THE NATIONAL EXAMINATIONS COUNCIL OF TANZANIA



CANDIDATES' ITEMS RESPONSE ANALYSIS REPORT FOR THE ADVANCED CERTIFICATE OF SECONDARY EDUCATION EXAMINATION (ACSEE) 2016

152 COMMERCE

THE NATIONAL EXAMINATIONS COUNCIL OF TANZANIA



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152 COMMERCE

| The National Examinations Council of Tanzania, |
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FOREWORD

This report is about Candidates' Item Response Analysis (CIRA) in Commerce subject for the Advanced Certificate of Secondary Education Examination (ACSEE) 2016. It has been prepared to provide feedback to students, teachers, parents, policy makers and the public in general on the performance of the candidates.

The Advanced Certificate of Secondary Education Examination (ACSEE) marks the end of two years of Advanced Secondary Education. It is a summative evaluation, which shows the effectiveness of education system in general, and education delivery system in particular. Generally, the candidates' responses to the examination questions is a strong indicator of what the education system was able or unable to offer to the candidates during their Advanced level education.

The analysis given in this report is intended to contribute towards understanding of some of the reasons behind the good/bad performance of the candidates in each question. The report highlights the factors that made a majority of the candidates to score high marks in the questions. The factors include adequate knowledge and skills on different topics, good understanding of the demands of the questions and good essay writing skills. The report also highlights some of the factors which made a few candidates to score low marks. These include inadequate knowledge and skills on various tested topics, inability to identify and adhere to the demands of the question, and failure of the candidates to express themselves well in English. The feedback provided will enable the education administrators, school managers, teachers, and students to identify appropriate measures to be taken in order to improve the 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 for improving future examiners' reports.

Finally, the Council would like to thank all those who participated in the preparation of this report.

Dr. Charles E. Msonde

EXECUTIVE SECRETARY

1.0 INTRODUCTION

This report represents the performance of candidates who sat for 152 Commerce papers for Advanced Certificate of Secondary Education Examination (ACSEE) in May 2016.

The examination tested the candidates' abilities as per the requirements of the 2010 syllabus. The examination comprised two (2) papers: 152/1 Commerce and 152/2 Commerce. Each paper had eight (8) questions which were divided into two (2) sections: A and B. Each section had four (4) questions. Candidates were required to answer five (5) questions for both papers.

In Commerce paper one (152/1), candidates were required to choose at least two (2) questions from each section. In Commerce paper two (152/2), candidate were required to choose three (3) questions from section (A) and two (2) questions from section (B). However, in paper two (152/2), question one (1) was compulsory. Each question was allotted twenty (20) marks.

This report analyses the performance of candidates in each question by highlighting the candidates' performance in relation to the demand of the question. In addition, the report pinpoints strengths and weaknesses in the candidates' responses provided. Extract samples from the candidates' responses have been inserted to illustrate the reported cases.

The total number of candidates who sat for this paper in May 2016 were **1,432**, out of which **1,385** (**97.26%**) passed the examination with the grades as shown in table 1 below.

Table 1: Candidates Performance in Grade

| Grade | A | В | C | D | Е | S | F |
|----------------------|----|----|-----|-----|-----|----|----|
| Number of candidates | 00 | 37 | 367 | 611 | 320 | 50 | 39 |

The data in table 1 indicate that 1,385 candidates passed the 2016 examination by obtaining grade B to S while 39 candidates failed by obtaining grade F.

The performance in each question is rated as poor, average or good if the percentage of the candidates who scored 35 percent or above of the total marks allotted to the question falls in the range of 0-34, 35-59 or 60-100 respectively. Special colours have been used, with the following interpretations green stands for good, yellow for average and red for poor candidates' performance as seen in the graphs and in the Appendix.

2.0 ANALYSIS OF THE CANDIDATES' PERFORMANCE IN EACH QUESTION

2.1 152/1 COMMERCE PAPER 1

2.1.1 Question 1: Insurance

The question had parts (a) and (b). In part (a) candidates were required to describe five factors to be taken into consideration in calculating the amount of premium to be paid by the insured. In part (b), they were required to examine five ways in which insurance can benefit a business firm and the country at large.

This question was attempted by 41.6 of all the candidates, out of which 65.2 percent scored from 12 to 20 marks, 28.1 percent scored from 7 to 11.5 marks and only 6.7 percent scored from 0 to 6.5 marks. The analysis shows that the candidates' performance in this question was good as illustrated in Figure 1 below.

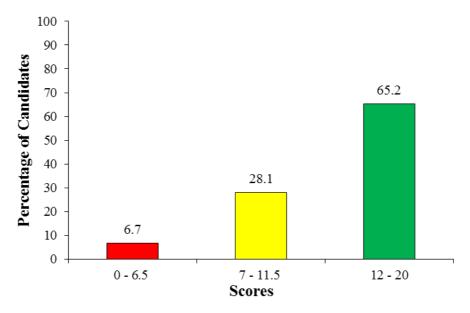


Figure 1 Candidates Performance in Question 1

The majority of the candidates (65.2%) who performed well scored from 12 to 20 marks. In part (a), most of the candidates were able to describe correctly the factors to consider in calculating premium with some examples. However, their responses in part (b) had some problems, such as insufficient number of required points and inadequate explanations. A few candidates (0.7%) scored full marks because they managed to meet all the

requirements of the question also used good and appropriate language. Their good performance was attributed to the adequate knowledge and skills demonstrated on the topic of insurance. Extract 1.1 shows a sample of the candidates' good responses.

Extract 1.1

| 1(0) | Insured is the person who has an Insurance rentra |
|------|---|
| | of with the Insurer (Insurance Company). Incl Premium |
| | is the specified amount of money that the insured has to |
| | pay for the compansation of future loss. Promium is |
| | rateulated by a poison in an Insurance Company known as |
| | an Actuary. There are factors that are to be taken into |
| | rensideration while calculating the amount of premium to be |
| | paid by the Insurad. |
| | Value of the policy. A policy is a document that |
| | Value of the policy. A policy is a document that specifies that property in which the insured has insured |
| | against. The higher the value of the policy taxon |
| | out by the insured the higher the premium Paid |
| | by the insured. The policy shows what the insurance |
| | company covers when the lass occurs. |
| | Flumber of applicants. The number of applicants |
| | who apply for the similar policy is also considered. |
| | If the number of applicants of the same policy is |
| | lower then higher premium is paid by the insured. |
| | Âge et a person. In life assurance, age matters |
| | that is Age is the major determination or premium in |
| | life assurance. The older the person that is assured |
| | the higher the premium paid for the person has a short |
| | life span remaining. |

| | Level of Procaution. Procaution is consiclored |
|-------|--|
| | whon a person insures a petrol station has to put |
| | signs such as No smeaking so as to decrease the |
| | degree of occurance of the accretent, therefore the |
| | more prerontion taken the less premium paid. |
| | Mature of a proporty. The property insured |
| | It it is tragile in nature then the premium |
| | paid raises for it is more subject in the occurance |
| | of the accident and also when a Petrol station |
| 1(0) | is located nearer explosive matters (things) this |
| | raises the degree of occurance of the accident leads |
| | to high payment of promium. |
| , | Generally, the insured should be able to |
| | do his or her responsibility of paying promiums |
| | without any o's lay for one of the reasons of termi |
| | rating an Insurance contract is the delay of |
| | paymont of premiums. |
| | |
| 1 (b) | Insurance is the contract where by the insurer |
| | under consideration paid undertakes to compansate |
| | the insured during the occurance of the loss. Insu |
| | rance is one of the newly introduced commercial |
| | activity especially in dovoloping countries and it has |
| | brought bonotite to both a business firm and the |
| | country at large: |
| | Provide confidence to the business owners. Insu |
| | rance has been able to help an enterprenuer to undo |
| | rtake risks that is it has brought initiative for |
| | the business owners to boar risks this provides |
| | confidence which enhances the productivity of the |
| | organization. |
| | |

| | It encourages saving. Insurance has also |
|----------|---|
| | Playor a big role in mobilizing soving among |
| | the members of the public. Through Tipe assurance |
| | a porson (insured) can picuide money to the bene |
| | ficiaries during his or her absonce where the meney |
| | was accumulated through payment of promium. |
| | Provide ampleyment opportunities. Insurance |
| | has brought also job opportunities that is in an insu |
| | rance company there are people who are employe |
| | d. People such as Biexer, Actuary, Assessor. There |
| 1 (6) | fore members of the public are employed thus rises |
| | the income of individuals in the society. |
| <u> </u> | |
| | Increase in government revenue. The presence |
| | of insurance company, the organization makes up |
| | protit and enables the payment of government recon |
| | we through payment of tax also the employees in |
| | the insurance company are charge tax honce enhances |
| | the tax base and increases government revenue |
| | Erubles continuity of the business. Insurance |
| | Service enables to return the insured to his or |
| | her former tinancial position this insurers the cont |
| | invity of the business thus for a business firm |
| | ensures constant supply of goods and sorvices thus |
| | also improces the living standard of the sockety- |
| | Generally, Insurance as an commercial activity |
| | also focilitate trade and Advance the devolopme |
| | nt of commerce and Industry at large, xlso |
| | Insurance Brings about balance of payment sinces |
| | the supply of money is reduced in an eronomy through |
| | Saving. |
| | |

Extract 1.1 is a sample of a candidate's good responses. The candidate was able to describe the factors to consider in calculating the premium and the benefits of insurance to a business firm and a country at large.

On the other hand, 28.1 percent of the candidates scored from 7 to 11.5 marks which is categorized as average performance. Majority of them were able to describe correctly only a few factors to be considered when calculating premium and they listed unsatisfactory number of points on benefits enjoyed by a business firm and a country at large from insurance. Some of their correct responses did not have adequate descriptions.

However, 6.7 percent of the candidates scored low marks (0 to 6.5) of which only 0.2 percent scored 0 marks. Majority of the candidates in this group were able to outline correctly some factors to be taken into consideration before calculating premium to be paid by the insured but failed to give correct explanations to most of the factors. Likewise, the same problems were observed in part (b), where some candidates just mentioned some benefits enjoyed by a business firm and a country at large without clear descriptions. This is a justification that, they had insufficient knowledge and skills on the subject matter examined. The candidates who scored a 0 mark, confused the factors considered in calculating premium with the factors to be considered when locating an industry together with the procedures for taking insurance. One of them attempted only part (a) of the question while the other one attempted both parts but described the terms used in marine insurance like total loss and partial loss instead of the benefits of insurance to businessmen and the country. Extract 1.2 shows a sample of a candidate's poor response.

