of 20 allotted marks. Generally the performance in this question was good.

It was observed that the candidates who performed poorly in part (a) and (b) of the question scored from 0 to 5.5 marks. In part (a) they failed to relate communication system with the development of commerce, whereby others mentioned various points which did not answer the question such as “provision of employment, reduce movement of materials, development of other sectors, led to emergence of Electronic commerce, and introduction of telephone stimulate network”. The candidates with low performance in this part had knowledge on communication but they described few points, while others provided correct points with incorrect explanations. Some of these candidates lacked sufficient knowledge on the subtopic the development of commerce. Extract 2.1 is a sample of candidate with low scores.

Extract 2.1

- 2@
- ① Through communication buyer and seller make decision about price.
 - ② Through communication, producer have a divice of their product - from his/her customer/buyer.
 - ③ Through communication, a buyer can make payment to a producer, does not depend far away or near to.
 - ④ Through communication, a buyer can make order to a producer.
 - ⑤ Through communication, a buyer and producer can communica to about damage product.
 - ⑥ Through communication, price of product increase or decrease by stock held or product - supplied, to increase or decrease demand. When the product supplied for many quantity, ~~the~~ in the market, supplier can communicate to decrease material to be supplied in order to increase demand ~~or~~ or increase material in the market in order to decrease demand. Hence when demand increase also price ~~increase~~ increase, and vice versa.

Extract 2.1 presents a sample of the candidate with low performance. She/he was able to mention some points like placing order, conveys of complaints to producer on damaged product, facilitates payment and awareness of the market condition but failed to explain the points.

Some of the candidates did not understand the requirements of the question in part (b). They outlined irrelevant points like “type of language, type of communication, and channel of communication”. Other candidates mentioned and explained on various communication media hence they didn’t score any marks. Extract 2.2 shows a sample of a candidate who performed poorly in this part.

Extract 2.2

26	① Language, may be English, Swahili etc
	② Type of communication, may be telephone , letters, email, etc telephone or mouth to mouth etc.
	③ To follow protocol, leader protocol, it depend the reason of to communicate. Some reason would communicate to director, and some to communicate to operation manager etc.
	④

Extract 2.2 shows a sample of a response from a candidate who failed to provide correct answer to the question. The candidate failed to outline roles played by internal communication in the organization instead he/she wrote irrelevant points like language such as English and Swahili, letters email, telephone and mouth to mouth.

On the other hand, there were candidates who performed well by responding according to the instructions both in part (a) and (b) of this question and their scores ranged from 10.5 to 18 marks.

In part (a) some candidates managed to provide clear elaboration on the importance of communication in development of Commerce such as “good reputation, increases of sales, advertisement, placing of orders, improving quality of goods due to competition, money and time saving, customers to convey their complaints and link various market”. This shows that candidates had knowledge and skill on this topic and managed to relate the importance of communication in development of commerce. Extract 2.3 illustrates this case.

Extract 2.3

2a. Enables the customer to know the availability of goods. When producer produces goods, he will inform the customer on the availability of goods and the consumer will know where to get the goods produced and the ones they demand and this will avoid scarcity due to ignorance. Hence goods will move from the area of production to the areas of consumption.

Consumers will be able to place orders at distant areas. Due to communication consumers or customers will inform producers at distant areas and producers will be able to deliver the goods to the consumers without even seeing each other. So goods will move from the area of production to the areas of consumption.

Increases sales. Due to communication manufacturer will inform as many customers as possible and the market for their goods will widen. So goods will be moved to the areas of consumption from the areas of production due to awareness of consumers.

Good reputation to the public by the producers and manufacturers. Due to communication the producer and customer will develop a good relationship. For this reason the manufacturers will create a good reputation to the public. And so the flow of goods from the manufacturers will continue to reach the customers.

Manufacturers will be able to improve the quality of their products. Due to communication, customers will inform the manufacturers about the weaknesses of their products. So the producers

2a will be able to improve on the quality of their products and hence increasing sales.

These points are the importance of communication in development of commerce.

Extract 2.3 shows a good response from a candidate who scored high marks. The candidate managed to elaborate the importance of communication in development of commerce.

The candidates who performed well in part (b) were able to outline the roles and gave details on each role such as “better understanding, greater efficiency, effective coordination, to avoid loss, good

attempted by 327 (39.4%) candidates of which 6.1 percent scored a 0 mark, 57.8 percent scored from 0.5 to 5 marks, 35.5 scored from 5.5 to 10 marks and only 6.7 percent scored from 10.5 to 19.5 marks out of 20 allotted marks. The general performance in this question was average.

Candidates who scored poorly in part (a) and (b) of this question failed to meet the demands of the question and they scored from 0 to 5.5 marks. In part (a) some candidates misinterpreted the question and explained on the limitations of using various electrical equipment. Others explained the general limitations of electronic commerce for example “language barriers, illiteracy of the people, expensive, theft, they are located in towns, change in weather and number of process”. Some of the limitations explained were not correct. However, some of these candidates were able to mention only a single limitation without explanation which is an indication that they lacked sufficient knowledge on the sub topic Electronic commerce. Extract 3.1 illustrates the case of the candidates who explained on the limitations of using different electrical equipment in general.

Extract 3.1

30	Electronic commerce is a process of buying and selling goods and services through electronically. Electronic commerce mostly is done in developed country. for example of machine is automatic vending machine, these instrument used to buy or sell goods through coin operated machine. The following are limitations of electronic commerce.
	Cost. Electronic machine operated at high cost because there are very expensive in repairing and maintenance. Therefore there is high cost of operating this machine.
	Unemployment. Because we use electronic machine people become jobless. The use of computer can simplify work therefore people left idle.
	Moral decay. The use of computer in bad ways such as many youths use computer to watch pornography. The use of electronic machine destruct moral value in the society.

In extract 3.1 the candidate described on high cost of operation, unemployment and moral decay hence could not score any mark.

The candidates who failed to score any mark in part (b) of the question responded on the benefit of using sophisticated machines in production such as “increase in production, decrease in cost of production, employment opportunity and increase in quality of goods.” Others explained on the disadvantages of Electronic Commerce to customers such as “delay on deliverance of goods, increase of frauds and cheatings.” Moreover, some candidates wrote some benefits which were not related to the question such as “discrimination is reduced by reducing the gap between rich and poor people they can all buy from any country”. Extract 3.2 is a sample of irrelevant response of a candidate.

Extract 3.2

3b.	Explain benefits of Electronic commerce to customer
	Electronic commerce
	is the process of buying ^{and selling} goods and service through
	computer via internet. it where buyer and seller
	make contact on how to purchases and selling the goods
	Discrimination is reduced. Mean that In electronic
	commerce there is no discrimination like in other
	trade here there is equal between people. At there
	is no gap between poor and rich both may be
	buying at the same price which affordable by
	all people.

Extract 3.2 shows the response of the candidate who failed to address the demands of the question in this part. The candidate went astray by pointing out discrimination reduction as one of the benefits of Electronic Commerce.

However, some candidates who scored high marks in this question managed to elaborate correctly the limitations of Electronic Commerce while others elaborated at least three limitations out of four required in part (a) and explained six or at least five benefits of Electronic Commerce. The candidates who fall under this category scored from 10.5 to 19.5 marks.

The candidates who were able to score high mark in part (a) managed to elaborate the technical limitations of Electronic Commerce which were: “lack of sufficient systems security, insufficient telecommunication facilities such as internet facilities, rapid changes in software development, a need being felt for a special web and other infrastructure to provide accurate result and not suitable for perishable goods.” A sample of a good response from one of such candidate is shown in extract 3.3.

Extract 3.3

3.

Electronic commerce refers any form of business transaction or information exchange executed with the information and communication technology in dealing with business between a company and customer, company and supplier and company with the owner (shareholder). Electronic commerce is due to driving force such as Digital technology, improvement of direct marketing and economic unit. The following are the five technical limitations of the electronic commerce.

Lack of sufficient security system. The electronic commerce is faced with the problem of the proper security system since the security and communication model is not well protected. This limitation create some way for the people who commit crimes in the electronic network system.

Insufficient telecommunication facilities. Electronic commerce is faced with the limitation of the telecommunication facilities which are very important in the process of exchanging information. Email, phone, telephone, internet, computer are used to facilitate but there is inadequacy of them and they are not enough hence it cannot expand electronic commerce.

Rapid changes which are taking place in the software communication protocol. Due the advancement of the science and technology electronic commerce is change from day to day. These changes are effected by the technology so when it comes in matter of business people faces difficult since they are unable to use the new systems resulted from the change.

Electronic commerce and Internet integration are not up to the required standard. Electronic commerce

ere connection with the Internet is shut not up to
 the agreed standard that can facilitate the exchange
 of goods and services. The link is not linked
 up to the agreed standard so as to facilitate the
 business to take place
 A need is being felt in the present
 medium and infrastructure. ^{which is not developed} Electronic commerce
 involves the use of the special website that are
 normally used in the process of the business but
 the problem is all over that medium. And the infra-
 structure are not improved and developed in the website.
 Electronic Commerce is an important thing
 in the world of commerce since it facilitates the
 buying and selling of goods and services through
 the electronic systems.

Extract 3.3 is a sample of a candidate who was able to elaborate the
 technical limitations of Electronic Commerce such as lack of sufficient
 security system, insufficient telecommunication facilities and rapid
 changes on the software.

The candidates who performed well in part (b) were able to point out
 the benefits of Electronic Commerce to customers. They had enough
 knowledge and skills hence managed to relate the use of Electronic
 Commerce and its benefits to customers, probably because many
 businessmen perform their business through Electronic Commerce,
 so they applied such knowledge in answering the question as “24
 hours services, wide choice, quick information, discount, customers
 interaction and better customer services”.

Extract 3.4

6(b)	The following are the benefits of Electronic Commerce to customers;
	Twenty four hours services, by the use of Electronic devices the customer may be able to access and make transaction twenty four hours a day, since a person can in any time access the Internet and be able to get different information about the product and hence make orders.
	Wide choice, customer is provided with wide range of choice of goods and services since through Internet a customer can be able to inspect the terms and condition of different companies providing a particular product, therefore be in the position of choosing the product from the company providing reasonable terms and condition
	Reduce travelling, through Electronic system a customer can be able to make transaction and fill contract of sale at home by using his computer, through Internet. Therefore the customer has no need to travel from place to another to buy a commodity hence reducing travelling expenses

	Also Quick Information, Also through Electronic commerce a customer may be able to get quick information concerning the goods and services offered in the market, In this there is no need of making researches which may cost a customer but through Internet a customer gets quick information about the product.
	Furthermore, Electronic commerce enable interaction between customers, this is in the fact that customers may interact and share the ideas and experience of a particular product through the use of Electronic systems, hence this made a customer with confidence to buy a particular product.
	A customer also gets products at lower price, This is due to competition existing in the electronic market, that many firms are competing in capturing the Internet market and there may reduce the prices of their commodities in order to capture more market share i.e. more customers.
	Therefore, Electronic commerce has been of great help to the customer and play vital role on the development of commerce in the world, but the it limit the customer in the ways like no contact between buyer and seller, It is inconvenient when returning the goods -

Extract 3.4 shows a sample of a response from a script of a candidate who scored high marks. The candidate shows clear understanding of the question and managed to explain the benefits of Electronic Commerce to customers.

2.1.4 Question 4: Stock Exchange

The question had part (a) and (b). In part (a) candidates were required to describe five factors which influence prices of stock

exchange while part (b) the candidates were required to outline functions of stock exchange.

The question was attempted by 642 (77.3%) candidates of which 10.4 percent scored from 15.5 to 20 marks, 37.6 percent score from 10.5 to 15 marks, 38.5 percent scored from 5.5 to 10 marks while 14.5 percent scored from 0 to 5 marks out of 20 allotted. Generally the candidates' performance in this question was good.