Extract 1.2

| Extract | 1.2 |
|---------|--|
| 1(9) | Premium Is the amount of Money or Consideration |
| | that paid by house or person when helde applying by howare Company. Insured 1s the person who enter |
| | applying by Insurance Company. |
| | Insuled Is the person who enter |
| | Into a Contract with Insurance Company |
| | and he she will pay the premium as |
| | Consideration: The following are the factors to be factor into Consideration in Calmoting the amount of premium to be paid by the |
| | The following we the factors to be |
| | fran Into Consideration in 'Calmoting the |
| | amount of premium to be paid by the |
| | (nimed |
| | To hill the proposal form, when |
| | Rust et all there are form bhown as |
| | First of all flore one form known by |
| | proposal form, this form is used to fill |
| | some information required from ple need to |
| | Rel - The Rell name of Insured |
| | - Occupation |
| | - The Propert to be Insume |
| | - The Value of property to be Insure |
| | - The risk need to ensued example |
| | FIR, Accident and others |
| | To make Investigation of the Apperty, |
| | After the Insued to fill the proposal form |
| | the Insurace Company will wast visit the |
| | propert of Insued that Insued to to |
| | Calculate the amount of premium to be |
| | paid by Insmel. Pavil a Premium, after the |
| | tard a Hemium, affen The |
| | Muestigation made by insurance company, |
| | will allow the Insmed to paid pard a |
| | Premium After Calculatel. |

| 1 |
|---|
| Temporary Contract, Steen Insurace Compa |
| Satisfy them Investigation will give Insmedic |
| temporary Contract within thirty days 30 |
| when continue to fill often procedure, And |
| dwing this period when the risk oceur the |
| Insurance company is responsible to compansa |
| an Insurel, |
| Permanent Contract, Affer Thirty |
| days, the harmance Company will give |
| an Insmed the Dermanent Contract and |
| any they happen, themade company is |
| responsible to Compensate an insured |
| |

Extract 1.2 shows a sample of a poor response from a candidate who explained the procedures of taking insurance instead of the factors to be considered when calculating insurance premium. This candidate failed to interpret the question and did not attempt part (b) of the question.

2.1.2 Question 2: Stock Exchange

The question had parts (a), (b) and (c). In part (a) the candidates were required to give brief explanations on unquoted companies and quoted companies. In part (b), they were required to examine four reasons for a company like to be quoted, while in part (c) the candidates were required to outline five advantages of investing in shares and securities.

The candidates' performance in this question was good. Out of 58.4 percent of all the candidates who attempted this question, only 5.7 percent scored below 7, marks which indicated poor performance. The percentage of candidates whose scores ranged from 12 to 19.5 was 64.6 which was good, and 29.7 percent had an average performance as their scores ranged from 7 to 11.5 marks. Figure 2 summarizes the candidates' performance in question 2.

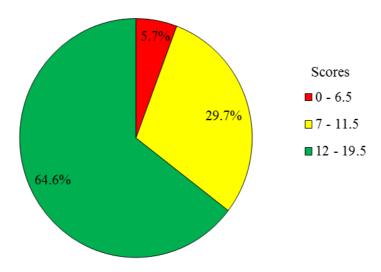


Figure 2: Candidates Performance in Question 2

The majority of the candidates who scored high marks (12 to 19.5) were able to explain the terms quoted and unquoted companies. They explained the terms by showing the key features of each term. For example, they were able to explain that in unquoted companies the shares cannot be bought or sold on a stock exchange market and they cannot be transferred from a shareholder to another or from one company to another while in quoted companies, shares are sought and sold in stock exchange market and they can be transferred. Additionally, they were able to discuss four reasons for a company to be quoted. The reasons include the following: the firm stands in a better position to obtain loans, awareness of the market value, preparation and submission of its final accounts to the exchange council. Likewise, they were able to outline the advantages of investing on shares and securities. The advantages include receiving dividends, investment, collateral securities, transferability of shares and a means of saving to the owner. Variation of marks depended on the candidates' ability to explain the points and the presentation of the sufficient number of the points required. However, some of the candidates failed to explain the quoted and unquoted companies as they confused the terms with limited and unlimited companies. Hence, they explained on limited and unlimited companies instead of quoted companies and unquoted companies. Extract 2.1 is a sample of a good response.

Extract 2.1

| 14, i, Unyoted Companies these air Companies which are not listed at the stack exchange markets therefore shares of this Companies cannot be usual to the public for Subscription through the stock exchange experation. All vivate companies are unqueted Companies. 1) Oroted Companies these are companies which their diame are histed at the stock exchange market therefore they can call for public Subscription of their Shares. The | M |
|---|--|
| quotes Companies are known as public | |
| | |
| | |
| for they would a Company like to be quoted Company can usue share and call for public Pulschiption at anytime therefore when a Company is quoted can expand capital at whatever amount by usuing its share to the public Increase reputation of the firm, where the share of quoted Companies are bought and sold at favourable price and the Company is doing well then the price will rise time often time and company will become known to the public kence the good name will be established and maintained Endbale the Company to know its. performance and public Confidence on the Company. Since the price of share are shown | de d |

| 26 Herefore When the firm's price Continue orting |
|--|
| if theans the general performance is good and therefore the public has confidence this therefore |
| therefore the public has Confidence this therefore |
| evided the firm to expand made for its products |
| The turn get once of its shared settle fixed |
| by the slock exchange, one of the major function |
| of Stock exchange is to set price for shares |
| therefore the Company's share price is already |
| Made af the Holk exchange based on somes of |
| demand and Supply. |
| demand and supply. Generally, all Companies should |
| Wish their mate at the Stock exchange |
| Market so as to enjoy those benefor |
| |
| |
| G. Shaves are unit of capital of a joint |
| Stock Company which their are bought and |
| from hours senties like bond and debentures |
| from those seinties like bond and debentures |
| anealse traded at the stack exchange. The |
| pollowing below are the benefits of mileting |
| in should and securities! |
| Dividend, When a person hovert in |
| Shares of the Company he will be necessing |
| Dividend When a person hovert in Share of the Company he will be receiving dividend after a Centain period of time either Semi-annual or annual, this ensure Constant |
| Semi-annually or annually this ensure Constant |
| mame to the investor. |
| The dividend warrant can be used |
| to Severe loan as the collateral security |
| from both Compercial Sanks and other |
| landing Companies therefore enable the investor to solve in much problems. |
| investor to solve fin miled problems. |

| ac It is the means of Javing, by loveling white shares the Investor make saving which |
|---|
| into shares the Investor make lawing which |
| Cuffey a Certain period he will withtraw the |
| compant sowed and he can establish several, |
| Muestment. |
| The Investor Can Soll the Share at any |
| time any realize the amount which can |
| be used to most various need at that |
| time. In case of prancial problem the |
| mileter can sell and solve all those problems: |
| Accumulation of fund for muestment |
| the Investor an accumulate large money and |
| the Investor an accumulate large money and |
| withdraw throse fund at any time and invest |
| In other Industries like trade or set up his |
| Industries which could be otherwise difficult |
| Without Investing in Straws. |
| generally the government should provide plucation to the public on the benefits of |
| education to the public on the benefits of |
| Investing in shares to that the general public |
| second divert of these soughts. |
| |

Extract 2.1 is a sample from a script of a candidate who was able to provide correct explanation on the terms quoted and unquoted companies and examined the reason for a company to like to be quoted and the advantages of investing on shares.

The candidates who scored average marks (7 to 11.5) understood the requirement of the question but had partial knowledge of the concepts tested. Most of the candidates were able to give clear explanations on the terms quoted and unquoted companies but they explained only a few correct reasons as to why a company likes to be quoted. Besides, they were able to outline some advantages of investing on shares and securities. Moreover, there were some candidates who outlined correctly the advantages of investing on shares and securities but skipped the other parts of the question.

The candidates who scored low marks (0 to 6.5) portrayed some weaknesses in their responses. Some of them mention few reasons as to why a company would like to be quoted with inadequate explanations. They also outlined the advantages of investing on shares and securities such as receiving interest from shares bought and transferability of shares. The point of receiving interest was outlined by the majority because they all knew that the return on shares is dividend. However, a few candidates (0.2%) who scored a 0 mark failed to identify the tasks of the question. For example, one of these candidates explained the advantages and disadvantages of companies and the other responded incorrectly in part (a) by explaining the meaning of registered and unregistered companies instead of quoted and unquoted companies. Likewise, in part (b) the candidate wrote on different terminologies used in sales of shares and securities such as ex div and cum div instead of the reason for a company want to be quoted. A sample of an incorrect response is shown in extract 2.1.

Extract 2.1

| | |
|---------|--|
| 2(a) | Hounted common Their are common which |
| | are not follow rule and regulation |
| | |
| (b) | Roited companies, these are companies which follow null and regulation |
| | nule and regulation. |
| | |
| 21 | Dans to a second of the second |
| 26 | Reason as who would coupary who he godo |
| | am - div (capital), so that to sauce more capital |
| | a capital on your business in a ruch a way |
| | that company needs to rective it shere. |
| | Ex-div (right) although there are some |
| | company whise duaso I want to received their |
| | right into their defenent source of company |
| | they down't relieve interest right on their |
| | company that why we are no Qua red |
| | doen 4 want to revenu It ex-discled on |
| | It's awther capital through that we should |
| | prepare cursi-ex-cluricled to every confin |
| | to ean Gher |
| | aun-du (right) sometime company like to be Ordes |
| | fine there a right which every individual help |
| | must quien human right to protect trom low |
| | self on the side of right of human cos |
| | Company Duoted. |

Extract 2.1 presents a sample of a poor response. The candidate confused the terms quoted and unquoted companies with registered and unregistered companies and wrote some terminologies used in buying and selling of shares and securities instead of the reasons for a company to like to be quoted.

2.1.3 Question 3: Retail Trade

The question had two parts (a) and (b). In part (a) candidates were required to discuss five (5) factors a retailer has to consider when setting up a retail business while in part (b), they were required to elaborate three (3) merits and two (2) demerits of mail order shops.

This question was attempted by 81.7 percent of the candidates, of which 23 percent scored from 12 to 19.5 marks, 51.8 scored from 7 to 11.5 marks and 25.2 percent scored from 0 to 6.5 marks. Generally the performance of the candidates in this question was good since 74.9 percent of the candidates scored from 7 marks and above.

The candidates who scored high marks (23%) had sufficient knowledge and skills on the subject matter examined. Their responses showed their understanding on the factors to consider before setting a retail business because they were able to discuss all the factors, such as the availability of capital, location, existence of competitors, the terms of sale and demand of the goods intended to be sold. Furthermore, most of them elaborated correctly merits and failed to explain the demerits of mail order shops. The demerits of mail order shops include lack of credit facilities to the buyers, delay in replacing the returned goods, some goods or parcels may get lost on the way and high advertising costs. Extract 3.1 shows a sample of candidate's good response.

Extract 3.1

| γ | (a) |
|----------|---|
| 3 | A retailer is a trader who buys goods in |
| B | bulk and sells them in small greaththes to the final |
| | consumer. A retailer has to consider the following factors |
| : | when setting up a retail business. |
| : | Demand. A retailer has to ask himself, is |
| | there demand for the goods he wants to other the public? |
| | or maybe the goods he wents to seil have a seasonal |
| | demand for example umbrellas, rain coats, jackets, christinas |
| | trees and others so he has to consider the nature of demand |
| | and decide to deal with cetail business which has high or |
| | constant demand example soup sugar salt and other foul shifts |
| | have constant demand. |
| 10000 | Competition. A retailor should not just start |
| | his business without considering degree ut competition. He |
| | has to check, how many other retailers are offering same |
| # 1 | products as he wants to sell. He has to be sure, if he |
| | is efficient enough to compete. This is mustly to large scale |
| | returbers example supermarkets. There are big supermarkets like |
| | Shappers placed so a retailor has to be sure if he can |
| | compete with other retailors otherwise he has to choose |

| 2 a business with loss competition. | |
|--|---|
| 5(a) Lucation. Also a retailer has to consider whose | |
| he wants to establish his business. For example a fish | |
| vendor should be near Lake so as to avoid large transport | |
| with Dr for instance a retailer wants to sell electrical | |
| supplies, he can't start his business in a village or area with- | |
| by electricity, he has to set up his business in an area | , |
| whose there is availability of electricity. | |
| Capital. This is must impurtant factor to be | |
| considered. A retailer has to start a retail business which | |
| is within his budget. It he has large capital, he can | |
| set up a large retail business, but it he has less | |
| apriful its better to start a small scale retail business | |
| since its what he can afford. | |
| Experience or skills. A retailer should do | |
| suncting that he is competent at the should set a business | |
| which he has knowledge about or he has experience on | |
| that business it will be hard to run a business that | |
| a retailer has no skills on, this can load him to incur | |
| lusses and attast shut down his business | |
| Hence retailers have to be careful when | |
| setting up a retail business and they have to be honorit | |
| and couperative with thou customer and suppliers. | |
| | |
| | |
| 2 (b) | |
| Mail order shups are large scale retailing | |
| units that involves buying and selling goods | |
| through post office. Mail order shops have their | |
| merits and demerits. The following are the | |
| merits and denerits ut mail ordermail order. Starting | |
| with ments: | |

| | , |
|---|---|
| Risk of bod dobts is lower as there is no | |
| I credit facilities in mail order shops. Consumors have to | |
| pay in cash and payments is done through post or | |
| Hence mail order retailers do not tace bad debts | |
| like other small scale retailers. | |
| No transport cust. Unlike uther large scale | |
| retailing shops, where customers have to pay transport | |
| to reach the shops in mail order there are no transport | |
| costs. Goods are sent by post and the post office | |
| two care it their delivery through | |
| Dues not require establishment of hoge premises. | |
| Other large scale retailing shops like supermarkets | |
| hyper markets and departmental sturos require large | |
| area to establish their stalls. But for mail order, there is | |
| no such a need as goods are sent through post | |
| The disadvantages of mail order are as Williams. | |
| Consumer cannot inspect the goods before buying | |
| Consumers are only sent ratellogues and goutations or sample | |
| but they can't personally inspect goods hence they | |
| might buy defective goods. | |
| Delay in delivery. It takes time for goods | |
| sent by post to reach customers. Incase of orgent | |
| guids like medicines, the automois may take great | |
| inconviniences. Also it had to replace goods of wrong | |
| type Which the retailer has already send, due to delays | |
| by pust offices | |
| Thorefore, for mail order shops to prusper they | |
| should dool in goods whose whith is well known and | |
| which are not perishable. | |
| Extract 3.1 shows a sample of a good response from a candidate will | |

Extract 3.1 shows a sample of a good response from a candidate who was able to discuss the factors to consider when setting up a retail business. The candidate also correctly elaborated the merits and demerits of mail order shops.

Most of the candidates with average performance had scores ranging from 7 to 11.5 marks. A majority of them were able to discuss correctly some factors to be considered when setting a retail business. Furthermore, they were able to list the merits and demerits but most of them failed to describe clearly the points.

The candidates (25.2%) with low scores had several weaknesses in their responses. Some candidates provided partial responses in part (a) as they mentioned inadequate number of factors. Others listed some factors but failed to relate their responses with the explanations to some of the factors and they also failed to outline the merits and demerits of mail order shops. Moreover, some candidates responded only to one part of the question either (a) or (b) with incomplete responses. Few candidates elaborated the advantages and disadvantages of other retailer businesses such as super market and departmental stores instead of mail order shops. Extract 3.2 illustrates a sample of a candidate's poor response.

Extract 3.2

| 3(2) | Retailer U a tradir who buy goods |
|------|--|
| | in large quantities from manufacture or producer and |
| | resul them to the final consumer in small quantities. |
| | A neather can be small Scale meules or large south |
| | Prtailer. The following are the factor a retailer has to |
| | Consider When Stating up a retail humanic. |
| | Pricing; U neather has to consider the |
| | price of the product by including all charges are |
| | used in that product and to be favorable to cons- |
| | MMPTS. A retailer should Charge favorable price to co- |
| | Niamit? |
| | Stock administration, a retailer must have |
| | an administration in Stock Controll whin by will differ |
| | mine the Stock which are in and out by keeping - |
| | mords. |
| | Risk minimization; a nearly should have |
| | Ut to minns risk which occurred in the business |
| | Incoder to maximize profet |
| | sculps unium; ritarier should makersu- |
| | To theel salis volume are increased by using differ |
| | not varys such as advirtuing and sults promoted |
| | n, |
| | |

| 3(b) May Order Shops; Is the process of alling |
|---|
| and buying of goods and sinces by mail. This |
| following an minits and diminits of mail order that |
| |
| Chiap in approxima doesnot involves many cost in |
| Conducting |
| Low cost; lost which an used in bying- |
| and silling are low and doisnot need many |
| Complication. |
| Dimits are has formalities; by formalities |
| may lead to high priors pt goods and singles. |
| may lead to cheating; buyies and silvo |
| can Chicat and can cause a loss. |

Extract 3.2. Is a sample of a poor response from a script of a candidate who explained some functions of warehousing instead of the factors to consider when a retailer is setting up a retail business.

2.1.4 Question 4: Scope of Commerce

The question had two parts: (a) and (b). In part (a) the candidates were required to comment on the statement "commerce is an evolutionary" subject by applying the view of historical development of commerce in Tanzania. In part (b) they were required to explain four (4) shortcomings of barter trade.

The data show that the question was attempted by 69.7 percent of all candidates and out of which 9.1 percent scored from 12 to 16 marks, while 71.3 percent scored from 7 to 11.5 marks. In addition, 19.6 percent scored from 1.5 to 6.5 marks. The overall candidates' performance in this question was good as seen in Figure 3.

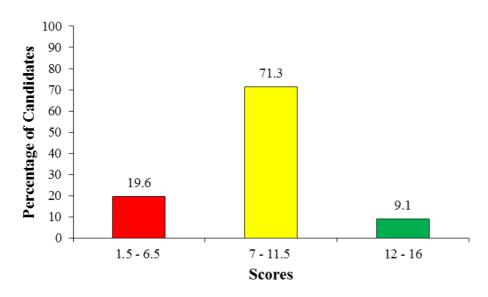


Figure 3: Candidates Performance in Question 4

The candidates who scored high marks had adequate knowledge on the subject matter examined. Most of them scored full marks in part (b) as they managed to explain all four shortcomings of barter trade correctly. The reason for the correct responses in part (b) could be due to the fact that such part is also taught in Economics. They also managed to state at least two points about the historical development of commerce in Tanzania, namely barter system and monetary system. Very few candidates managed to state more than two phases of the evolution of commerce in Tanzania. The phases were *Barter system, colonial phase, monetary system, independence phase, Arusha declaration phase, Trade liberalization phase and Regional Integration phase.* Extract 4.1 is a sample of a relatively correct answer from a candidate who scored high marks.

Extract 4.1

| Littuc | |
|--------|--|
| 4 | a) commerce Es = process of production |
| | and distribution of goods and somites so as |
| | to sansfy human wants. commence is |
| | Projutionary subject that is change time |
| | to time. The following below sie the histories |
| | development of commerce in Tanzania. |
| | Pro-colonical partod, during thes |
| | parted began adonation in isnience there |
| | Es a 19the divergement In production and |
| | at that the there is no personent shop |
| | expect in courtal ares, which were opened by |
| | Arabs traders. Trade actionies suing that |
| | parties were conducted by few springs |
| | loadles and Arabs craders. The stave traces |
| | ALSO onerge during that period During |
| | that person barrer reads us much |
| | practiced were African leader exchange |
| | animal skiens, the lucky and human kings |
| | with clother from Arabs tracers. |
| | During colonial parted, sking colonial |
| | portod of 1880's trade attrition in isnasher |
| | was under gormany company. Also during |
| | that period Coming companies and concern |
| | Ep improve intraversitures example Cremmy |
| | bulled railway during that ported NSI to |
| | facilitate his trace activities. Also during |
| | that parend beg pentation was established |
| | example seal plantation in Tongs and |
| | Moragoro. Medican of exchange buring |
| | colonial period was money. That is |
| | Money is used as a modificion of |
| | Dechange in trace schanges |
| | |

| | Post - colonial period, after Independence |
|---|--|
| | Of 1961. TENZENCE government namonalize |
| | all private company and start to be |
| | Controlled by the public. Also 1967 Arishs |
| | declaration enable many of regions! |
| | and naronal company to be formed. Duin |
| | that period there is no private avrentis |
| | of revoluces and revoluted are distributed |
| | equaly among the cetizen. |
| | During Free market erg, during that |
| | ported privatization was made so as to |
| | encourage purate ownership of recovers 1050 |
| | to incress officeours in production Freo |
| | MERKOT DE EN GAZENES WES MUCH INSISTED |
| | by world bank so as to increase experience |
| | In production in 1970's. Free marker 2015 |
| | System of economy wild up to day 29 |
| | TODZONES Whose governent allow private |
| | Ownisher of revoluces. |
| | |
| | |
| 4 | 5) The following are the shortcoming |
| | Of barter Hade system as explained below, |
| | Lack of double concerence of wanes, |
| | in batter trade there is no double coincidence |
| | Of weints because it different to from |
| | some who have what you need and at |
| | the same time that person who want |
| | that you have The Espokum is take a |
| | time to find the person who can have |
| | what can want and need what you |
| | prifer for exchange. |
| | |

| 4 b) Lack or measure of value, in bother |
|--|
| Hade system there is a problem of |
| measuring value of goods bocally to Es |
| difficult to doctal how much quanticy |
| of sait can be exchange with cow. One |
| to the region some people are more kinging |
| than other people during exchange. |
| Lack of score of value, to score value |
| of goods Es too deficult En boster trade |
| because there are no thense which is used |
| as a megas of scowing value example |
| value of pershabe goods can not be stored |
| In this system of trade. |
| Lack of divisibilities of commoding, in |
| bases trade system the commodity can not |
| be sirided fore small voiers. example |
| CAN not com divide commodity LEKE con |
| Ento small under som to partitate |
| exchange of goods and services. |
| 1 1 5 |

Extract 4.1 shows an example of a good response. The candidate was able to explain the historical development of Commerce in Tanzania as well as the shortcomings of barter trade.

However, most of candidates (71.3%) scored average marks as their scores ranged from 7 to 11.5 marks. They managed to highlight correctly the shortcomings of barter trade which included lack of store of value, lack of double coincidence of want, lack of measure of value, indivisibility, lack of portability and standard of deferred payment. They also outlined the phases involved in evolution of commerce but failed to provide reliable explanations for some of the phases.