In part (a) and (b) of this question candidates who performed well scored from 10.5 to 20 marks. In part (a) these candidates were able to describe factors which influence the prices of stock exchange which are: "the demand and supply, the dividend policy, political factors, trade activities, bank rate, inflation and deflation, overproduction and speculation". Among the factors that account for good performance in this part the fact that the topic is also taught in Accountancy. It was possible that candidates transferred knowledge from such subject. This is illustrated by the Extract 4.1.

Extract 4.1.

4(a)	Factor Influence price of stock Exchange.
	Stock Exchange is a place where shares, securities are bought and sold through the use of jobbers and Brokers who are allowed to participate in stock Exchange. Prices in stock exchange are market Price, Tape Price and street Price.
	Factors which Influence Prices of stock Exchange are as follows;
	Trade activities; It involves boom and depression where by during Boom Prices of stock Exchange tend to be high and during depression Prices tend to fall down. It's influenced by level of Investment and People's Income. Thus fluctuations in trade tend to influence prices.
	Demand and supply; When demand for a certain type of shares increases it leads to increase in its prices in the stock exchange and when supply of shares exceeds demand of that particular type of share it leads to fall in Prices of shares in the stock exchange.
	Director dividend Policy; If directors declare high dividends it leads to increase in Prices of shares in the stock exchange and when Directors declare low Dividend it leads to fall in Prices of share in the stock exchange.
	Political factor; If the country is Politically stable it leads to increase in Investment consequently high Prices of shares in the stock exchange and when a country is not Politically stable it leads to low Prices of shares in the stock exchange due to low Investment.
	Bank rate; If the rate provided by bank is high it leads to fall in Prices of shares in stock exchange and when bank rate is low it influences people to

4(a)	borrow and buy shares in stock exchange which will result in Increase in Prices of stock exchange.
	Therefore; In stock Exchange Prices tend to be influenced by various factors which may encourage or discourage saving and Investments.

Extract 4.1 is a sample of response from a candidate who managed to describe clearly the factors which affect the prices of Stock Exchange.

However, candidates with low scores in this question that is from 0 to 5 marks. In part (a) the candidates went astray by describing the factors that leads firms expansion such as “type of shares, public emphasis, adoption of modern science and technology, entrance of a new firm, social factors, international factors and the level of investment instead of the factors which influences the price of stock exchange. Others had misconception on the terms *stock* of goods and *stock* exchange hence they responded on the price of stock of merchandize and their answers were: “technology, nature of the product produced, size of the company’s capital and merger” which were all wrong because these are the factors used to determine the price of commodities. Some candidates in this category had ideas on the required points but they failed to present them in a correct way. Extract 4.2 present a sample of poor response in part (a).

Extract 4.2

4a.	Prices of stock exchange are the prices of securities traded in a stock exchange. The following are the factors of influencing prices of stock exchange.
	The demand of the saving. When many customers need to save the demand of securities will be high and the prices will increase but if customers do not need to save the demand won't demand the securities and prices will be

4a	for securities will be low and prices..
	Capital of the company. If the capital of the company is high the prices for securities will be high too but if it is low the prices of securities will be low.
	Number of quoted companies. When there are many companies selling securities prices will be low to encourage customers but when there are few quoted companies prices will be low.
	Levels of incomes. When people have high incomes they will have ability to save so the prices will be high since many people are demanding. But when the levels of incomes are low few people will be demanding and hence low prices.
	These are factors which influence prices of stock exchange.

Extract 4.2 is a sample of response of candidates who went astray by mentioning and explaining the factors which do not influence the price of Stock Exchange such as capital of the company, number of quoted companies, level of income and demand for saving.

On the other hand, those who performed poorly in part (b) of this question lacked knowledge on stock exchange and hence they provided irrelevant functions of stock exchange such as “advertisement, price determination, register of public companies, facilitate exchange rate, to provide rapid communication to buyers and creation of employment”. One candidate for example misinterpreted the question by pointing out the functions of stock exchange as changing of foreign currencies to local currencies. Extract 4.3 represent a sample of such responses in part (b).

Extract 4.3

4	
	b)
	Stock exchange is the process of exchanging currencies where by the local currency is changed in to foreign currency and foreign currency into local currency. The following are functions of Stock Exchange.
	Exchange of Currencies by determining the rates of exchange. This is where by the ^{local} currency currency is ex exchanged into Foreign currency and foreign currency into local currency. This can be done by determining the rates at which the local currency will be exchanged into foreign currency.
	Determine the value of the local currency compared to foreign currency. Through stock exchange the value of the country's currency will be able to be determined. This will help the country to take necessary steps if the value of its currency is falling so that it can increase.
	Promote International trade. By determining the rates of exchange then International trade becomes possible. Importation and Exportation will be possible since the currency can be exchanged into foreign currency which will enable people to import and investors will change their currency into local currency and be able to invest in the country.

Extract 4.3 shows a sample of a poor response from a script of a candidate who deviated from the demands of the question by pointing out “exchange of currencies, promote international trade, and determination of local currency compared to foreign currency” instead of outlining the functions of stock exchange.

2.1.5 Question 5: Transport

The question had two parts; part (a) and (b). In part (a) candidates were required to give five reasons as to why a system of mass production would be impossible without an efficient transport system while in part (b) candidates were required to describe five factors which limit the growth of air transport in Tanzania.

The question was attempted by 447 (53.8%) candidates of which 6 percent scored from 15 to 19.5 marks, 40.8 percent scored from 10.5 to 15 marks, 33.1 percent scored from 6 to 10 marks while 21.1

percent scored from 0 to 5 out of 20 allotted marks. The general performance in this question was good.

46.8 percent of the candidate who attempted this question scored above 10 marks out of 20 marks whereas in part (a) candidates who scored high marks had enough knowledge and skills on the tested subtopic and they were able to explain the impact of efficient transport system to mass production. They provided the relevant points such as “widen market, stabilisation of price, avoidance of wastage of resources, availability of labour, spread/transfer of technology, promoting agriculture and movement of other factors of production”. Extract 5.1 shows a sample of a good response.

Extract 5.1

5 a)	<p>Transport system refers to the general infrastructure which facilitate movement of goods and services and people from one area to another.</p> <p>Below are the importance of efficient transport system to mass production;</p> <p>Continuity of production; Through transport, it tend to assure continuity of production as they move goods produced to where it is needed for consumption which facilitate continuity of production.</p> <p>Acquiring of resource inputs; Through transport, it enable a producer to acquire inputs which are necessary during production process for mass production. Eg: raw materials, labour e.t.c</p> <p>Transferring of technology; Through transport, it enable a producer to be in a position to transfer technology which can be used during production process for attainment of mass production.</p> <p>Widen market size; Through transport, it enable a producer to widen his/her market size of his firm which results into increasement of turnover into the business.</p> <p>Avoid wastage of resource; Through efficient transport system, it tend to avoid wastage of resource in the production, by transferring from where it is abundance to where it is needed for further processing.</p> <p>Therefore, efficient transport system is inevitable towards a system of mass production as I explained above.</p>
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Extract 5.1 shows a sample of response from a candidates who was able to address the demands of the question and provided rellevant points such as widen market, continuity of production, avoidance of wastage of resources, availability of resource capital and transfer of technology.

Candidates who scored high marks in part (b) managed to describe the factors which limit the growth of air transport in Tanzania such as high cost of operation, lack of skilled manpower, shortage of capital, low earning from domestic citizens and low technology. Extract 5.2 is a sample of a response from a candidate with good response.

Extract 5.2

Q.5b/	<p>Transport is the movement of goods and services from one place to another place, that may be land, air, water transport. The following, The air transport is the movement of goods and services through aeroplanes on air, the way is free that is non-man made. The following are the factors which limits the growth of air transport</p> <p>Shortage of capital that the capital initially for the establishment is high so the country can't afford such transport due to the shortage of capital</p> <p>High cost of operation and maintenance; that also of cost involve in maintenance of planes and the air ports which is very difficult to met by the country</p> <p>Shortage of personnel; the skilled labours needed for the employment are not enough in the country, that is pilot, engineers that become very difficult to expand this air transport</p> <p>Few customers within the country can afford this kind of transport since it is expensive to the market is low, this lead to limitation of expansion of that air transport in the country since the majority cannot afford.</p> <p>Poor technology. There is poor technology to have efficient transport system in the country since of the technology depend outside the aid so difficult in growth of air transport</p> <p>Therefore air transport is very important since it fast mode of transport, so the government have to allocate its resources to expand this mode of transport</p>
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Extract 5.2 is a sample of a good response of a candidate with high scores who was able to describe the factors which limits the growth of air transport in Tanzania.

On the other hand, candidates who performed poorly in this question scored from 0 to 5 marks both in part (a) and (b). Some candidates who scored low marks in part (a) mentioned the factors to be considered when choosing the types of transport such as nature of the goods, speed and terminal. Others explained on the impact of the absence of an efficient transport system in production such as discourage investment, increase in costs of production, discourage marketing of some products, it discourage production

and availability of labour which were contrary to the demands of the question. In part (b) of the question they provided wrong answers such as “corruption, increase in population, and road transport”. Some of them mentioned only a single point out of five required. One among candidates wrote irrelevant points about environmental conservation such as “placing posters along the area, employing expertise, provision of education, creation of strict laws, and pollution” which were contrary to the demands of the question. Extract 5.3 and 5.4 illustrate the cases in part (a) and (b) respectively.

Extract 5.3

5a)	Five reasons as to why a system of mass production will be impossible without an efficient transport system are:
	Poor infrastructure, in this there will be no good system of mass production due to un-reachable and un-distribution of goods and service due to lack of transport facilities so producer can't expand his/her production.
	Nature of goods, in some times there are some kind of goods which will have to deliver to consumer and consumer without be kept for long time such goods like perishable goods which cannot operate for long periods of time, due to poor transport we can't transfer such product.
	Location, in this some time may be difficult to transport goods from one place to another due poor system of transport so this will hinder the process of mass production which lead to decline in production due shortage of goods in that area, so producer may forced to produce low level of goods & services.

Extract 5.3 the candidate failed to relate efficient transport system with mass production instead he/she wrote irrelevant points like nature of goods which is the factor to be considered in choosing means of transport.

Extract 5.4

5(6) pollution is the additional of waste material to the environment which are harmful to plant or animals or the surrounding. example of pollution air pollution, water pollution, land pollution. they are ways in which pollution can be reduced: creation of strict laws which will help in regulating the people from polluting the environment, that means for any person found polluting the environment should have a fee to pay. ~~Pro~~ Provision of education relating to the environment will help people to be able to conserve and to love the environment, education should be provided in seminars and in different schools, and in mass media. Employing expertise in conserving the environment, where the towns and other place are maintain clean through out the day. Diplomats should train people on how the environment is conserved so as the can teach other people. placing posters along the area example roads, schools, hospital so as it can remain an individual on the importance and it will reduce the pollution. By concluding pollution should be controlled so as we can have a healthy community for better development.

Extract 5.4 is a sample of a response of a candidate who went astray. The candidate narrated on the ways to control environmental pollution instead of describing the factors which limit the growth of air transport in Tanzania.

2.1.6 Question 6: Advertising

The question had two parts, part (a) and (b). In part (a) candidates were required to explain five elements of promotion mix while part (b) of this question candidates were required describe six argument against advertisement.

The question was attempted by 549 (66.1 %) candidates of which 9.5 percent scored from 15.5 to 19 marks, 49.7 percent scored from 10.5 to 15 marks, 30.4 percent scored from 6 to 10 marks and 10.4 percent scored from 0 to 5.5 marks out of 20 allotted marks. These data indicates that the performance for this question was good.