The candidates who scored low marks (1.5 to 6.5) were able to identify the shortcomings of barter trade but they failed to provide detailed explanations of some points. The candidates who traced the historical development of commerce in Tanzania were able to explain only two phases, namely barter trade and monetary phase. Other candidates had misconceptions on the historical development because they described on the importance of

commerce. Moreover, others explained the classification of commerce (Trade and Aids to trade) instead of historical development of commerce in Tanzania. Extract 4.2 shows a sample of an incorrect response.

Extract 4.2

| 160 | Commerce Is the study of how man organial |
|-----|---|
| 40 | In the proces of alutribution and Exchange |
| | of commodites. |
| | Commerce Com Se divided Into two |
| | 12 a to 10 0 1 10 to 10 |
| | group track and Ails to track Track is the process of exchange of |
| | and the process of executations |
| | goods light and services for the aim of |
| | making print. Traile and be attracted into |
| | making profit. Traile Can be divided but |
| | (1) and (1) was 12 (1) from when oftal |
| | nothing the Country and also divided into refule |
| | and Wholester. |
| | Repulle trade to the stade which |
| | Relater trace to the stade which deals with bony of of grown from the wholesale and solving the on to the final |
| | wholesale and saling the on hite faint |
| | COLO CIANO DI LA |
| | wholester is the facte which deal |
| | note buying of goods in Lage quartity Prom Manufactures and selling to the refuller or final Consumer |
| | from Manintactures and Selling to the |
| | Hebeler or final Consumer |
| | Foleign timell Mso Can be divided |
| | Into two points export trade and importance |
| | Import trade this is the truck which |
| | deal with burghasing of here's from outstall |
| | the Country Example buying Madhine from landin |
| | the Country Example larging Madure from ladin Expart tracle are tracle which deal |
| | with the made of Jelling the commoditus |
| | Criticale the Country agampe selling the sisal |
| | Levy a |
| | |

Extract 4.2 presents a sample of part of an incorrect response from a candidate who explained commerce with its branches instead of the historical development of commerce in Tanzania.

2.1.5 Question 5: Banking

In part (a) candidates were required to give five (5) contributions of the Bank of Tanzania (BoT) to the economic development in Tanzania. In part (b) they were required to identify five (5) monetary management functions of the Bank of Tanzania.

The question was attempted by 1,107 (77.5%) candidates, out of which 40.5 percent scored from 12 to 20 marks, 47.8 percent scored from 7 to 11.5 marks and 11.7 percent scored from 1 to 6.5 marks. Generally the candidates' performance in this question was good.

The candidates who performed well had adequate knowledge on banking. They were able to explain the contribution of BoT to the economic development of Tanzania. They managed to identify the monetary management functions of the Bank of Tanzania but their scores varied according to the correctness of responses provided. Extract 5.1 presents a sample of a good answer from a candidate who adhered to the demands of the question.

Extract 5.1

| say The Bank of Tanzania (Boi) Is the |
|--|
| financial institution which established by |
| the government inorder to control economy |
| within the country. The bank of Tanzania |
| act as the government bank and it deals |
| will controlling and extablishing economy. |
| The following are the roles or contribution |
| of the Bank of Tanzania to the economic |
| development of tanzania: |
| It provide financial facilities, the |
| Bank of Tanzania provide financial facilies such as loan to the commercial |
| ties such as loan to the commercial |
| banks and act as a last lender of the |
| Commercial banks which lead to the comm |
| ercial banks to have enough fund and |
| provide loan and credits to its austomers, |
| Hence this lead to the economic development |
| It control import; The bank of |
| Tanzania is responsible to stabling economic |
| 9 Tanzania, therefore it help to control imp. |
| ort morder to reduce unfavourable term, |
| of track, dependancy and so on. This may |
| be through impossing high tax to the goods |
| or services imported. Therefore this contribute |
| to the economic development. |
| to the economic development. It provide a sistance to the govern- |
| ment during deficit budget. In care |
| that the government has deficit budget |
| the back of Tanzania assert the government |
| by providing them money in form gloan |
| so that the government can cover that |
| deficit budget. |

| 59 It provide employment, Also the |
|--|
| Bank of Tanzania provide employment to |
| the people: For example the people who are |
| working the bank of Tanzania such as |
| An accountant manager carrier and alike |
| are said to be employment. This introdute |
| to the development of economy since the emp |
| layed people are able to pay the tax to the gover. |
| Inment a ranzania, |
| It stubling economy; The bank of |
| Tanzania stablize economy by controlling |
| Inflation, exchange rate and so onas is |
| the one which is responsible to control |
| the economy of Tanzanis. Therefore this |
| contribute to the development of economic |
| 9 Janzania. |
| Therefore, Apart from the Gronety |
| button of the bank of Tanzania to the deve |
| lopment of economy, the following are the |
| backing function of it; issuing of currency |
| banker's bank government bank pronde |
| actues to the commercial banks and so on. |
| |

| 1(P) | The Roll or Towards Defer to the |
|------|---|
| 7(0) | |
| | financial institution that established by |
| | the government in order to control the euro |
| | my of the country. The bank of Tanzania |
| | Provide advise to the government on how |
| | to use money obtained so as to stabling |
| | economy. The following are the monetary |
| | management functions of the bank of Tansain |
| | inana Jemen + the Country Dase |
| | 19h exchange reserve, since the bank of |
| | Tanzania deals with controlling the foreign |
| | exchange reserve It help to manage the |
| | Inflow and outflow of the foreign currences |
| | es in the country. |
| | Promote export; The bank of Tanson |
| | wia promote export by discouraging imports |
| | through charging high rate of tax such |
| | as tarrify and quotas morder to discu- |
| | rage the importer of the country in our |
| | country. Hence this help to stubling economy |
| | 'It control inflation exchange rate |
| | and so on. The Bank of Tanzania control |
| | Inflation by increasing the bank interest rate |
| | control credit, open market operation and |
| | Others, Also control exchange rate by reduce |
| | ng fluctuation of it. Hence this may lond |
| | to stablization of economy. |
| | Management of the public debti, |
| - | In case that the public have large debts, the central bank help at to pay that debt |
| | Central bank help it to pay that debt |
| | In term of loan. Therefore this help in |
| | stablization & our economy. |
| | |

| SP | Participation in discussion with |
|----|---|
| | other international financial institutions. |
| | The bank of Tanzania act as a representer. |
| | tive of the government in discussion of the |
| | matter telating to the economy. Here it |
| | help to stabline our economy, since it has |
| | enough knowledge on how to obtain and |
| | how to use income obtained within a country |
| | Generally The back of Tanzania is |
| | the financial institutions established by |
| | the government to control the country's |
| | economy and it has may functions such |
| | as, export promotion, Advise to the gove- |
| | mment, bankers bank and so on. |

Extract 5.1 shows a sample of a good response from a candidate who correctly demonstrated the ways in which the Bank of Tanzania (BoT) contributes towards the economic development of Tanzania. Furthermore, she/he correctly identified the managerial functions of the Bank of Tanzania.

Despite the good performance, there were some candidates (47.8%) who scored an average marks. These were able to give few correct points in part (a) but failed to relate some of their points to the roles of the Bank of Tanzania in the economic development. They also managed to identify some of the managerial functions of the Bank of Tanzania but with unsatisfactory explanations. Others responded to part (b) only and managed to identify correctly the functions required.

The candidates (11.7%) who scored low marks were able to respond partially to all parts of the question but most of their responses were not relevant to the demands of the question. For example, many of them managed to explain a few points like provision of employment and control of imports. In addition, some candidates gave some correct points in part (a), but their explanations had some weaknesses. For example, the point on the provision of loans was correctly mentioned but was wrongly discussed as a function of the commercial banks instead of the Bank of Tanzania.

A few candidates had misconception of the monetary functions of the Bank of Tanzania and the functions of commercial banks. Other candidates divided one of the functions of BoT (commercial advisor to the government on monetary issues) into several points, such as issuing of notes and coins, public debts, taxation and the sources of government revenues. Extract 5.2 is a sample of a candidate's poor response.

Extract 5.2

| 5 a | Bank of Tanzania are appresiment bank |
|-----|---|
| J 4 | that sape quaid money and provide bank services to |
| | other bank, example ammaraicel bank, varing bank |
| | Bank of Tanzania Contribute to the |
| | economic development of the Tanzamici ai fellow; |
| | Provide employment apportunities to |
| | Tansania people's; bank of Tansania Contribute to |
| | the oconomic development of Tanzama by providing |
| | employment apportunities so as to raise the |
| | Standard of wing of people hence national Income |
| | Provide Loan facilities to various sector |
| | example Agriculture Vector; bank of Tanzania provide |
| | loan pacifities to vanious sector whe agriculture |
| | and industries lectur due to oconomic development |
| | or the countries. In agriculture loan are used to |
| | buy seeds, chemizal heibizido, in industries |
| | was wed to buy raw material. |
| | Opper bank op de credits and overdraft |
| | pacilities to their automer; Trade nedit and aveidant |
| | facilities affered by bank of Tanzania lead to econo- |
| | mic development of our country due to automer |
| | benefited by Trade credit and overdiast availa- |
| | bility hance promote to development of economic |
| | io Janzama. |

Extract 5.2 shows a sample of a poor response from a candidate who mixed correct points with incorrect ones and also failed to provide relevant explanations of the correct points mentioned. The candidate also gave insufficient number of points which did not meet the demands of the question.

2.1.6 Question 6: Warehousing

The question had three parts: (a), (b) and (c). In part (a) the candidates were required to state five reasons of holding stock by the business firm. In part (b) they were required to give the main difference between the private and public warehouses. Part (c) required the candidates to explain four disadvantages of private warehouses.

This question was attempted by 417 (29.2%) candidates. The question had good performance as 38.6 percent scored from 0 to 6.5 marks, 49.2 percent scored from 7 to 11.5 marks, and 12.2 percent scored from 12 to 17 marks.

The candidates who performed well had sufficient knowledge and skills on the concepts examined. They successfully stated the reasons for holding stock by the business as follows:

To enjoy the economies of large scale, to safeguard sellers against operational risks, avoid the business from price fluctuation, to avoid running out of stock.

Furthermore, the majority differentiated private from public warehouses and explained some of the disadvantages of private warehouses as:

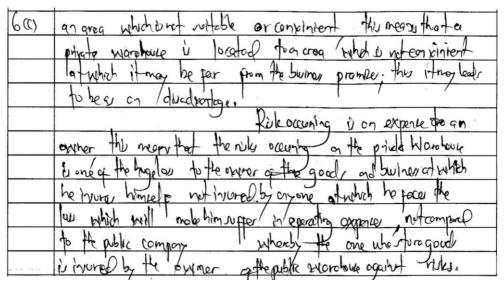
High costs of construction, failure to meet the customers' demands due to size of the buildings, dishonest of some employees, high running costs and poor stock control.

However, only a few candidates managed to explain correctly the disadvantages of private warehouse as required. The candidates' scores varied due to the accuracy and number of the points given. Extract 6.1 presents a sample of candidates' good response.