The candidates who performed well both in part (a) and (b) scored from 10.5 to 19 marks. Those who performed well in part (a) had adequate knowledge and skill on advertisement because they were able to mention and explain the elements of promotion mix such as personal selling, sales promotion, advertising, publicity, public relation, and customer care.

The candidates who performed well in part (b) managed to describe the argument against advertisement such as: “to encourage the use of harmful products, the use of scarce resources, increase in price, it brings temptation to customers to live beyond their means and persuade customers to buy things which they do not real want”. The candidates who scored high marks were able to describe five argument out of six required. Good performance in this part is contributed probably by many people being familiar with advertisements which appear in different advertising media so it becomes easy for the public to observe their shortcomings. Extract 6.1 shows the sample of a good response in part (a) and extract 6.2 presents a sample of good response in part (b).

Extract 6.1

Q.	<p>a) Promotion mix: this are tools of promotion which uses both personal and non-personal systems to inform, persuade or remind the buyers of an organization. The elements of promotion tools are explained as follows:</p> <p>Personal selling: this is one tool of promotion which uses face to face presentation of the goods and services to the person public. Personal selling involves the use of sales man who they presents the organization products in direct contact to the customer explaining the uses of such goods and telling them on the quality of goods.</p> <p>Sales promotion; this is another tool of promotion that uses the sales meeting with the desired publicity. Sales promotion involves the use of techniques such as free gifts, free goods, price deductions, After sale services, All these are done so as to fetch more customers.</p> <p>Publicity: It is another form of promotional tools that uses non-personal informing the people about the availability of goods or certain services. publicity involves the use of printed materials such as poster, painted displays and other means which may tell the public about the availability, uses and quality of a product.</p> <p>Advertising: is a non-personal device through which the consumers are informed about the availability of the goods and services in the market. Advertising can be classified into informative advertising, persuasive advertising, reminder advertising and institutional advertising.</p> <p>In generally Promotion mix involves of stated tools above.</p>
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Extract 6.1 shows a sample of a response of the candidate who had adequate knowledge on topic of advertisement. The candidate managed to explain the elements of promotion mix such as advertising, publicity, sales promotion, and personal selling.

Extract 6.2

6. b) Advertisement: Is the device through which the consumers are informed about the availability of goods and services in the market. The following are the arguments against advertisements;

It is expensive: Advertising prices need a lot of funds for it to operate and succeed. Example, funds for paying the advertising agencies, Advertising media, so due to this advertising prices need a lot of funds that other firms can not afford. Example in Television, the costs are very high.

It increases the costs of production: Advertising increases the cost of production of goods as its expenses are included in the business costs which may later lead to the increases in the prices of the goods and services offered.

It can lead to the emergence of monopoly: Advertising can lead to the rise of monopoly due to the fact that it leads to competition. Due to competition the firms will be required to employ more resources in advertising a thing that some firms can not afford leading their collapse and hence rise in monopoly.

It can lead to the consumption of unnecessary products: Advertising can lead people to use the products which are not essential for them but its just because they have seen them being advertised in the media. Goods such as cigarettes, beers.

It may lead to the wastage of resources: When there is cut throat competition between the firms producing similar products, those firms tend to use a lot of resources in order to win the market. This leads to wastage of resources since these resources they could even be used for further increase in production of goods.

6(b)	It can mislead the consumer choice and promote the undesirable behaviours: Advertisements can mislead the choice of consumer and make them buy goods of low quality just because they have seen such goods being advertised. Also advertisement can promote undesirable behaviours such as alcoholism, prostitution where some advertisements encourage people to drink more beer and some assures people of the safe sex, example the advertisement for condoms.
	Advertisements can lead to many disadvantages such as misleading consumer, promotion of the undesirable behaviour and promotion of the monopoly.

In Extract 6.2 the candidate managed to give the arguments against advertisement. This is an indicator that the candidate had sufficient knowledge on the subject matter.

However, the candidates with low scores in this question scored from 0 to 5.5 marks. In part (a) they misinterpreted the two concepts: promotion mix and marketing mix while some based their explanations on the methods of sales promotion such as the use of free sample, window display and gifts, other candidates wrote irrelevant points such as “message, money, media, transportation, communication and measurement” this indicated that they did not have sufficient knowledge on advertisement. Extract 6.3 shows the sample of a poor response.

Extract 6.3

i	Production is one of the elements of promotion mix which a manufacture uses to satisfy the need of customers
ii	Pricing is another elements of promotion mix where by the organisation puts up reasonable price so as to satisfy the need of customers
iii	Place is the distribution of goods or product produced from area of manufacture to areas of demand (consumption)
iv	Promotion is the last element of promotion mix where by the producer lowers the price so as to persuade or encourage customer to purchase the product

In extract 6.3 a candidate misinterpreted the question. He/she explained about marketing mix instead of promotion mix. Also the mentioned point 'production' is not an element of marketing mix.

In part (b) of this question, some candidates failed to argue against advertisement and they provided wrong answers like "age group, wrong means of advertisement, language used and picture cause the city dirty". Other candidates pointed the factors to be considered when making advertisement. Another category of candidates explained on "interruption of mass media and low quality of the product". The point of interruption of mass media is a weak point and also it is not correct that advertisement provide low quality to the products or services because advertisement leads to competition

which result into high quality of goods and services. Extract 6.4 illustrates the case.

Extract 6.4

6.	5/
	Advertisement is a form of non-personal communication used in the various media by the business firm, non-profit making organization and other individuals who hope to inform and persuade members of a particular audience on the advertising message. Advertisement can be in form of magazine, radio, television, Radio advertising. The following are the arguments against advertisement.
	Advertisement provides low quality product. Some advertisement advertise the products that have low quality in use. The public is in need of the best and superior quality product. Customers will buy a product due to the advertising of the low quality.
	Advertisement Interrupt programme in the television, Radio. Many advertisement tend to interrupt the programme in the mass media. This can cause the disturbance to the people when they are watching or listening very important issues like news, money, etc.

Extract 6.4 shows a sample of poor response presented by one of the candidates. This candidate explained on the interruption on mass media and low quality of the products which did not answer the question.

2.1.7 Question 7: Banking

The question had part (a) and (b). In part (a) candidates were required to elaborate five advantages of using a cheque as means of payments and part (b) candidates were required to explain five services offered to commercial banks by the Central Bank of Tanzania.

This question was attempted by 614 (73.9%) candidates of which 16.8 percent scored from 15.5 to 20 marks, 52.4 percent scored from 10.5 to 15 marks, 26.1 percent scored from 6 to 10 marks and 4.7 percent scored from 0.5 to 5.5 marks out of 20 allotted. The general performance in this question was good.

The candidates who performed well in this question their scores ranged from 10.5 to 20 marks. In part (a) candidates who scored high marks were able to elaborate the advantages of using a cheque as a means of payment such as: “safety, evidence of payment, act as a receipt, convenient, it can be endorsed, provides records of payment, and it reduce the burden of carrying bulk cash”. Candidates who performed well in part (b) managed to explain services offered to commercial banks by the Central Bank of Tanzania. They provided clear elaborations, good mastery of English language and well organized flow of ideas. The points explained are “lending money in terms of loans, control and regulating operations of commercial banks, act as clearing house, provision of commercial advice to commercial banks, accepting deposits from commercial banks and rediscounting the bills of exchange of commercial banks”. It is likely that the good performance in this part is due to the fact that the topic is also taught in other subjects such as Economics. Extract 7.1 and 7.2 respectively show the samples of good responses in part (a) and (b).

Extract 7.1

7.A:	<p>Cheque is a banking facility offered by commercial bank to its customers who owns current account. A cheque is an order from the account holder to his bank to pay a certain sum stated money on it to the name indicated on the cheque or to bearer. The following are the advantages of using cheque as a means of payments.</p> <p>It is a safe means of payments since it is portable and easy to carry and in case of closed cheque it is most safe because the money is paid to the person mentioned to a specific bank and hence become more safe.</p> <p>It is convenient means of payments and hence avoid the issue of theft or robbery since it is not in cash form and it is paid to a person holding it as well as stated in it and hence no theft and easy to handle it.</p> <p>It acts as a receipt in settling of debt and hence it is one of the source documents during the preparation of financial statements at the end of accounting period to the businessman.</p> <p>It reduce the burden of carrying large/lump sum of money since it is only a small document that carries the title of a lot of money and hence it is advantageous to the user.</p> <p>It avoid physical movement of transferring money from one person to another since the cheque is used to transfer money from one person bank account to the other.</p>
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Extract 7.1 shows a sample of a response from the script of the candidates who responded well. The candidate had good flow of ideas and correct points on the advantages of using a cheque as means of payment.

Extract 7.2

7.B.	Central bank of Tanzania it is the government institution established to control and regulate the function of central commercial banks. Commercial banks are the banks that perform different banking function such as accepting deposit, mobilizing saving as well as offering financial advice to their customers. The following are the services offered to commercial banks by central bank of Tanzania.
	Lending money to the commercial banks in term of short term or long term borrowing is one of the central bank service to the commercial bank.
	Offering an account with the central bank is one of the service of the central bank to commercial bank because every commercial bank must have an account with the central bank.
	Controlling and regulating the function of commercial bank is one of the service that central bank offer to the commercial bank so as to stabilize the country's economy.
	Acting as clearing house is also a function of the central bank to commercial bank in case of any disputes among the commercial banks or any transfer of cheque of one commercial bank to the other.
	Provision of Advice to the commercial bank concerning financial and economic matters is one of the service that the central bank offer to the commercial bank.

Extract 7.2 present a sample of a candidate who managed to explain the services offered by a Central Bank of Tanzania to Commercial banks.

On the other hand, candidates with low mark their scores ranging from 0.5 to 5.5 marks. In part (a) they provided irrelevant responses to the question such as cheque “reduces efficiency of the bank facilitates and maintain good relationship with businessman, gives assurance of legality of money and it saves time for importer and exporters through commercial activities”. Other candidates failed to address the question and therefore narrated on the points like “knowing the transaction between invoice and receiver, make the exhibit, knowledge of liability and purchase, balancing of data and remove of obstacles of one person to another” which are irrelevant to the question.

Likewise in part (b) candidates who performed poorly managed to mention only some functions of Central Bank to Commercial Banks while some candidates mentioned and explained some general functions of a Central Bank of Tanzania. Extract 7.3 presents the sample of a response of a candidate who wrote irrelevant points in part (a) of the question and extract 7.4 shows a sample of a candidate who provided wrong answers by giving some of the general functions of Central Bank as response in part (b).

Extract 7.3

	<u>Knowing transaction between invoice and receiver:</u>
	This cheque help the sender and producer about all total profit are equal or not equal.
	<u>Make the exhibit:</u>
	Sometime appear the difference arguments from debit transaction to the credit, but cheque if show how the commodities will be on transaction of data.
	<u>Knowledgelement of liability and purchase:</u>
	Cheque also is the most improvement of all asset during inquiry or liable notes.
	<u>Balancing of data:</u>
	is help to make balance of data of during transaction of data.
	<u>Remove of abstracte of one person to another:</u>
	Some time debit note or credit not show the error of transaction but cheque if show the equal data between one invoice to another.

Extract 7.3 candidate failed to understand the demands of the question and he/she mentioned points like remove obstacles of one person to another, balancing of data, knowledge of liability and purchase which were irrelevant to the question.

Extract 7.4

7	<p>b). Commercial banks, are the banks which are owned by private businessman, joint stock company or shareholders for the sake of maximizing a profit. Example National Bank of Commerce (NBC).</p> <p>Central bank is the bank which is established by government to control and monitor all activities of government as well to control the economy of the country. Example Bank of Tanzania (BOT).</p> <p>The followings are the services provided by central bank to commercial bank</p> <p>Issue of currency; This is the services provide by central bank to offer commercial bank. Since they print the money after every period of time, in considering the supply of money to be to demand value of money. This money can be deposited in commercial banks and start its circulation.</p> <p>Banker of the government; Therefore central bank control all activities of the government, together with the payment of ministries which is then sent to commercial bank wait for either withdrawal. This task is the services offered to commercial banks by central bank.</p> <p>Adviser of the government; This also is the services provided by central bank to commercial bank. They advice government on various matters of financial cases, This services is reduced for commercial banks and hence being done by central bank.</p>
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Extract 7.4 is a sample of poor response of a candidate who explained some general services of Central Bank of Tanzania like issue of currency, banker of the government and adviser of the government instead of being specific to commercial bank.

2.1.8 Question 8: Wholesale Trade

The question had two parts (a) and (b). In part (a) the candidates were required to explain five advantages of branding for trade mark to the manufacturer and part (b) they were required to give five roles played by the wholesaler to the retailer.

This question was attempted by 701 (84.4 %) out of which 10.7 percent scored from 15.5 to 20 marks, 57.9 percent scored from 10.5 to 15 marks, 27 percent scored from 6 to 10 marks, and 4.4 percent scored from 0 to 5.5 marks. The overall performance in this question was good.

The candidates who performed well in this question scored from 10.5 to 20 marks in part (a) and (b). Those who performed well in part (a) understood the meaning of branding and trade mark and related the advantages of branding for trade to the manufacturer. They managed to explain the advantages of branding for trade mark to the manufacturer such as: “individuality of the product, reduce distribution expenses, control the price of products, quality protection, wide market, increase of sales and manufacturer and customers keep in touch”. Candidates had added advantage in this part because branding is taught in wholesale trade and marketing topics. Extract 8.1 (a) shows a sample of a candidate who responded well in this part.

Extract 8.1

8 b	
a)	<p>Branding is the term, symbol, design or combination of them which identify the product of one or seller or group of seller and differentiate from those of competing products. Branding can be pronounced or not pronounced. The following are the advantages of branding for trade mark to the manufacturer:</p> <p>Reduces the cost of advertising, since the product is branded it is easier to be identified by the customer and hence the cost of advertising has been reduced.</p> <p>Individuality of a product of a manufacturer is established. Due to branding the individuality of a product is established and a manufacturer can be able to obtain maximum exposure.</p> <p>Manufacturer can directly control prices of his or her products. Due to branding manufacturer will sell his products to customers on retail selling price where by no any trader can change price except manufacturer only.</p> <p>Reduces expenses in distribution of the product. Branding will reduce expenses in distribution of the product because the product is well known to the users. So there is no need to use many middlemen.</p> <p>Branding enables manufacturer to have direct contact with customers which will help manufacturer to know the needs of the customers.</p> <p>Therefore those above are the advantages of branding for trade mark to the manufacturer.</p>

Extract 8.1 is a sample of a good response. The candidate explained the advantages of branding for trade mark to manufacturer.

The candidates who scored high marks in part (b) managed to give five roles played by the wholesaler to the retailer. They pointed out the advantages with brief explanations such as “provision of credit facilities, provision of transport facilities, offer variety of goods,

provision of storage facilities, provide information about the product held, selling goods at affordable quantity and offer discounts to retailers". Some of them did not score full marks because they were able to give four points out of five required while others failed to provide coherent details to some points mentioned. Extract 8.2 represent a sample of a good response.

Extract 8.2

8 b)	
	Wholesaler is the person who is a trader dealing with wholesaling activities. Wholesaler buy goods directly from manufacturer and sell directly to retailers at a reasonable quantity. Retailer is the trader who buys goods from wholesaler at a reasonable quantity and sell directly to the final consumers. The following are the roles of wholesalers to the retailer;
	Provision of credit facilities, a wholesaler provides credit facilities to the retailer in buying the goods in order to ensure that retailer is financed.
	Provision of transport facilities, a wholesaler sometimes provide transport facilities to retailer. This relieves a burden of transportation cost by a retailer.
	Offer varieties of goods, a retailer can be able to acquire varieties of goods from wholesaler. A wholesalers buys goods from different manufacturers in order to ensure that retailers are satisfied.
	Provision of the useful information, wholesaler play this role by ensuring that retailer obtain useful information about market situation, product of a particular manufacturer and qualities of the product.
	Provision of storage facilities, wholesaler play this role to the retailer ensuring that goods are stored in a safe place and can be dispatched to the retailer at any time on demand. This enables a retailer to obtain supply throughout the year.
	Generally these are the roles played by the wholesaler to the retailer.

Extract 8.2 is a sample of a good response where the candidate managed to mention and explain the roles of wholesaler to retailer.

The candidates who performed poorly in this question both in part (a) and (b) their scores ranged from 0 to 5.5 marks.

Analysis of their responses shows that the candidates who did not perform well in part (a) lacked knowledge on branding for trade mark and also did not understand the question because they provided points which were not related to the demands of the question such as “it act as financial collateral, it help for the selling of claims, government should handle to provide credit facilities and grants”. These points did not even relate to the examined topic. Moreover, some candidates explained the advantages of branding to customers instead of explaining the advantages of branding of trade mark to the manufacturer. Extract 8.3 represents a sample of response from one candidate who failed to identify the demands of the question.

Extract 8.3

s	Branding is the process of being
	packed the products with words which show
	full of the products once on the production
	until to the selling process. Due to
	that the branding for trade mark bring
	some advantages there are;
	It show the date for the
	expired. The date for the expired is
	shown, when it's made and at what
	day is going to be expired;
	with its company, so it can be either
	in symbol or in any form.
	It show the ingredients of product.
	Some products, the materials which are
	used to make it for the other peoples
	is harmful to them and is going to
	give problems for their health condition.
	Example. Milk for the childrens on its
	cover all things and gradients are shown
	on well condition.
	It show the date for the
	expired. The date for the expired is
	shown, when it's made and at what
	day is going to be expired;
	It show place it's made. The
	place where the product is made is
	shown in order when there is need to

Extract 8.3 represent a sample of response of a candidate who went astray to the demands of the question. His/her response based on the advantages of banding for trade mark to the consumer instead of the advantages to manufacturer. Also one point was written twice.

The candidates who performed poorly in part (b) failed to explain the functions of the wholesaler to the retailer instead they mentioned the general functions of the wholesaler with wrong explanations. Moreover other candidates mentioned only one function played by the wholesaler to the retailers. This indicates that candidates lacked knowledge and skills on the function of the wholesaler to a specified group like retailers and customers. Extract 8.4 present a sample of poor response.

Extract 8.4

sh	Wholesaler is the type of
	an agent who buy goods on bulky and
	selling them to the retailers on small
	quantity. The whole sater play some roles
	to the retailer, these roles are;
	Buying the products. The wholesaler
	buy the products in bulky and make them
	in small quantity for being ready to
	be used to the other process of
	production
	Assembling. After buying these
	products with the same sample are
	assemble together and keep on the part
	of the boxes for other procedure.
	Storing. While they are in
	process of selling the goods are kept
	in the ware house until they are
	needed to the consumer in which
	will bring them to good condition
	without being destroyed.
	Financing. On the warehouse
	before going to the market the goods
	are kept the price while are in
	warehouse and the price should be
	on the condition of the demand
	and supply.
	Selling the products. Now after
	completing the whole process the goods are
	going to be sold to the market
	if it's needed an advertisement can
	be done in order to increase the
	sales volume to the products.

Extract 8.4 is a sample of a response from a candidate who failed to address the demands of the question. The candidate mentioned some of the general functions of a wholesaler with incorrect explanations.

2.2 Paper 2

2.2.1 Question 1: Business Units

This question had part (a) and (b). In part (a) candidates were required to explain five features of Co-operatives while in part (b) they were required to describe five demerits that sole proprietorship suffers.

The question was compulsory and it was attempted by 823 (99%) candidates out of which 14.2 percent scored from 15.5 to 19 marks, 48.4 percent scored from 10.5 to 15 marks, 35.6 percent scored from 6 to 10 marks and 1.8 percent scored from 0 to 5.5 marks out of 20 allotted. Generally, the performance in this question was good.

The candidates who performed well in this question scored from 10.5 to 19 marks. In part (a) candidates were able to explain correctly most of five features of Co-operatives. The features include: “surplus, formation, limited liability, a separate entity, perpetual life (continuity), share capital, it is run by a management committee, equal rights, fixed rate of interest on capital, service motive and governed by-laws”. Extract 1.1 shows a sample of a candidate who scored high marks in this part.

Extract 1.1

Qn:1 a) Co-operatives these are autonomous units formed by members with similar interest with the main objective of reaching a particular goal. Types of co-operatives are consumer co-operative societies, saving and credit co-operative society and producer co-operative society.

Features of co-operatives are as follows:

Autonomous and Independent, These units are self-governed and are not dependent to any other unit. Thus co-operative societies are not under the influence of any other unit they are independent on their own self.

Self Owned by members, co-operative is not under the government it is owned by the members forming it the member can be the consumers or producers and not any one else from the public.

Co-operatives are democratic in nature that is one man one vote each member has the right to vote but the voting power of the member is restricted to one vote despite the position held by the members.

Also co-operatives are open and voluntary in the sense that each member is allowed to enter the co-operative and also each member is allowed to leave the co-operative for the case when any member wants to withdrawal (no member is forced to join or leave the co-operative).

They are formed under the co-operative act with the main aim of offering

a services to their members, each unit in business is formed under its own act, co-operative is formed under the co-operative act and follows all the laws under it.

To sum up co-operative has many features and contain the following values self help, self responsibility, Equity, Equality, democracy. It also contains principle of Education and training, democratic principle, Open and Voluntary principle and Autonomous principle.

Extract 1.1 represents a sample of a candidate response who got three points correctly as shown in paragraph (i, ii, and v) out of five required on the features of Co-operatives.

Likewise, most of the candidates who performed well in part (b) of this question managed to meet the requirements of the question by describing demerits that a sole proprietorship suffers such as: "unlimited liability, limited capital, the owner is overworked, lack of continuity, bearing of all risks by him/herself, lack of business profession, wrong decision making and diseconomies of large scale". Extract 1.2 present a sample of a good response.

Extract 1.2

b	Demerits of the sole proprietorship
	Sole proprietor is the person who has a sole authority in the business, he runs and acquires acquires the responsibilities of the business himself; he These business is sometimes known as sole trader.
	Sole proprietorship face the following demerits:
	Uncertainly continuity: sole proprietorship has uncertainly end because incase of the death of the sole trade then even the business will end.
	Unlimited liability: due to the type of liability they have sole proprietor incase of debts of the business he has to take his personal properties to replace so as to meet the debts
	He is overworked: since he organize all the business activities himself then the sole proprietor gets tired so much since he does alot of work especially when in the business himself.
	He suffers the losses himself: unlike other business forms where losses are shared the sole trader suffers himself his debts.
	He can't expand his business: unlike other business form since sole trader is the sole organizer can't have even new ideas to formal expand his business; only the idea he had on conceiving the business will be implemented and no more.

Extract 1.2 is a sample of a response from a candidate who performed well. The candidate managed to describe the demerits that sole proprietorship suffers correctly.

A total of 15 (1.8%) candidates performed poorly in part (a) and (b) of this question they scored from 0 to 5.5 marks. In part (a) they failed to explain features of Co-operative. Some of them explained the functions of Co-operative unions like *provision of transport facility, centralized purchase of farmers' tools and provide education to its members*. Other candidates responded on the question by giving the services offered by Co-operatives unions such as "co-ordination of transport, training of members, centralizes

purchase of farmers' equipment and provide expert". Likewise, other candidates explained on the functions of marketing board instead of features of Co-operatives. Furthermore, other candidates listed down advantages of partnership/companies such as to: "increase capital, share loss and share knowledge". Above all, some candidates did not attempt this part of the question. Extract 1.3 shows a sample of a candidate who provided wrong answer.