Extract 6.1

| Ob to homery invalue of a good in uterage at which if they haracreein |
|--|
| (a) value they will be Told of after price example wine and/2014 |
| 1. Hostablication the surres firmtend |
| to hold the rock because they want to mobiler price at the product |
| they sell in which is they true good or hold study it will remove |
| the shortage of the stack three supply at which due to shortage majolean |
| to studied on price . so through holding of whoch it took to sprice |
| u tabilization. |
| to avoid delays in the delivery on the |
| good the mean that the burner from decide to held stock |
| because to avoid unnecessary delays which may be hoppening |
| if the business firm do not helphalathre business will foce delay |
| andelinen acorder but the burner from hold whole thould |
| enable than to deliver the order nuthaut delay. |
| due to Economie of buying an large |
| scale this means that the ragion to why the burres to hold |
| check is that the business primate enjoy the possesson as busing |
| large quartities of which at love pure the sixty that four |
| themselves holding a large amount contack. |
| to provide convinue with wide |
| variety of choices the mean that there even of the burner firm |
| totald whock is to provide mude variety acholice to their consumes |
| to have a milde vantety of the res making order or purtoury |
| a the goal from the business firm. |
| Goradly abuse are the reservo to |
| suby the busines from do hold whale paraleterant purpose which |
| are mentioned show at which can odde the firm to expend and appeale |
| theiradistic well. |

| (P) | Private marchanes roper to the marchane which are exemply |
|-----|--|
| | private comparior or burner or group of which they do |
| | private comparior or busines or group of meters atwhich they do lutero their which on those exerctance out they are needed possible. |
| | , MHILE, / |
| | Public marehouse ropes to the marchouse which are owned |
| | by among multire to which they are available to Jenve the public to |
| | or one who prefer to store the guest within a machine |
| | and payment exchanges for leaping the goods in the incirchouse |
| | Noto: Public executionse they are extred by good public ordonyone |
| | continuate quel but Private Markouse they are cound by the private |
| | buttermen on they do keeptheir great until they are needed. |
| | |
| | |
| DN | |
| 60 | Private workouse regards the workouse which |
| | are owned by private burnamen or tructors to which they do |
| | storp their good within the beardouse untill they are needed |
| | by the public. |
| | The following are the discolventage of private markone. |
| | (output in building them, this means |
| | that privato mano house one is control in building them because the |
| | phico businesmen do use his own capital to control the produce |
| | I so it leads to be very cutty in contracting it still it is |
| | completed. |
| | high operational cost this mean that |
| | the operational contrar a private standarde one to high become a private |
| | betness no will treat cut of employing desperat machines street |
| | and different activities to which it may lead to high a personal |
| | Gut. " |
| | they expellocated in arpmote area or |



Extract 6.1 shows a sample of a correct response from a candidate who was able to state the reasons for holding stock by the business firms, differentiate private and public warehouses and explain the disadvantages of private warehouses.

Furthermore, the candidates (38.6%) who scored low marks had a lot of weaknesses. Most of them managed to correctly differentiate private from public warehouses and to state some reasons for holding stock by the business firm. Nevertheless, there were some candidates whose responses were totally wrong. For example, some candidates explained the functions of stock administrations instead of the reasons for the business firm to hold stock. A few who failed to differentiate between private and public warehouses only provided the general definition of a warehouse and listed the types of warehouses. Others provided incorrect answers because they interpreted the question wrongly. For example, in part (c) one of the candidates outlined the disadvantages of a bonded warehouse instead of a private warehouse. Extract 6.2 is a sample of a candidate's poor response.

Extract 6.2 6 (b) Private warehouses, is the type of in cowned individual. And weams all function de within the warehouses which are owned individual Performed by individual Mhile public warehouse the ware houses which are releive and keep a for Safet, owned by public public ware houses

The Public People.

Private ware houses is the ware house annex individual private, privant ware houses controlled by Individual private. The fellowing are disabuantage of privant ware houses.

It is expensive: Store georges in Private ware houses in compared to public with ware has es.

It couse Class private wave houses in one couse Class between my mich people and poor people on people or one people or one people or one private ware houses, but some of your people not to store goods have private ware house cause Class.

It store goods have private ware house cause Class.

I good a goods to purchased or sold at high price, because of Cost increase of storage in ware houses.

I ware houses.

I good to couse in employment to people, private ware houses lead to couse in employment because in ware houses.

I interested for making profit more and more as the mais size.

Extract 6.2 is a sample response from a candidate who failed to differentiate private from public warehouse. The candidate also demonstrated poor mastery of English language.

increase profit.

2.1.7 Question 7: Production

The question had parts (a) and (b). In part (a), the candidates were required to analyse five aims of productive organization, while in (b) they were required to identify five factors of labour efficiency.

This question was attempted by 1,109 (77.6%) candidates. The candidates' performance was generally good since 54.4 percent scored from 12 to 20 marks, 40.7 percent scored from 7 to 11.5 marks, and only 4.9 percent scored from 1 to 6.5 marks.

The candidates who performed well had sufficient knowledge on the subject matter examined. In addition, they adhered to the demands of the question. In part (a), the candidates presented their responses in an organized manner, and they identified the factors for labour efficiency, which included the following:

To ensure profit maximization to producers, to minimize costs of production and distribution of goods, to satisfy consumer's demands, to generate income for awarding other factors of production, storage facilities and transportation.

However, in part (b) the candidates' responses were better compared to part (a) as they were able to identify the factors for the efficiency of labour, which included the following:

The level of training, general health of a labour force, personal qualities, remuneration, experience, level of organization of the firm and number of working hours.

Extract 7.1 is a sample of a candidates' good response.

Extract 7.1

| 7 | Productive organization to the organization which involve |
|---|--|
| | the A production of the good and remove invodes to rating the |
| | final consumos and prodution is not completed until when the |
| | guild reached to the final conoumer |
| | The following are the aim & the productive |
| | organization |
| | [v pridue or to many actual the good morder to |
| | notify the need of the animon. The productive organisation |
| | aim at the products good which are needed by the common |
| | hone of meet their needs examples production of ognicultural |
| | priducts clothes and vehicles inorder to meet domaind for the people |
| | To trumper good from the wrea & production to |
| | Where they are demanded for consumption, Also Priductive |
| | organisation transfer goods meaning transporting the good through |
| | different means & production as to were they are produced to |
| | Where they are domandod |
| | g the product manufactured (norder to create the made to |
| | g the products manufactured (norder to create the made for |
| - | Wer product and ensure constant pine by storing the book |
| 1 | in whichouse The advertise the product or as to invience the |
| | demand for their product and introducing the new product to usen |

| 7 | To maximile projet to the products also the productivi |
|-----|--|
| | organization aim of maximizing the propid to their produces as |
| | they give marketing the product and reduce the cost of production |
| . : | (miniming cost) here high human, will lad to maximine point |
| | 4 the & produces |
| | To generate income by rewarding the Other faction of |
| | production, one this is the other Abpdies of the productive |
| | organisation the, revording wase and sware to |
| | labours omplized in the production process bence they will |
| | improve their living standard |
| | |
| | |
| (b) | Labour sagers to the physical and mental ability of |
| | a pascinal employed in the production activates laborers include |
| | stated later, untalled laterer and semi-stalled Laterer. |
| | The following are the faction for the efficiency |
| | g à labour |
| | Gird working condition onisionment is the one among |
| | the factor forthe efficiency of a labour Where by a labour become |
| | effecting if the renounding invinonment are condusive to make lakers |
| | to pagerm his function such a availability & good you's und a |
| * | gual weather condition. |
| | Health fador to the other fador for the ettering |
| | of labour where by the health of a labour will make him to |
| | begom well in production process but it a labour is side or |
| | unmental, til then the work will be purl, peginned. |
| | Experience & a lakery, so the one when by of a lakery |
| | has much experience on that laid of a got this will to due to |
| | the fact that he take has done that work happen in a good way |
| | then the wank performed will be officiently here when there is |
| | labour but total, dues not have experience a wheel he is during |
| | then the were might be poorly done |

| 7 | 5 Education and training there are some other work |
|---|--|
| | which without the knowledge and framing then the work will |
| | be party done such work include taching auditing doctor and |
| | engreening so if the labour is well trained and alwated then |
| | even the work will be well done |
| | Pouce 9 mind, 4 9 laborar has a peak in mind |
| | then he will be pree to do his work appropriately and accurately |
| | but is a laborar is touch with some of the things will be like |
| | will not have peace a mind then believe will do the work |
| | ingriently |

Extract 7.1 shows a sample of a correct response from a candidate who was able to analyse the aims of productive organization and correctly identified five factors for labour efficiency.

The candidates (40.7%) whose performance was average demonstrated better understanding of the question as they were able to analyse some of the aims of productive organization. However, some of their points were not adequately explained.

The candidates with poor performance (4.9%) showed low level of understanding on the subject matter. In part (a) a majority of them correctly mentioned some of the aims such as *increase production*, *maximization of profits and cost minimization* but failed to give clear explanations. Similarly, in part (b), there were some candidates who listed some correct factors for labour efficiency without any explanations. Moreover, others failed to understand the requirements of the question as they wrote the types of labour as skilled, semi-skilled and unskilled or some went so far as to identify the factors of production other than labour, which included land, capital and entrepreneur, and organization instead of the factors for labour efficiency. Extract 7.2 shows a sample of such a response.

Extract 7.2

| DATILET 1.2 |
|--|
| 74. Productive Organisation have the |
| Following Mins |
| Planning, the organisation has. |
| to plann different airritor regarding on the |
| how their activities one ging to be condu- |
| c focl. |
| Organising Involve organistion |
| of both human and other Nosource. |
| to corring the objective |
| Staffing involve the welfere |
| VE as Inclividual un ingery of |
| the time activities will be conclucted. |
| Like recritment. |
| DINOCHIA, This involve directing |
| Moching this involve directing. The workers in how the activity. |
| will-be conclucted concorpor with giving |
| Orientation to them. |
| · Controlling Finally the Organisa- |
| from has to controll to insure the objective |
| one corridal out by the people to Nach. |
| |

their aim-

Extract 7.2 is a sample of an incorrect response from a candidate who confused the functions of management with the aims of productive organizations in part (a). The candidate did not attempt part (b) of the question.

2.1.8 Question 8: Advertising

The question consisted of parts (a) and (b). In part (a), the candidates were required to evaluate four roles of advertising in modern marketing. In part (b) (i) candidates were required to describe briefly the term advertising agents and in part (b) (ii), they were required to give five reasons as to why manufacturing firms find advertising agencies useful.

The question was attempted by 855 candidates (59.8%). The candidate's performance was good as, 38.1 percent scored from 12 to 20 marks and 43.1 percent scored from 7 to 11.5 marks. However, 18.8 percent scored from 0 to 6.5 marks. Figure 4 summaries the candidate's performance in this question.