Extract 1.3

1 a)	Features of Co-operatives:
	Co-operatives are body of persons
	that join together for the aim of making profit
	The co-operatives have the following
	features:-
	Open voluntary membership: the
	co-operatives do not force people to join or to
	become members but their just open for any
	one who wishes to join them.
	Non-transferable of shares: in
	the co-operatives shares can't be transferred
	unless there is consent of other members.

Extract 1.3 is a sample of a poor response from a candidate who provided irrelevant responses. The candidate explained the principles of Co-operatives instead of explaining on the features of Co-operatives.

On the other hand, candidates who scored low marks in part (b) failed to interpret the question and described the merits a sole proprietorship benefit instead of the demerits that a sole proprietorship suffers. Others candidates explained about scales of production such as "small scale production and its disadvantages for example high cost of operation and low quality of output". However, some of the candidate mentioned the demerits without providing explanation. Extract 1.4 shows a sample of poor responses from one among the candidate.

Extract.1.4

1b Sole proprietorship this is the types of business which are one person. Control the own firms and earn profit or loss. The following are: demerits that Sole proprietorship suffer.

Efficiency Sole proprietorship are: Control the all business at the high efficient of work. because is organar and owner of the firm and work alone.

Quick decision making it provide quick decision because is work alone especially how to produce, where to produce, for whom to produce. at the quick time and to start the business at the ~~impusment~~ right place.

Employment opportunity sometime Sole proprietorship provide employment to the family people. this enable member of the family to gain from the sole trader.

Direct Contract from the customer. It mean Sole trader it received direct contract from the consumer. this is help to esca easily to exchange of to control the weakness occur in the quick level.

Low cost of supervision and administrat of the business because the firm is small is not need large supervision because alway owner is available in the firm. because is the sale and control alone

Extract 1.4 illustrate one of the incorrect response from the candidate. The candidate explained on merits instead of demerits of sole proprietorship in a poor grammar.

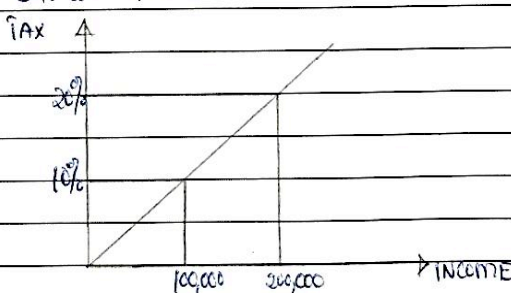
2.2.2 Question 2: Taxation

The question had two parts (a) and (b). In part (a) candidates were required to explain briefly the commercial terms which were: Value Added tax, Direct tax, Indirect tax and Progressive tax while in part (b) candidates were required to explain six reasons as to why taxes should be imposed to an individuals and firms.

This question was attempted by 823 (99%) candidates of which 53.1 percent scored from 15.5 to 20 marks out of 20 allotted marks, 42.5 percent scored from 10.5 to 15 marks, 3.9 percent scored from 6 to 10 marks while 0.5 percent scored from 4.5 to 5.5 marks. No candidates scored a zero mark from this question. The overall performance in this question was good.

The candidates with good performance in this question scored from 10.5 to 20 marks out of the 20 allotted marks (95.9%). In part (a), most of the candidates scored higher marks because they were able to explain briefly on the terms given and provided some examples. The good performance in this part is probably due to the fact that the topic taxation is taught in Commerce and Economics so it is possible for the candidates to transfer knowledge from other subject. Candidates who performed well in part (b) had sufficient knowledge on taxation and therefore managed to explain the reasons for taxes being imposed to individuals and firms such as “raising of government fund, reduce income inequality, discourage consumption of harmful goods, reduce deficit in balance of payment, economic stability and to encourage investment/protection of domestic industries”. Extract 2.1 and 2.2 show the samples of good responses from part (a) and (b) respectively.

Extract 2.1

2(a)(i)	Value added tax: Is the tax which is charged or imposed at each stage of production of goods and services and on value added at each stage. Value added tax is charged in taxable supplies which are good that are exchanged for the furtherance of trade. Value added is obtained by removing input tax (Purchase tax) from output tax (Sales tax) that is (Output tax - Input tax)
(ii)	Direct tax; Is the tax which imposed or charged on incomes or wealth of individual and firms. For example Corporation tax and Pay as you earn (PAYE). The impact and burden of tax is on the same person under direct tax.
(iii)	Indirect tax; Is the tax which imposed on goods and services. For instance value added tax (VAT). Indirect tax are regressive in nature because the lower income earner will be taxed more compared to higher income earners. For example VAT value added tax is unfair because all good and services are treated equally.
(iv)	Progressive tax; Is the system of taxation where the percentage of tax increases as income increases; that is there is positive relationship between tax and income
	 <p>From the graph; At the income level of 100,000/= the percentage of tax is 10% as income level increases to 200,000/= then the percentage of tax increases to 20%</p>

Extract 2.1 is a sample of a candidate's response who managed to explain the term Value added tax, Direct tax, Indirect tax and Progressive tax correctly with examples.

Extract 2.2

2b)	<p>Tax is the compulsory payment by individuals and firms to the government so as to raise revenue for various government expenditures.</p> <p>The followings are reasons as to why individual and firms should pay tax.</p> <p>To raise government revenue; taxes are imposed to individuals and firms so as to raise government revenues necessary for various expenditures such as to finance various development project in the country like constructions of roads, schools and hospitals.</p> <p>To stabilize the economy; taxes are imposed on firms and individuals so as to stabilize the economy; that is to remove economic instabilities such as inflation. When there is inflation the government increase direct tax which reduce purchasing power of the people hence inflation leads to reduction in price and inflation is ^{will be} removed.</p> <p>To discourage production and consumption of harmful product, the government impose taxes on individuals and firms so as to discourage production and consumption because if firms who are producers of these harmful products are taxed then it will be disincentive for them to continue producing and when individual who are consumer of these harmful products are taxed the consumption will be reduced as products will become more expensive.</p> <p>To reduce income inequalities; income inequalities means gap between higher income earners and low income earners. Therefore in order to reduce the gap income should be redistributed and tax is one among ways of redistributing income as it enable the government to obtain revenues which enable it to provide services to the people especially those with low income. Thus if tax is not imposed it could be difficult for the government to reduce income gap.</p>
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To protect domestic industries; for the sake of protecting domestic industries the government should impose taxes to the individual and firms for instance import duties which makes the imports expensive than the domestic products as the result domestic demands for domestic products will rise and the domestic industries will be protected.

To correct Balance of payment deficit; taxes are imposed to the firms and individual so as to correct the balance of payment deficit tax imposed on import discourages importation hence Balance of payment equilibrium.

Extract 2.2 present a sample of one of the good candidates' responses. The candidate was able to explain the correctly the reasons for imposing taxes to individual and firms.

On the other hand, candidates with poor performance are those whose scores ranged from 4.5 to 5.5 marks. In part (a) they failed to differentiate the term direct tax and indirect tax. Consequently they mixed up the descriptions of the two terms, the explanations for direct tax had been placed to indirect tax and the vice versa. Other candidates provided the explanations on direct tax which focused on income tax only and ignored about the properties owned by individuals or companies. Furthermore, some candidates explained direct tax as tax import and export duties and indirect tax as tax on imported goods. In progressive tax they narrated on regressive tax which is not correct and others explained it as “the combination of direct and indirect tax”. This shows that they had insufficient knowledge and skills on taxation. Extract 2.3 illustrates the case.

Extract 2.3

- 2 A. (i) Is the taxes which imposed to finish goods, like sugar, cooking oil, Super Sembe, etc.
- (ii) Is the taxes which impose to commodity which transfer across border, between more than one countries.
- (iii) Indirect taxes, is the taxes which imposed to commodity/commo Commodities from abroad./imp-ortation goods.
- (iv) Is the taxes which consists direct tax and ~~ind~~ indirect tax.

Extract 2.3 represent a sample of a candidate with a poor response. The candidate explained direct tax and indirect tax as forms of indirect tax instead of providing brief explanation on the terms, and explained progressive as it is formed by direct and indirect tax.

Likewise, candidates who scored low marks in part (b) failed to provide correct reasons for imposing taxes to individuals and firms. Some of them explained on how government spend its income such as "road construction, it helps government in planning, paying of employees, increase in production while other candidates explained on disadvantage of imposing tax to individuals such as discourage workers, and create enemy". Extract 2.4 present a sample of poor response.

Extract 2.4

Ans (b)	Reduction of market exploitation such as
	rise of monopolies whereby profits are highly taxed
	so as to reduce the capital for expansion of
	the firm.
	To stimulate enterprising of various
	economic activities whereby one should stop depending
	on ^{one} source of income for and engage in other
	productive sectors so as to increase income channels.
	Despite there are benefits of taxing both
	individuals and firms, taxes tend to impose a greater
	risk of dis-incentive to work.

Extract 2.4 is a sample of poor response from a candidate. The candidate explained the disadvantages instead reasons of imposing tax to individuals and firms.

2.2.3 Question 3: Business Office

The question had part (a) and (b). In part (a) candidates were required to explain five factors which influence the choice of filing system whereas in part (b) they were required to elaborate five equipment found in mail room.

This question was attempted by 303 (36.5%) candidates of which 13.5 percent scored 10.5 to 18 marks, 54.8 percent scored from 6 to 10 marks, 29.7 percent scored from 1 to 5.5 marks and 2 percent scored a 0 mark out of 20 allotted marks. Generally the performance in this question was good.

The candidates who performed well in this question they scored from 10.5 to 18 marks out of 20 allotted marks. Candidates who performed well in part (a) understood the question and managed to explain factors influencing the choice of filing system and they pointed out some examples. They explained factors such as:

“number of files and documents to be retained, cost, simplicity of filing, expansion and capacity to accommodate new files, the uses of files, easy for reference and the nature of correspondence of documents”. Extract 3.1 represent a sample of good response.

Extract 3.1

Q3.	<p>Filing is the process of keeping documents within the files, shelves for the protection. filing is important because it preserve the office document for the evidence, comparison purpose. different system may be used like geographical, numerical, chronological for the keeping of documents. The following are the choice which influence the choice of filing system:</p> <p>The number of files (documents) is the documents, that are filed are too many that means the will be on need of system that allows alot of files to be kept but when the files are few then the filing system that for a small files will be suitable.</p> <p>The cost, also cost involved in maintaining the file system may be the factor that influence that if the cost is too high then the amount or the equivalent files then less of it will be need if the cost is low then is suitable for the few files.</p> <p>The uses of files) sometimes the documents that have been in the file are mostly needed for the cross checking and reference, then this case the filing system will be needed that is easy for cross-reference, but if the document are not highly needed any system can be used.</p> <p>Simplicity of the filing system, if the filing system is simple and easy to understand on how to deal with it even for the new employees then the system is mostly suitable and choice of it is very widely, but when the choice is difficult</p>
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Q3a)	Then the choice is very narrowed, so numerical system may seem to be difficult than geographical, then geographical filing system will be more chosen.
	Expansion; also this may affect the choice of filing system, since if the filing system doesn't allow the future expansion while the expansion will occur then the choice of it will be very low than the system which allows expansion at the future.

Extract 3.1 shows a sample of good of the correct answer where the candidate was able to explain the factors which influence the choice of filing system.

In part (b) candidates with high scores managed to elaborate some of the equipment found in mailing room such as: “staple machine, punching machine, franking machine, a date stamp record, shredding machine, letter opener, and letter/ parcel scale”. Extract 3.2 shows a sample of a candidate with high score.