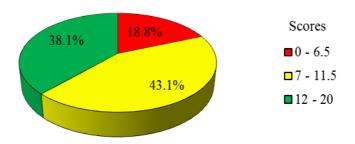


Figure 4: Performance of the Candidates in Question 8

The candidates who performed well had their scores ranging from 12 to 20 marks. Only (0.3%) among them scored all 20 allotted marks because they were able to respond correctly to both parts of the question. They had an ability to evaluate the roles of advertising in modern marketing. Such roles include creating goodwill, educating customers on the use of the products, persuading customers, overcoming competition, creating demand, and expanding market. They were also able to describe the term advertising agent and gave the importance of advertising agencies to the manufacturing firms with some examples. Other candidates in this group managed to answer correctly some parts of the question while other parts were partially answered. Furthermore, some candidates outlined the correct points to some parts but failed to defend those points with appropriate explanations. Extract 8.1 presents a sample of a good response.

Extract 8.1

| 8 | (a) Advertising this is the process of making goods known |
|---|---|
| | to the public |
| | The following are the roles of adverbising in modern |
| | marketing. |
| | It creates demand of goods through advertising of |
| | a product it helps to Increase the demount of that product |
| | for example the coca cola company have been continiously |
| | and repetedly advertise there products this is why the |
| | demand of coca cola products or drinks is high compared |
| | to any other products or dinks. |
| | H creates a good reputation of the firm or company For example C.R.D.B. the bank that listens through this |
| | For example CRDB the bank that listens through this |
| | clustomers get motivated to use the product or join in the |
| | Company because of the advertisment or through the good |
| | will that it has. |
| | If helps in expanding the market this is through the |
| | repeated advertiment of that product this help or contribute |
| | in widening the market of that product for example |
| | if a product was only consumed by people of Murainea only |
| | when that product is advertised in other places it enables |
| | the purple of other areas to also to consume that |
| - | product this zince extends the market national wise and |
| | finally would wide. |
| | H' provides education or information about the product, |
| | through advertisment people are able to know more about |
| | through advertisment people are able to know more about the product such as the useage of the product side |
| | lestects of the product, its ments and dements and |
| | Many other states for example advertisment on Job |
| | employments that tend to give information on the quality control |
| | many other staffs. For example advertisement on Job employments that tend to give Information on the quality addon of the person that they need also they tend to |
| | Hell on the level of education that a person should be this |
| | also help to avoid distrustionness. |
| | · · |

| g | b) (1) Advertising ment their ment technical above |
|----|---|
| - | b) (a) Advertising agent this are Independent firms or companies or Individuals who help in assisting different |
| | Direct Or conserving or lade it when the conserving affects |
| | firms, or companies or Individual who are having low |
| | knowledge on the whole process of advertisment by doing |
| | Various services to them such as studing the characteristic |
| | of the product, determining the best or suitable media that |
| | can be used by the Individuals. |
| | |
| \$ | it Manufacturing firms find advertising agencies useful |
| | due to the following reasons: |
| | The adverbising agencies poiess much experience on the |
| | The advertising agencies poiers much experience on the advertising problems teaple find the advertising agencies useful |
| | problem so it will be easy for them to get help through them |
| | problem so it will be easy for them to get help through them |
| | rather than solving the problems on there own while they |
| | have little knowledge or experiency. |
| | The firm gain much knowledge from the advertising |
| | agencies the firm tend to use the advertising agencies because |
| | they know they will also gain much from them because |
| | they pour much knowledge on advertisment. |
| | they pours much knowledge on advertisment. The Individual firms can not have large number of expertise |
| | than the advertising agencies the advertising agencies passes |
| | large number of expertise who can help the firm who |
| | need help this is why the firms tend to use the activer |
| | thmen! agencies. |
| | The advertising agencies have contact with different |
| | Contractors, designers, sole owners of various business so it is |
| | come To them in not reflect denited about and he will |
| | early for them to get other senices cheaply and less conting |
| | The advertising agencies provide advice to the firms which help them to conque various problems then they |
| | are transity with the control of the they |
| | are forcing in their firms to example they give advice on which is the sailable madro to use so as to creat demand. |
| | The character means to use so me to creat demand. |

Extract 8.1 is a sample of a response from the script of a candidate who evaluated the roles of advertising in modern marketing. He/she also gave correct descriptions of the term 'advertising agents'.

On the other hand, the candidates with average performance (7 to 11.5) managed to evaluate few roles of advertising in modern marketing.

In addition, some of them gave inadequate descriptions which led them to lose some marks.

Among the candidates who scored low marks (0 to 6.5), some were able to describe the term advertising agents but failed to explain why advertising agents are important to the manufacturing firms. Others explained the factors to be considered before choosing advertising media instead of the reasons why manufacturing firms find advertising agents useful in their business. A few candidates gave different forms of advertising media such as radio, newspapers, television, and window display instead of the importance of advertising agents to the business firms. Extract 8.2 presents a sample of a candidate's poor response.

Extract 8.2

| | , 0,2 |
|------|---|
| 86 | Advertising agent reffer to the method of advertising being used to advertise a certain product. These agents may be Radio, Tellevision, News Magazines and parters. The Method of Advertiging or the agent depends on a number of factors including Costs. |
| 9/1. | C C Grad |
| 80 | Some firms with its own advertising agent cross to |
| | find to employ advertising agent for several resons; |
| | find to employ advertising agent for Several resons; Firstly, a certain agent may have a Wide Coverrage so the firm will prefer to use that a gent. |
| | So the firm will spreyer to use that a gent |
| | |
| | Secondly, The Cost of Advertisment in the firm's agent may be high to Compare with other agents. |
| | 3 2 3 3 2 3 |
| | Thirdly: People's preference: People's preference |
| | differ from one to another so for the frim to |
| | differ from one to another so for the frim to reach many people the firm has to use another |
| | e gent. |
| | |
| | Lastly Government Restrictions: In Some Cases The |
| | Governmen restrict a Certain Advertisment to be |
| | Chanelled through a particular Agent. |
| | Enterest 8.2 is a second of a manager of a condidate value confused the |

Extract 8.2 is a sample of a response of a candidate who confused the advertising agents with the advertising media and explained some factors to be considered before choosing advertising media along with other irrelevant points.

2.2 152/2 COMMERCE PAPER 2

2.2.1 Question 1: Business Units

In this question, candidates were required to give ten (10) points on what the provision of Partnership Act states if the partnership is formed in the absent of partnership deed. The question was compulsory.

The question was attempted by 1429 (100%) candidates, of which 61.4 percent scored from 0 to 6.5 marks, 19.4 percent scored from 7 to 11.5 marks and 19.2 percent scored 12 to 20 marks. The candidates' performance in this question was average. Figure 5 is a summary of candidate's performance.

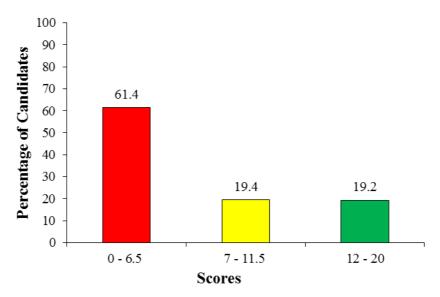


Figure 5: Candidates Performance in Question 1

The data in figure 5 indicate that the question has an average performance as, 38.6 percent of the candidates scored from 7 to 20 marks.

A few candidates (19.2%) who scored from 12 to 20 marks, had sufficient knowledge and better understanding of the question and so they were able to explain what the partnership Act states in the absence of the partnership deed. However, several weaknesses were observed in their responses including incorrect explanations to support some of their points.

The candidates who scored from 7 to 11.5 marks had understood the requirement of the question but the points which they provided were fewer

than the required number. Other candidates were able to give almost all correct points which included the following: in case of any disagreement on the business matter the decisions may be taken by the majority; no salary is to be allowed to partners; equal amount of capital contributed by each partner; a new partner can be admitted only with the concern of all existing partners; no partner is allowed to carry a competing business with the partnership business and all partners have equal right to inspect the book of accounts and to participate in any matter relating to the business. However, only very a few of them had sufficient explanations. Extract 9.1 presents a sample of a good response.

Extract 9.1

| | N # 1 |
|---|--|
| 1 | Peraturity agreement in partnership busing |
| 7 | 12 called partnewly afred. This is the descriment |
| | which contains terms and conditions underwhich |
| | partnessly's should be operated. So when happens |
| | insundentandity between partnership members, to |
| | agreement bust about can uned to sobre the aughor. |
| | That document anying agreements contain name, |
| | address of portnership, interest to be allowed to partners |
| | prevalence to be followed on admiration and other info |
| | matrois. On the absence of pathership agreement, |
| | partneylip And has the prairious as follows: |
| | Profit and losses hard be shared regually |
| | peufoation of amount of profit to be attended |
| | specification of amount of profit to be attributed |
| | so partyeolyp Act rate: Alac profit and losses |
| | though be shared boundy, |
| | No salary to be given to any partner. Thus |
| | of because partnership to proused that all partners |
| | are equal, so there should be no one who get |
| | salony and other, get none. so all parteren are |
| | egial in Treatment |
| | On the care of admission of partiers, all |
| | matrices thereted be consulted. Any positive admited |
| | to the partnership business should be entered |
| | after agreement and Consultations among the |
| | rexisting pourtness. No admission before consulting |
| | on among partners. |
| | All partners have equal armen to the |
| | hade of accounts. This means that all portures are |
| | required to check on the performance of the |
| | busings, There should be no restriction on the |
| | croses the books of accounts with what of each |
| | |

| I be the that he alone with |
|---|
| 1 partire to inspect the books of accounts. |
| I There thould be no interest on capital |
| to conjugation. Hite Interest on applied is arrived |
| while is diauged on top of apriled to increase |
| the partners' corpital. So when there is no partnersh |
| doed, three should be interest to be charged |
| an aptal. |
| All dillier and verpous blitter of the |
| particular should be elristed equally. The duties |
| in the partnership burning hould be alterated |
| equally to each positives. No one should be account |
| or had than the others. |
| There hould be no interest andre- |
| when Interest on drawing without to the amount |
| changed to the partner when draws gover among |
| from the business. On to bose absence of |
| proteculip agreement, there will be no interest |
| to be changed on drawing. |
| The paxeed ortales from the disolution |
| of partnership should be thanked equally. Didution |
| on inear terminating laws to an end. When |
| partieulip busings terminated, it may deade |
| to red de poression. So the sales Townered, |
| elue diritation of partnesses should be should |
| equally among the partners. |
| Also all partners have equal rights and |
| dution. Due to absence of partnerly dead, so |
| Participles and states that all parties have equal |
| nights towards the prestnessio business. No one |
| which have more night than the other. |
| Transe of partieus interest should be |
| consulted by all partners. It way happen legs |
| |

| 1 | one partner retain a want to transpor the intend |
|---|--|
| | to fastrovility and could not be accomplished |
| | to Partnership and could not be accomplished |
| , | If there is no constation among members. Puties |
| | should set and deadle on that care. |

Extract 9.1 is sample of a good response from a candidate who stated what the provision of Partnership Act states in the absence of partnership agreement.