Extract 3.2

3(b)	<p>Office equipments are the devices which are used in the business office so as to simplify work and done accurately and efficiently. In business there many department like accounts department, pressing department and other more departments.</p> <p>In mail room there many equipments which are found. Some of them are</p> <p>Stamp machine, is a machine which put a stamp on the letter before being posted to the post. So this machine also has put the date on that stamp to show that that letter was made on what date.</p> <p>Punching machine, is also equipment which found in the mail room. This is for making holes to letters which are to be filed in the folders for preserving them and future references. This is machines which is very important.</p> <p>Franking machine, is also the machine in mail room which is also in writing or printing and send information letters. This machine is one which have efficient to producing a letters.</p> <p>Stapler machine, is also equipment found in the mail room. It is one which contain pins and responsible on binding or collecting them letter at once by split stapling them. So this is one which make a letter to be collected at a some thing which will be required at together.</p> <p>Another machine is printing machine or printer. This is equipment which is found in the mail room, it is one which print letters and deliver them so as can be send to another business organization or office.</p>
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Extract 3.2 the candidate managed to provide clear elaboration on equipment found in mailing room such as stamps date machine, franking machine, stapler machine and punching machine.

A total of 96 (31.7%) candidates performed poorly and their scores ranged from 0 to 5.5 marks. In part (a) they misinterpreted the question by explaining types of files such as box files flat files, and others explained on temporary files and permanent files, while other

candidates explained on the items which relates to conditions necessary for a good files office such as “workers, shelves/cabinets, care and security, and adequate space”. Extract 3.3 shows a sample of poor responses.

Extract 3.3

3	a)	Filing is the proper or way on which different records are kept well in different filing equipment and how files and other filling equipment are kept or arranged in the office. The following are factors which influence the choice of filing system;
		The available records or documents. How are the records arranged, how are they important, are they intems of papers or hard documents. Through this different information the filing officer will be capable of determining on how to choose an appropriate filing system.
		The available space of the floor; the place the for the shelves ready for filing. The filing system should not take a very long large area of the floor but a conducive area should be left for movement among people from one place to the other.
		To conclude filing system can be ventical or horizontal filing system and has the features of compactness, simplicity, accurate and convenient to acquire but well understood to all officers of the firm.

Extract 3.3 is a sample of a candidates’ response who had misinterpreted the question. This candidate on one hand explained on items necessary for filing example documents to be filed and on the other hand explained on the factors to be considered in establishment of an office.

In part (b) most of the candidates did not perform well because they elaborated the necessary business office equipment like “computers, printers, furniture” instead of equipment found in mailing room. Other candidates mentioned some items found in post office like ‘postal boxes, stamps, and envelopes’. In addition, other candidates elaborated the equipment found at the bank office by mentioning “computers, coins counting equipment, notes counting machine and other irrelevant points like cheque signing machine and cheques writing equipment”. Extract 3.4 presents a sample of poor response.

Extract 3.4

8/b). Mail room are the special room where by the mail address are stored. # In this room the following are the equipments found:

Telephone: It is an instrument which is used to facilitate the communication between different person in an organization.

Postal boxes: These are boxes addresses of the peoples within an organization and others who have open their addresses and paid for charges.

Furnitures: These are the equipment which facilitate the other equipment example Chair, table which are used to keep the computer and Telephone safe at all time.

Extract 3.4 presents a sample of a response from a candidate who provided irrelevant points to the question by explaining on some items which are probably found in postal office.

2.2.4 Question 4: Contract of Sales

The question had two parts (a) and (b). In part (a) candidates were required to evaluate six circumstances which a contract of sale of goods may be discharged and in part (b) candidates were required to examine four legal rights of the buyer of goods.

This question was attempted by 485 (58.4%) candidates out of which 11.3 percent scored from 15.5 to 20 marks, 50.6 percent scored from 10.5 to 15 marks, 29.9 percent scored from 6 to 10 marks while 8.2 percent scored from 0 to 5.5 marks out of 20 allotted marks. The general performance in this question was good.

A total of 300 (61.9%) candidates who attempted this question scored from 10.5 to 20 marks. In part (a) of this question they understood the question and had knowledge and skills on contract of sales of goods. Also they were able to evaluate the circumstances which the contract of sales of goods may be discharged which are discharge by “performance, breach, agreement, lapse of time, frustration, merger and estoppels and material alteration”. Some of them were able to evaluate at least four out six points required.

In part (b) most of the candidates were able to mention and explain the circumstances for the discharge of a contract of sale of goods. Circumstances examined by this group of candidates were to “reject the goods, be informed by the seller on the goods dispatched, repudiate the contract, examine the goods, sue the seller for damages for breach, sue the seller for recovery of the price and have delivery of the goods as per contract”. This is an indication that most candidates had adequate knowledge on the tested topic. Extract 4.1 and 4.2 show the sample of candidates who responded well in part (a) and (b) respectively.

Extract 4.1

4a	<p>Agreement also a contract of sale of goods can be discharged by agreement between offer and acceptor, if they agree that when this condition breached we are going to repudiate our contract. Then a contract of sale will be discharged. For example A and B before enter into contract they agreed that if you will fail to deliver a car within two days we discharge our contract of sale. Then if happen that A fail to deliver a car within a time of two days a contract will be discharged.</p> <p>Frustration, A contract of sale of goods can be discharged due to frustration which exist and it is beyond the control of offer and acceptor that is buyer and seller. For example Doctor agree to sale ten looms to some who live at Nairobi, but soon after enter into contract in motherland of Doctor happen that there is political instabilities and civil war due to this contract of sale may be discharged.</p> <p>Lapse of time, Also contract of sale may be discharged by passage of time. If for instance A agree to sell to C one hundred bottle of clothes in five months and time of five months pass then A and C will discharge their contract due to lapse of time.</p> <p>Merse and estoppel, Also contract of sale may be discharged due to substitution of contract with a most better one. For example A and B enter into contract to sell to D company twenty little of milk every day. It happen that A and B want to change a business and start to supply onion they will discharge contract in order to change the business.</p> <p>Breach, contract of sale may be discharged due to breach of a contract of sale. Breach of contract of sale happen when one part fail to fulfill its obligation. For instance A and B enter into contract of sale, A agree to sell to B Mercedes benz which are white but A deliver to B Mercedes benz which are black. B may write to accept a goods which leads to discharge of contract.</p>
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Extract 4.1 is a sample of a candidate's response who performed well. He/she was able to evaluate circumstances which a contract of sale of goods may discharge.

Extract 4.2

40	Contract of sale is a contract where seller agree to sell or sale goods to buyer at a certain ^{money} consideration known as price. or Contract of sale is a contract where by sell agree to transfer or transfer goods to buyer at a ^{money} giving consideration known as price. Buyer is accept of offer of seller. Buyer has the following legal rights
	To reject the goods buyers have a right to reject the goods delivered by seller, In case if seller deliver the goods of poor quality which is out of contract. Example if A offer to sell a Ford which is white and is benz but B but A deliver a white car but lorry, B has legal right to reject the car due to breach of condition.
	To require a seller to compensate him for damage, As a buyer has legal right to require for seller to pay a damage for example if Doctor agree and enter to contract to supply ten bolt of maize to David but Doctor deliver to David nine maize bolt and a half of bolt of maize. David can require doctor to pay for damage of half bolt of maize.
	To examine goods before accept, Buyer has legal right to examine the goods before he or she accept them from seller. For example if Mary agree to supply to Jack a car due to description given by Mary, and Mary deliver a car to Jack, Jack has legal right to examine the goods and before accepting it, soon after being satisfied with quality of car Jack can accept it to do so he can refuse the car.
	Right to sue a seller, Buyer has legal right to sue a seller for breach of condition or contract. For example if A agrees to sell two blue cars to B and B agree an offer but A deliver only one blue car still he has been paid. B has a legal right to sue A for breach of contract.

Extract 4.2 shows a sample of a candidate's response who scored high marks. The candidate managed to examine the legal right of the buyer in a contract of sale of goods.

On the other hand, candidates who performed poorly in this question scored 0 to 5.5 marks had the following problems: in part (a) they failed to answer this part correctly because they lacked skills on the contract of sale and copied commercial terms from the question paper (question 2). Others misinterpreted the question and pointed out circumstances for which the contract of sale of goods may be discharged as a place where the contract of sale may be discharged for instance; “it can be discharged at restaurant, marketing, government, on the departure area and private sectors”. Also some candidates responded on the circumstances under which the partnership can be dissolved like “bankrupt, death of a partner and conducting of illegal business” instead of evaluating the circumstances under which a contract of sale may be discharged. Extract 4.2 shows a sample of a candidate who had no ideas on a contract of sale of goods.

Extract 4.3

4A.	(i) vat (value added tax)
	(ii) indirect tax
	(iii) direct tax
	(iv) cost of transfer
	(v)

Extract 4.3 shows a sample of incorrect answer extracted from the script of the candidate who scored zero mark. The candidate copied item (i) to (iii) from question two instead of evaluating the circumstances under which a contract of sale of goods may be discharged.

On the other hand, candidates who scored low marks in part (b) confused the term a buyer and a buyer in a contract of sale. They failed to differentiate the buyer who is not in a contract of sale and

the one in a contract of sale. These candidates responded on a buyer who is not on a contract of sale as “the buyer has the right to ask for advice from the seller before buying the goods, the right to buy the goods at the quantity he/she demands, the right to ask for the price, the right of bargaining and the right to pay on instalments”. Moreover, other candidates narrated the factors to be considered in packing of the commodities such as “type of commodities and nature of the commodities”. Extract 4.4 shows a sample of poor response.

Extract 4.4

4(B)	(i) Trade mark: It is Shows the name or Symbol of producer, for example Trade mark of Azam cola, 7 Tunga Cement, masati Chapa ya Simba, Rhino cement etc
	(ii) Types of commodity: eg. Is acement, a Sugar, or cooking oil.
	(iii) Parking of commodity
	(iv) Nature of commodity.

Extract 4.4 shows one of the candidate's incorrect responses. He/she mentioned the factor to be considered in packing of commodities instead of examining the legal rights of the buyer in a contract of sale.

2.2.5 Question 5: Organisation and Management.

The question had two parts (a) and (b). In part (a) candidates were required to describe three forms of managerial planning while in

part (b) they were required to evaluate seven functions of human resource manager.

The question was attempted by 48 (5.8%) of all candidates of which 8.3 percent scored a 0 mark, 33.4 percent scored from 1 to 5 marks, 41.6 percent scored from 6 to 10 marks and 16.7 percent scored from 11 to 13 marks out of 20 allotted. The overall performance in this question was good.

Candidates who performed poorly in this question scored from 0 to 5 marks which is equivalent to (41.7%) of all the candidates who attempted it. In part (a) they failed to understand the demands of the question by pointing out the stages of production which are “primary production, secondary production and tertiary production” hence answered the question as “primary managerial planning, secondary managerial planning and tertiary managerial planning”. Others responded by writing “high level managerial planning, middle level managerial planning and lower level probably they thought of different levels of management found in an organisation instead of describing the forms of managerial planning as strategic planning, tactical planning and contingency planning. Extract 5.1 is a sample of candidate who failed to describe forms of managerial planning and wrote irrelevant points which related to planning but meaningless to what were required by the question.

On the other hand, candidates who scored low marks in part (b) explained the functions of management such as “planning, organising, controlling, directing, coordinating and reporting” instead of functions of a human resource manager.

Extract 5.1

Q5 Three form of managerial planning are:-

i) Office planning:

Office planning is the plan which show the all work on the direction order.

Therefore office plan are many thing to plan eg arrange the order, plan the work, arrangement of workers etc

ii) Business planning:

This the plan where by all the responsibility of the business are taken.

business plan can categories for some many part, public sector, company, etc.

So that this plan are function and responsible for all part of business

Public and private plane:

This is the plan which are function on the business activities

On the public planning is concern with the high level of government which include the secretary, office, etc.

While private plan it deal with the private sector eg school, industry, company etc

On the all plan is the form of managerial planning.