Many candidates (61.4%) performed poorly as their scores ranged from 0 to 6.5 marks. Out of these candidates, 32.3 percent scored 0. The main problems observed from the analyses were insufficient knowledge, confusion of the ideas and incomplete responses. The candidates who managed to score some marks were able to give at least a few correct points like the right of every partner to take part in to the business, no interest on capital is to be allowed to any partner and no salary is paid to any partner. The successful retrieval of these few points by the candidates might be attributed to the fact that they had practiced the use of such information in accountancy transactions in the topic of partnership. Furthermore, others tried to state the right for each partner to inspect the books of accounts but they failed to present the point in a proper way.

Almost all (32.3%) candidates who scored 0 misinterpreted the demands of the question. Some candidates mentioned necessary documents required in the formation of the company instead of stating the provision of the Partnership Act statement in the absence of partnership deed. Others mentioned the advantages of partnership instead of stating the provision. These responses provide the evidence for the candidates' failure to interpret the question as seen in extract 9.2.

Extract 9.2

| 1 | Partnership. Is he business unof between two me- |
|---|---|
| | more Person organize to perform a business activiti- |
| | es partnership can be lamited or Unlimited. |
| | The following all the punesion of the partinership |
| | The following all the punction of the partineristing P act State the relation to their signation of there |
| | is no partnership agreement |
| | It states the name age of the partners- |
| | Slip int an organization of their partnership. |
| | It States Logation of the business. Where |
| | the business operating either place or any where heir |
| | operation being performed! |
| | It states occupation or greatification of each. |
| | The partners in anorganization Can be deffer in Their |
| | skells or education revel employed or unemplo- |
| | Yed. |
| | It states the type of partner; In this where- |
| | 1. Quas partner; Steeping, minor, active, general |
| | or Inachie partner i'n an business organization |
| | It states Expital Shaning; also partners- |
| | have been Gonti bututing amount of capital in |
| | an organisation so that activities can be performe- |
| | d as they inted, each amount invested by the- |
| | partner will be shown. |
| · | It States the cluties of each; In an organ |
| | nization each partner have the own duties to- |
| | Consure business are going i'n operating eg Active- |
| | partner dealing in management of day to day activities of partnership; Quas closes not engage in any |
| | fier of partnership, quai does not engage in any |
| | ashvities in an organization. minor partner atu- ays are the some who contribute amount but not per |
| | The am with the Pta |
| | Form any activities etc. |

| | "Dallan |
|---|---|
| 1 | It show the waxe of Therring profest iche hier- |
| | all thown on how profit obtained in an Organizati |
| | 1000 are being distributed to the member- |
| | It show Leability of each partner. after the accus |
| | rence of the law or any nork each partner have portion- |
| | OF paying to such liabilities excluding limited pa |
| | viterner; |
| | It show ways of solving problems occurred in the |
| | partnerships also of States conclitions and waws- |
| | on how to solve their clispates. |
| | It show the ways on how terminate the purtoe |
| | r Ship; In this each partner will be Shown The amount |
| | of Gapital to be paid, liability to be paid, Loans, or |
| | debts inorder to terminated and either by Cuort- |
| | or agreement. |

Extract 9.1 is a sample of a candidate's poor response which focused on the contents of the partnership deed instead of what the provision of the partner Act states in the absence of the partnership deed.

2.2.2 Question 2: Marketing

This question had two parts: (a) and (b). In part (a) the candidates were required to describe five (5) merits of marketing function while in part (b), they were required to analyse five (5) problems facing marketing boards in developing countries.

The question was attempted by 91.1 percent of the candidates. A total of 65.1 percent performed well as their scores ranged from 12 to 20 marks, 31.9 percent had an average performance with their scores ranging from 7 to 11.5 marks and only 3 percent performed poorly as they scored from 3 to 6.5 marks. Generally the candidates' performance in this question was good as seen in Figure 6 below.

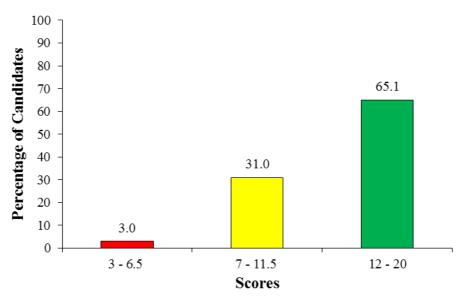


Figure 6: Candidates Performance in Question 2

Most of the candidates (65.1%) performed well because they had adequate knowledge and skills on the concepts examined. In part (a), these candidates were able to describe the merits of marketing research as marketing function. Some candidates provided sufficient number of points as required by the question but, some of the points given had incomplete descriptions. For example, in the point concerning minimizing of market risks, most of them explained only the concept of change in price in risk minimization and left out the other point such as the risk of competition, and the risk of place. In part (b), despite slight discrepancies, majority of the candidates were able to analyse the problems of marketing boards in developing countries such as political instability, illiteracy of the farmers, poor transport facilities and poor management of funds. Extract 10.1 is a sample of a good response.

Extract 10.1

| 2 | |
|---|--|
| a | Market restrarch reters to an involiga |
| | ting or the existing market so as toost |
| | Pormulate business, For business success. |
| | Formulate business For business success. |
| | Market research involve about data Colle |
| | ction, data analysis and presentation of |
| | Findings. |
| | The Following are merits of marke |
| | ting restarch |
| | Enable producer to supply according |
| | to what is demanded: Is due to Facts |
| | that after knowing what is needed in |
| | the market hence produces become awase |
| | or what is needed by customer. |
| | Help to retain and expand the Ma |
| | rket. Also market resurch help in expa |
| | nsion of market as well as retain |
| | Simply because product are Know |
| | now know about the most require |
| | ment of the market. |
| | It minimize marketing risk. |
| | Through mericat research mariating |
| | risk are well minimized. For examp |
| | le time risk Producer Know et wha |
| | t time con supply the products here minimize marketing risk and |
| | while numerice well feeting 11 she |
| | more profit generated by producer |
| | It ensure better quality goods: As |
| | produces undergo market risk are now Know the demand of customer about better quality products needed by Customers |
| | hatter quality anducts needed by Continuer |
| L | Sector demonth historian increase 22 cm/limited |

| | Therefore morket research enable pro |
|----|---|
| | duces to improve the quality of his |
| | products so as can supply to the |
| | market that Fit For customers. |
| | · It enable producer to Know their |
| | Competitors. Also market research is |
| | very importants to produce because help |
| | them to know their competitors that co |
| | nighte with each other and hence Formula |
| | te business strategies For business success. |
| | • |
| | |
| 25 | Marketing boards Those are board |
| | established by government under the |
| | parliament aut in buying agricultural |
| | produce and Provide ready montet For |
| | them and also sell to consumer through |
| | h various Selling agency. For example |
| | of marketing board in Tanzonie Co |
| | Free marketing board , coshe w nut morke |
| | ting board. |
| | The Following are problems Facing |
| | marketing boards in developing countries |
| | Price Fluduation: Rise and Fall of |
| | price in the market become bigger pro |
| | blem to marketings boards in |
| | developing countries simply because |
| | blem to marketings boards in developing countries simply blecouse they incur a lot of cost during |
| | production of goods. For example |
| | cost of Festilizers, cost of seeds and |
| | Finally they sell in cheoper price as a result Fall to continue. |
| Ĺ | as a figure Fail to continue. |

CTOVERNMENT interterence: developing boords marketing Crop Financial Tail uality, products Lbrop pro duced infrastrudute trans port Failuties marketing as them.

Extract 10.1 is a sample of a response from a candidate who described the merits of market research as a marketing function. He/she also analysed the problems facing the marketing board in developing countries.

On the other side, the candidates who scored from 7 to 11.5 marks, responded to all parts of the question but failed to provide enough points required by the question. Others managed to answer part (b) of the question with correct points but provided incomplete details to support some of the points.

However, a few candidates (3%) with poor scores failed to meet the requirements of the questions due to inadequate knowledge and skills on the marketing topic. They managed to analyse correctly very few problems facing marketings in developing countries. Among the correct points analysed by many candidates was *insufficient capital*. The reason for analysing such a problem could be due to the fact that, most of the developing countries are characterized by insufficient budgets. Some mentioned competition as a problem but they failed to give adequate explanations. Some gave explanations on the competition between the marketing boards themselves instead of other business stakeholders. In part (b), some of the candidates deviated from the requirements of the questions as they described the limitations of marketing research instead of the merits. Extract 10.2 is a sample of a poor response.

| Extract 10.2 |
|---|
| 2(a) (ii) new technology since they travel in different countries world wide. |
| in different countries world wide. |
| |
| (III) Market research help to Increase |
| (11) Market research help to Increase the quality of products |
| |
| (IV) Market research help consumers |
| to get products of high qualities |
| to get products of high qualities because of the competition in |
| the market. |
| |
| (V) Market research help the country to boost exports since they disco Ver demand and inform the govt Where the market is found |
| to boost exports since they disco |
| ver demand and inform the govt |
| Where the market to is found |
| for supply goods. |
| |
| |
| 26 Problems facing Marketing boards: |
| (1) - Goods produced by developing Countries have law qualities |
| Countries have law qualities |
| so it becomes very difficult to compete in the world - |
| to compete in the world - |
| market. |
| |
| (11) - Un skilled Labours - The board |
| has lack of well trained staffs |
| on the market research. |

Extract 10.2 is a sample of a poor response from the script of a candidate who incorrectly answered part (a) by mentioning the factors for the existence of a market. In part (b) he/she mixed some correct points with incorrect points.

2.2.3 **Question 3: International Trade**

This question had two parts: (a) and (b). In part (a), the candidates were required to explain seven (7) limitations of international trade while in part (b) they were required to outline three (3) functions of a bill of lading.

This question was attempted by 94.1 percent of candidates, of which 43 percent scored from 7 to 11.5 marks, 35.9 scored from 0 to 6.5 marks, and 21.1 percent scored from 12 to 20 marks. The statistical data shows that the candidates' performance in this question was good.

The candidates who scored high marks had adequate knowledge and skills in international trade. In part (a), some candidates managed to explain correctly the limitations of international trade. In part (b) they outlined the functions of a bill of lading as:

It is a receipt of goods by the shipper, a document of tittle, a contract of carriage, it indicates damaged goods on consignment and goods which are in good condition.