Extract 5.1 is one of the irrelevant responses. The candidate failed to describe forms of managerial planning instead he/she wrote irrelevant points like "office planning, business planning and public and private plane".

However, 41.6 percent of candidates performed moderately since their scores ranged from 6 to 10 marks. The candidates in this category were able to mention some forms of managerial planning without clear descriptions and they were also able to evaluate at least three functions of human resource manager.

Moreover, a total of 8 (16.7%) of the candidates who attempted this question performed relatively well because they scored from 11 to 13 marks. They were able to describe some forms of managerial planning correctly such as “strategic planning, tactical planning, and contingency planning” while others were able to mention the forms but they failed to provide clear explanation to some forms. Extract 5.2 shows a sample of the response of the candidate who scored high marks.

Extract 5.2

5a)	Managerial planning can be defined as the establishment of objectives and the way to fulfill the intended objectives at the specific period of time. The three forms of Managerial planning can be explained as:
	Establishment of objectives and target, the planning must have objectives that have to be fulfilled example of objective in a management is to earn maximum profit, hence target the ways how can that profit be earned example increasing of production that is a target hence Managerial planning must have objectives and target
	Co-ordination and consistency, planning in management coordinate various sector in order to make sure that both sectors are developed in a management and this latter planning must also have consistency which will make sure that there are available resources for the plan
	Appraising the plan, by appraising the management now evaluate the worthiness and importance of the plan in order to make sure that the intended objective made by the Management are well fulfilled and if the plan has worthiness the management establish other plan as their main aim is to make profit

Extract 5.2 shows a sample of a relatively good response from a candidate who performed well. This candidate managed to describe the forms of managerial planning though it contains some grammatical mistakes.

In part (b) most of the candidates managed to evaluate five out of seven required functions of human resource manager. They pointed out the following functions “planning, recruitment, selection, training and development, employees and executive remuneration, performance appraisal and evaluation, labour relations and welfare, safety and health”. Extract 5.3 present a sample of a candidate with high performance.

Extract 5.3

5b	Recruitment of workers, here the human resource manager have to search for employees, this is done through advertising the availability of the work to people hence recruitment can be done Internally or externally
	Selection and replacement, after receiving various applications hence the human resource manager have to select the qualified workers and place them to their right position of work.
	Training workers, human resource manager has to train the workers (new employees) of what is supposed to be done, how to do the work and establishment of the objectives intended to be fulfilled in a certain work.
	Appraising the work done, after training the workers a human resource manager have to do evaluation of the work done if it is good job or not hence evaluation of work is the main function of human resource manager
	Remuneration, after evaluation of the work for employees and make sure that the job intended to be done is good, a human resource manager gives wages (salary) to workers and make sure that all workers are paid.
	Motivating, work also a human resource manager should provide incentives to employees in order to motivate them in increasing their labour productivity.
	Hence therefore a human resource Manager in an organisation is very important as he/she help in dealings with employees

Extract 5.3 represent a candidate’s relatively good response. The candidate was able to evaluate the functions of human resource manager such as selection and replacement, training, appraisal and valuation and motivation.

2.2.6 Question 6: Export Trade.

The question was divided into part (a) and (b). In part (a) candidates were required to analyse five principal methods used by Tanzanian merchants and manufacturers to obtain orders from abroad while in part (b) candidates were required to elaborate five problems facing Tanzania Exporters.

This question was attempted by 467 (56.2%) candidates of which 4.1 percent scored from 15.5 to 18 marks, 30.8 percent scored from 10 to 15 marks, 44.8 percent scored 6 to 10 marks, 17.3 percent scored from 1 to 5.5 marks while 3 percent scored a 0 mark out of 20 allotted marks. Generally the performance in this question was good.

The candidates who performed well in this question scored from 10.5 marks to 19 marks. In part (a) they were able to analyse the principal methods used by Tanzania merchants and manufacturers to obtain orders from abroad. They also used the required necessary key words, good mastery of English Language and good flow of ideas. Some of these candidates were able to analyse on the following methods: “trade fairs and exhibition, chamber of commerce, direct communication, advertisement, visits of foreign buyers, foreign embassies, and visiting of websites”. Extract 6.1 is a sample of good response.

Extract t 6.1

6.a	Merchants are businessmen or traders involved in international trade such as there is import merchant and export merchants. Manufacturers are traders businessmen who change the forms of raw materials to finished goods. The following are the ways in which Merchants and Manufacturers obtain orders from abroad. Trade fairs and exhibitions which are conducted nationally or internationally is where merchants and Manufacturers can obtain orders from abroad since such exhibition variety of goods commodities are displayed which enable
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6a	<p>Foreign buyers to place orders to the merchants or Manufacturers. Foreexample Nane Nane exhibitions and Saba Saba exhibitions.</p> <p>Through trade journals also manufacturers and merchants can obtain orders from abroad in which they prepare different trade journals such as magazine which help foreign consumers to place their orders. Foreexample in trade journals is where they show varieties of commodities and their fixed prices.</p> <p>Foreign embassies and also Tanzania embassy embassies in different countries also may act as a source of orders from abroad in which foreigners may place their orders in Tanzania embassies located in their countries or sometimes place orders through their embassies situated in Tanzania hence act as a source of orders from abroad.</p> <p>embassy embassies in different countries also may act as a source of orders from abroad in which foreigners may place their orders in Tanzania embassies located in their countries or sometimes place orders through their embassies situated in Tanzania hence act as a source of orders from abroad.</p> <p>Trade delegates also may act as a source of foreign orders such that trade delegates who visit Tanzania or those from Tanzania visiting other countries may come up with orders from abroad in which they direct such orders to merchants and Manufacturers in Tanzania hence delegates act as a source of order.</p>
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Extract 6.1 represent a sample of a good candidate's response. She/he managed to analyse the principal methods used by Tanzania merchants and manufacturers to obtain orders from abroad such as foreign embassies, trade fairs and exhibition and trade delegates.

On the other hand, the candidates who performed poorly in this question they scored from 0 to 5.5 marks. In part (a) they went astray by treating methods and procedures to mean the same, hence elaborated on import procedures instead of the principal methods, they lacked knowledge on the topic of export trade. Also, some candidates with low marks responded on the organizations that can be used to assist buying goods from abroad such as “ministry of trade and industries, board of external trade and trade associations”. Extract 6.2 shows a sample of poor response

Extract 6.2

6 a)	The followings are the principal methods used by Tanzania Merchants and Manufacturers to obtain orders from abroad,
	Inquiry and quotation, this are documents which can be used in the first stage of obtains order from abroad, They send an Inquiry to ask for the product we produce and we (Tanzania) answer them by using quotation, Also
	Indent, After inquiry and quotation, the second stage is indent to ask for licence, after indent what follow is
	Obtain of licence this means that for the business can take place because we (Tanzania) already have the licence to conduct the exportation of the goods not only this but also.
	Preparing of letter of credit, After being authorized, After given licence to start the business what follow is to prepare letter of credit, and then:
	Obtain letter of credit, After being authorized, After given licence wh to start the business, what follows is to get letter of credit, and then
	Preparing other document, After receiving of letter of credit now we (Tanzania) are preparing other document which can be used in the transaction of the product's example of the document are such as Bill of lading.

Extract 6.2 is a sample of a candidate's irrelevant response. She/he explained the procedures to buy goods abroad instead of the principal methods used by Tanzanian merchants and manufacturers to obtain orders from abroad.

In part (b) candidates who performed poorly elaborated the problems facing local producers and traders instead of elaborating the problems facing Tanzanian exporters such as “lack of fund, unskilled personnel, poor policies and strategies, low demand of the products, low quality of the products low level of technology and lack of market”. The problems facing Tanzania exporters are: traffic barriers, distance, language difference, customs regulation, risks in transit, frequent market change and documentation. Extract 6.3 shows a sample of poor responses.

Extract 6.3

6b)	The followings are the problems facing Tanzania exporters;
	low quality of goods produced, this is one of the product problem, exporters produce low quality goods that is the goods/products which can not compete in the world market, Also;
	Poor govern
	Lack of Government support, this also is among the problem of exporters this is happen due to the Lack of government support exsample provided on incientive, not only this but also
	Lack of fund, Most of Tanzanian Exporters are lack of fund (money/capital in order to control the business and make it obtain profit hence it is the problem to exporters,
	Poor knowledge, Tanzanian Exporters are lack of knowledge that is why they can not produce quality products in order to fight the market, not only poor knowledge but also;

Extract 6.3 is a sample of a candidate's irrelevant response. The candidate failed to elaborate the problems facing Tanzanian exporters rather he/she elaborated on the problems facing home producer/traders in Tanzania.

2.2.7 Question 7: Import Trade.

The question had two parts, part (a) and (b). In part (a) candidates were required to describe five procedures adopted by importer when purchasing goods from abroad and part (b) candidates were required to explain five causes of balance of payments equilibrium.

The question was attempted by 514 (61.9%) of which 7.8 percent scored from 15.5 to 20 marks out of 20 allotted, 28.8 percent scored from 10.5 to 15 marks, 38.5 percent scored from 6 to 10 marks, and 25.1 percent scored from 0 to 5.5 marks out of 20 marks. Generally the performance in this question was good.

Candidates with good performance in this question were 188 (36.6%). Their scores ranged from 10.5 to 20 marks. In Part (a) they understood the demands of the question and were able to provide correct responses to the question with some examples. These candidates managed to describe the procedures sequentially as required such as: “obtaining the licence and quota, foreign exchange, indent for supply of goods, letter of credit, procuring advice note and documentary bill, and clearing of goods”. Some candidates described correctly at least four procedures.

The candidates who performed well in part (b) of the question were able to explain the causes of balance of payment disequilibrium which are “unfavourable balance of trade, fall in demand for a country’s exports, appreciation of foreign currency, differences in the price of imports and the price of exports, increase in demand for imports and natural calamities Extract 7.1 and 7.2 respectively show the samples of good responses for part (a) and (b).

Extract 7.1

7(a) **Importer** : Is the person who buy - or purchase goods from abroad. Or a person who import goods or commodity from abroad.

The following are the procedures adopted by importer when purchasing goods from abroad.

Obtaining licence and quota : Means that for any goods which are imported from abroad must have a licence, it means an importer must obtain a licence and quota when needs to import goods from abroad.

Obtaining foreign exchange currency : A foreign exchange currency, is the value of money of the export country, It means an importer must obtain a foreign currency so that he can be able to - make transaction when goods have been ordered.

Placing of an order : Means that - after importer obtain a foreign exchange currency, now can send order or indent to a country that want to buy or - purchase goods, an importer can either use an agent by giving full information about the goods that he want.

Dispatching letter of credit : A letter of credit is a document which is - issued by issuing bank or importer bank to correspondence bank or exporter bank which act as a proof or evidence.

7(a)	that the goods that imported can be able to pay, it means it show a credit - worthiness of the importer.
	Procurement of advice note ' An advice note, is a document was which shows the time at which goods will reach to its destination, the ship name of the the ships. It means after letter of credit sent to exporter, now a exporter sent an advice note
	All of the above are the procedures adopted by importer when purchasing goods from abroad.

Extract 7.1 represent a sample of a candidate good response. This candidate managed to describe the procedures adopted by importers when purchasing goods from abroad clearly.

Extract 7.2

7. b) Balance of payment disequilibrium; This is when the payment of a country to abroad is greater than receipts of a country from abroad. Balance of payment involve the difference between receipts of a country from abroad and payment of a country to abroad.

The following are the causes of balance of payment disequilibrium which are:

Increase in demand for import; This is one of the cause of disequilibrium in balance of payment, when the import or expenditure on the import increase lead to more payment to abroad which lead to the disequilibrium in balance of payment because payment to abroad is greater than receipts from abroad.

Decrease in export; Also disequilibrium in balance of payment can be caused by decrease in export in the country which reduce amount of revenue that the country may receive from abroad and hence lead to the disequilibrium in balance of payment.

Unfavourable term of trade; when there unfavourable term of trade in the country also leads to balance of payment disequilibrium because the price of import is greater than price of exports so that more payment will go to abroad.

Unfavourable climatic condition; Also when there is unfavourable climatic condition lead to disequilibrium in balance of payment because unfavourable climatic or weather condition discourage the economic activities such as agricultural

7	b) activities while agriculture is a backbone to the economy of the most less developed country.
	Devaluation policy; when the country adopt devaluation policy which lead to the increase of export and reducing of import lead to the disequilibrium in balance of payment because the import tend to be expensive so that affect importation of necessities commodities.
	However disequilibrium in balance of payment can be solved through increasing or promotion of export, decrease expenditure on the import, increase production and so on.

Extract 7.2 is a sample of a candidate good response. This candidate managed to explain the causes of balance of payment disequilibrium such as devaluation policy, increased demand for imports and decrease in demand for a country's exports.

On the other hand, a total of 129 (25.1%) candidates who attempted this question performed poorly, as they scored from 0 to 5.5 marks. In part (a) of the question they failed to describe the procedures in sequential order. But others understood the question differently because they explained the formalities of receiving the goods such as "prepare means of payment of debts, preparation of transport, to make arrangement of loading of goods and transfer them to the warehouse". Extract 7.3 shows a sample of a poor response.

Extract 7.3

7@	Import:- this is the process of buying goods from abroad. that there are procedures which is done by the importers when they want to purchase goods from abroad.
	The following are the procedures which is adopted when purchasing goods from abroad.
	An indent, this is the first procedure when the importers want to purchase the goods from abroad that the indent should be followed to an exporter in order to purchase the goods from abroad.
	A bill of lading, this also is the one of the procedures when they want to transport the products to the owner the bill of lading is the process of using the ship for transporting goods to the owner this also will be followed by the importer.
	Shipping Note, this also is the procedures which must be followed by the importers when they want to purchase the commodities from the board this shipping note is shown by the owner of the ship to the importer of the goods from abroad.

Extract 7.3 represent a sample of poor responses from a candidate who failed to identify the demands of the question. The candidate's points focused on the documents used in international trade instead of the procedures adopted by importer when buying goods from abroad.

In part (b) they failed to explain the causes of balance of payment disequilibrium instead they explained on the methods to control imports like total ban, fixing import quotas and imposing heavy tax on imports. Some candidates related the question with accountancy subject because they provided points like wrong data on

transactions, lack of accountants, debit and credit note probably they interpreted the question as to why financial statements failed to balance. Extract 74 shows a sample of poor response from a candidate who understood the requirements of the question but failed to provide correct answer.

Extract 7.4

Exporters are the people who sell goods overseas over country. In Tanzania exporters are faced with the following problems:

Lack of Government Support. In this case the government have not set a clear policy to support exporters in which this tend to discourage them. This is mainly due to the tax imposed on the local producers which sometimes is higher than those of importers.

Lack of ready market for the product produced. In this case many producers are faced with this problem because after producing instead of find the market the run to the market with the product and tend to stay for a long time in the market.

Lack of cooperative union among exporters. The main aim of cooperative union is to buy, sell and find market for the product produced. Therefore exporters could have cooperative union which will help them to find market for their product and to remove the problem of ready market.

Extract 7.4 shows a sample of a candidate response from who scored low marks, the candidate's explanations based on the problems facing local producers in selling their produce instead of the causes of balance of payment disequilibrium.

2.2.8 Question 8: Marketing.

The question had part (a) and (b). In part (a) candidates were required to describe the market as classified on the basis of

geographical area and in part (b) they were required to elaborate five roles of Marketing Board in Tanzania.

The question was attempted by 617 (74.2%) candidates of which 7.8 percent scored from 15.5 to 20 marks, 28.6 percent scored from 10.5 to 15 marks, 38.5 percent scored from 6 to 10 marks while 25.1 percent scored from 0 to 5.5 marks out of 20 allotted marks. The general performance in this question was good.

Candidates who performed well in this question scored from 10.5 to 20 marks. In part (a) they had knowledge and appropriate skills on market. They were able to describe the classification of market according to geographical location with some examples such as “local market, regional market, national market and international market.” Extract.8.1 shows a sample of a good response.

Extract.8.1

8a	Market is the place where by buyer and seller meet to transact. Market is classified on the basis of geographical area as follows Local market, this is the geographical Market where buy the goods are sold and bought on small area such as village district, In this classification buyer and seller at the local stage Regional market, also market can be classified as regional market where buy the goods are produced and sold on the region area, It take small area but not as local Market this contain the size of region for example in Tanzania it take Mtwara region only National Market, this is also market where by the goods are produced and sold on the same country, this is at nation level for example product is produced in Tanzania and sold in Tanzania International Market, Also is the Market according to geographical in which the goods is produced in one country and sold to another country, the buyer and seller are of different countries for example car produce in Japan are sold to Tanzania
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Extract 8.1 is a sample of good responses provided by the candidates who managed to describe the classes of market according to geographical area with example.

In part (b) most candidates were able to elaborate the roles of marketing Board in Tanzania such as “buying the produce, selling the produce, collection and storage, assisting farmers, market research, marketing produce, advisory services, and control of production” Some of them managed to elaborate at least four out of five roles of Marketing Board in Tanzania. Extract 8.2 present a sample of good response.

8 (b) Marketing Board is an association which is formed by government to control the production of agricultural product. These government institutions help to reduce the exploitation of price private crop buyers and to regulate the price of agricultural product.

The roles of marketing board in Tanzania are as follows:

- Buying produce. Marketing board buy product from farmers and pay reasonable price. This encourage farmers to increase with production.
- Selling produce. Marketing board selling product either to private crop buyers or to international market. This helps to find the market of the farmers product.
- Collection and storage. They collect goods from different farmers and store them in order to control its price. This helps to make the price of agricultural product to be stable.
- Market research. Marketing board doing research of the agricultural product so as to find more market, to discover the weakness of farm's Tanzanians product.
- Provision of advice or information. They provide advice to

Farmers on new method of farming,
 method of controlling ~~the~~ crop
 disease. This help to improve the
 quality of farms Tanzanian
 product.

By ~~Contra~~ conclusion Marketing
 board of Tanzania have many roles
 which played in order to ensure
 that the Farmers product have
 better quality and fetch high
 price to the international market.

Extract 8.2 is a sample of a good candidate's response who managed to elaborate the roles of Marketing Board in Tanzania.

On the other hand, candidates with poor performance their scores ranged from 0 to 5.5 marks. In part (a) they deviated from the demands of the question by explaining the factors which facilitate market such as "transport cost, demand for the products, location and competition". Other candidates provided irrelevant answers like "big markets and small markets" whereas some candidates responded on the general classification of market such as "factor market, commodity market and financial market". Extract 8.3 provides a sample answer to illustrate the case.

Extract 8.3

8a)	<p>A Market is a situation or place where people meet so as to conduct exchange of goods and services. Market can be classified on the basis of geographical area as:-</p> <p>Factor Market - A factor market is a market which is concerned with the buying and selling of factors of production for example labour at a given wage, land at a given amount of rent, and capital at a given amount or rate of interest.</p> <p>Commodity market - In commodity market the buying and selling of consumer goods is available. In commodity market they sell final goods to final consumers which are ready for use. Consumer goods includes food, clothes, shoes which are ready to be used for consumption.</p> <p>Financial market - In financial market the selling and buying of government shares and securities takes place. In the stock exchange market, the government securities, debentures and shares are subscribed to the public so as to raise the amount of capital of the government.</p>
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Extract 8.3 shows irrelevant response from one of the candidates who elaborated on classes of market instead of classifying the market according to geographical location.

However, the candidates who performed poorly in part (b) had misinterpreted the question and responded on the problems facing Marketing Board in Tanzania such as competition from private crop buyers, low price of crops in the world market, government interference lack of fund. Furthermore, other candidates provided irrelevant responses like marketing board of Tanzania increases revenue, offers employment opportunities and stabilization of price of agricultural products. Extract 8.4 illustrates the poor response.

Extract 8.4

8b	Marketing board is a board board which is responsible of assistance of all issues deals with markets. Under marketing boards in Tanzania different roles are played, so due to that, the following roles are played on marketing board are as follows;
	Act as assistance of other markets.
	The marketing board take part of an assistance to the society of the whole markets, in order to know the problems faced by the other sectors.
	To ensure goods are proofed to bureau ^{bureau} standard. Those goods before enter in a market should passed to the TB's first before any condition so, marketing board are responsible for it.
	To ensure goods are sold at an affordable price. All goods are determine for the force of demand and supply but some of them mostly essential goods are the price is fix by the government, so to ensure the goods which are most essential to the human.

Extract 8.4 shows a sample of a candidate's poor response. The candidate pointed out irrelevant points such as to: ensure goods are approved by bureau standards, goods are sold at affordable price and act as assistance to other market.

3.0 CONCLUSION AND RECOMMENDATIONS

3.1 CONCLUSION

The analysis of the candidates' performance by topics shows that the performance was good because all topics tested in paper 152/1 and paper 152/2 were performed well with the exception of one topic in paper 1 whereby the candidates performance was average. Most of the candidates who sat for this examination had an average of 30 percent or above. In paper 1 the topics which were performed well were Wholesale trade 95.6 percent, Banking 95.3 percent, Advertising 89.6 percent, Stock exchange 83.5 percent, Transport and communication 79.5 percent and Insurance 71.8 percent. The topic which was not performed well in paper 1 was the scope of commerce under sub topic Electronic commerce in which the candidates' performance was average (30.6%) as seen in the attached Appendix.

In paper 2 all topics tested shows a good performance. The performance in this paper topic wise was: Taxation 99.5 percent, Business Units 98.2 percent, Marketing 96.9 percent, Organization and Management of Business 91.8 percent, foreign trade and export trade 79.7 percent, Import trade 74.9 percent and Business Office 68.3 percent. See the attached Appendix.

The factors that contributed to good performance of the candidates includes: better understandings of the questions, ability to identify the tasks, sufficient knowledge and skill on various topics, the use of proper English Language and good flow of ideas.

On the other hand, the reasons that contributed to poor performance to some candidates were failure to identify the requirements of the question, misinterpretation of questions and lack of sufficient knowledge and skills on some topics. Also, it has been noted that candidates had problems in presentation of ideas and expressing them properly in English Language.

3.2 RECOMMENDATIONS

In order to improve candidates' performance in future the following are recommended:

- (a) Candidates should carefully read the examination questions so as to identify the requirements of the questions to avoid misinterpretation of the requirements of the question.
- (b) Teachers should guide students on how to identify the task in various questions and also how to respond on such tasks especially essay writing questions.
- (c) Teachers and parents should encourage the students to read textbooks in order to acquire more knowledge.
- (d) Teachers are encouraged to cover all the topics stipulated in the syllabus.

Analysis of candidate's performance in each topic

S/n	Topic	Total Number of Question	Percentage of candidates who scored an average of 30% or above	Remarks
1	Taxation	1	99.5	Good
2	Business Units	1	98.2	Good
3	Marketing		96.9	Good
4	Wholesale Trade	1	95.6	Good
5	Banking	1	95.3	Good
6	Organization and Management of Business	1	91.8	Good
7	Advertising	1	89.6	Good
8	Stock Exchange	1	83.5	Good
9	Foreign Trade Export Trade	1	79.7	Good
10	Transport and Communication	2	79.5	Good
11	Import Trade	1	74.9	Good
12	Insurance	1	71.8	Good
13	Business Office	1	68.3	Good
14	Contract of Sales	1	58.3	Good
15	Scope of Commerce	1	30.6	Average