The variations in the candidates' scores were caused by their ability to provide correct explanations and the required number of points. Extract 11.1 shows a sample of responses from a candidate who performed well.

| 30) International trade & the trade among nations |
|---|
| 1. He burne and alma in good and conver outside |
| Is the buying and solling up goods and services outside the country. International trade involve important |
| the country their area more important |
| export trade which implies buying and selling |
| outside the country respectively. The following |
| outside the country respectively. The following are the limitations of international trade. |
| Detectorating terms of trade in mouns dealing |
| in terms of trade. Terms of trade is the relationship |
| between import and export of a wantry. Most of the |
| developing wuntier do import than export this |
| causes unfavourable balance of payment and |
| trade honce deteriorating terms of trade. |
| Distriction on solicy by developed (puntill) |
| Devoloped countries impose high tariffs, tarrifs |
| causes dificit in balance of Payment. Also |
| devoloped countries apply total ban, import |
| Devoloped countries impose high taritys, tarrits causes difficit is balance of Payment. Also devoloped countries apply total ban, import quotas and voluntary export restrain therefore limit devoloping countries from gain in |
| limit developing countries from gain in |
| IMOI NOUWING TRACE. |
| Dependency: International trade course q |
| country not to build a sprit of self awarenoss. |
| Too much dependency to another wanties which |
| is more hournful to the economy. |
| Dartruction of infant industries: International |
| trado destruct insant industries because of tree |
| trade theresere developed countries have high |
| analyty grads and advanced technology to the extent |
| that infant undustries can not compete with. |
| Hence cauce into fall of infant industries. |
| Effect of dumping: Dumping means selling |
| of low quality goods to another wuntry by |
| of low quality goods to another country by low price. Developing countries are take |
| |

| za, | dumping places fer the developed Lourines. Dumpi |
|----------|--|
| | dumping places for the developed winthies. Dumping destruct the wintry industry and descurage |
| | 1 m/0 (T m o o T |
| | Instation: Instation is the persistent (continues) |
| | Instation: Instation is the persistent (continues) increase in price level. International trade can cause |
| | country which is expected by inflation. Themployment: Whon we engage in an |
| | country which is expected by inflation. |
| | Unemployment: Whom we engage in an |
| | international trade we means we allow goods and |
| | corvices to enter into our country this goods can |
| | not compete with our domestic goods because |
| | thou are of high quality and produced by high |
| | international frade we means we allow goods and services to enter into our country this goods Can not compete with our do mostic goods because they are of high quality and produced by high technology therefore cause fall in industries which |
| | Cause unemployment. |
| | |
| | |
| 36 | Bill of lading is a document which contains the details of the yoods loaded into the ship terms and conditions under which they have agreed by |
| <u> </u> | the detail of the woods loaded into the ship terms |
| | and conditions under while they have agreed by |
| | Ship ownor. Functions is the but it landong. |
| | ship owner. Functions of the bul of landing. Act as a contract of carriage: it act as a contract whon carry the goods of a |
| | a contact whom camy the goods of a |
| | Land transfer DOCCOBA. |
| | Act as the acknowledgement of the receipts |
| | it is act as a receipts to the goods. |
| | Act as the acknowledgement of the recipts it is act as a receipts to the goods. Act as a document of title to the goods. |
| | |

Extract 11.1 is a sample of a response from a candidate who explained the limitations of international trade and outlined the functions of the bill of lading.

On the other hand, the responses from the candidates with average performance in part (a) contained a number of weaknesses including incomplete points and repetition of some points. For example, some of the candidates explained correctly some of the limitations of the international trade but they included in their responses elements of trade barrier as

independent points. The limitations of international trade explained by most candidates include:

affecting the growth of domestic industries, importation of harmful goods, and decrease in price of local goods and services.

In part (b), some of the candidates defined the bill of lading instead of outlining its functions and a few managed to outline a single function of the bill of lading out of the required three.

Most of the candidates (35.9%) who performed poorly had low level of understanding. For example in part (a) of the question they explained the following elements of trade barrier as separate points which are *language* problem, fixing import quotas, imposing heavy import duties, currency exchange procedures and the length of import and export procedures as separate points. Others explained the importance of international trade instead of the limitations. However, some candidates managed to list the limitations without explanations or with incorrect explanations. In part (b), some candidates outlined irrelevant points as the functions of a bill of lading such as: *it facilitates communication*, *it increases production*, and reduces the cost of production.

2.2.4 Question 4: Contract of Sale

In part (a), the candidates were required to identify four (4) main differences between sales and agreement to sell. In part (b), they were required to examine six (6) remedies for the breach of a contract.

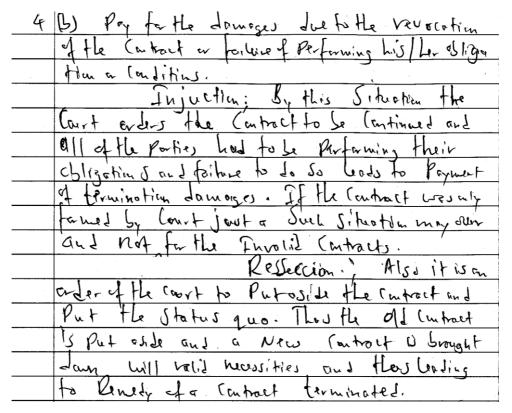
Only 190 (13.3%) candidates attempted this question, of which 45.8 percent scored from 0 to 6.5 marks, 25.8 percent scored from 7 to 11.5 marks, and 28.4 percent scored from 12 to 20 marks. The overall candidates' performance in this question was average.

The candidates who performed well in part (a) were able to provide the differences between the sales and agreement to sell. The correct differences identified include *transfer of the property ownership, risk of loss, consequence of breach, and resale right*. However, not all the candidates were able to explain the differences correctly as some of them reversed the descriptions. Others listed the points concerning sale and agreement to sell but did not show the differences. In addition, a few candidates were able to examine remedies for the breach of a contract. Some of the candidates highlight correctly at least three to four of the required remedies. Extract 12.1 is an example of a good response.

Extract 12.1

| 4 | (a) Difference Setween Joles and Agreement to select |
|---|---|
| | V Transfer of when his |
| | From for of when hip In Soles the transfar of environing is direct |
| | When the byer and setter agrees to have trade. That |
| | Is the www.ship of and is on the home althought. |
| | are still to the Soller. While The Account I have |
| | the ownership of good is on the seller that is |
| | the ownership of goods is on the seller that is the boyer has no right on the goods sond. |
| | is Rise of Loss |
| | In Sales the risk of loss of goods Is on Such |
| | In Sales the risk of loss of gods som Such as domoges, is on the longer that is even if they |
| | one soull the hands of Jelly. While In Agreeme |
| | Int to sell the usic of loss of good is on the Jeiler |
| | Lence buyer had no amy lass in the good due to |
| | Lence buyer had no amy lass in the good due to the in the womenship of Selver. |
| | () Consequence of Breach. |
| | In Sals the Confequences of the fermination or |
| | breach of a contract is an buyer. That is a |
| | Silver can Sue a super if Lette refus to Pay |
| - | for the good transferdor transacted to Lin/Ler. WHILE IN Agreement to Sell the Consequence |
| | WHILE In Agreement to Soll the Consequence |
| | of the breach of contract one on the seller that |
| | 15 Jeller Con only Claim for Lamoges Lajury |
| | is Seller (on only Cloim for Lamoges, Injury intitled to him/Ler on the Smooth of Contract. iv Resole Right. |
| | Color Light. |
| | In Soles the buyer had a resale right, that is be/she can sale the goods to another Proson |
| | of an and the gold of another Production |
| | at any Price resurrice to him and the select had no Claim over it. WHILE In Agreement to |
| | Sel to Desir was the Coll. It is |
| | Sell the Resau right is in the Seller that is he Isle can fell good to another proson and the Luyer con |
| | aly (loin for the damiges Involved. |
| | - 1 C24124 1 4 1 1 2 2 4 4 4 4 4 4 4 4 4 4 4 |

| 4 (b) Breach of (mtract 15 the fermina |
|---|
| tion of a Contract by the offerer and offence I we |
| to Several reasons Juckes forlare of condition, |
| Leath, lapse of time. The following one the remedio |
| for the Speach of a Contract. |
| Ketusal of turtler Performance; the |
| Pitter of the portrol Contract can refuse to continue |
| ofter obligations while are entitled & fle |
| Ofter obligations while are entitled & fle Ofter a office. Thus the Contract offer com |
| The to an end bre she count fertom any |
| mar abligations to the contract, Thus the |
| One part of the contract denies to do any more Objections |
| Specific Performance, After the |
| breach of the contract the offerer may out for |
| the Offense to Perform any more Joseph |
| tunction So or to have fulfilled the Contract |
| function So as to have fulfilled the contract which had been terminated thus the effect |
| May Conya any to do a Specific isligation of |
| May conyan any to do a Specificolization of the efferor had requested to do so. |
| Persuading the other part to continue with |
| the contact: the either of the parties may remedy |
| the contract by Persuading the other Part of |
| the contract by Persuading the other Part of the contract to continue with the contract office |
| Thus if the titler parties ogres Lonce the contract |
| Thus of the title parties agreed Louce the Contract |
| (aulé Le remediel. Leux continuation of contract. |
| Entitlement to damages. The either |
| I the part may Putitle for damages on the forming |
| from or breach of the Contract they, if they |
| Could be paid then be/she agrees to Continue |
| with the contract and Perfam his/Ler required Offigetian Escample on Office may |
| required Offigetia. Execurple an Office may |



Extract 12.1 presents a sample of a response form a candidate who identified four differences between sales and agreement to sell. The candidate also examined six remedies for breach of a contract.

Some of the candidates who scored low marks (0 to 6.5) attempted part (a), of the question and provided very shallow descriptions of some points like the right to resale the property. This shows that they had inadequate knowledge of contract of sale. Others differentiated the terms by simply defining them without considering the other part of the question. Extract 12.2 is a sample of a poor response.

Extract 12.2

| 40. | Sale is an act of giving good |
|-----|---|
| | and receive money a payment while |
| - | agreement to sell is an agreement to |
| | earhange gards. |
| | Salar is already or things that |
| | continous & while "Agreement to sale is |
| | future expectation of for exchange. |
| | Sales do not need any Tagal |
| | document apart from receipt while |
| | Agreement to sale need legal prosess |
| | before sale. |
| | V |

Extract 12.2 is a sample of a response from a candidate who answered in part (a) only, by writing irrelevant points, some of which relate to the difference between sales and trade instead of sales and agreement to sell.

2.2.5 Question 5: Business Capital

In part (a), the question required the candidates to explain four (4) main forms of business capital. In part (b) they were required to identify two (2) sources of finance that come from within the business firm itself. In part (c) they were required to calculate (i) cost of goods sold, (ii) gross profit, (iii) turnover, (iv) total expenses, and (v) Net profit by using the data given (inventory turnover 8 times, average inventory Tshs 3,248,000 mark-up 50% and expenses 60% of gross profit).

This question was attempted by 76 percent of all the candidates. The candidates' performance was good because 73.7 percent of the candidates who attempted the question scored from 12 to 20 marks, 18.7 percent scored from 7 to 11.5 marks, and only 7.6 percent scored from 0 to 6.5 marks. Figure 7 summaries the data given above.

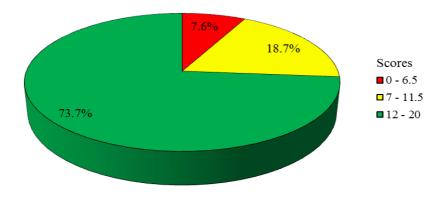


Figure 7: Candidates Performance in Question 5

The candidates who scored high marks explained four main forms of business capital, and calculated the cost of goods sold, Gross profit, turnover total expenses and net profit. However, there were some candidates who failed to identify two sources of finance that come from within the business firm itself. The analysis shows that most of the candidates were good a performing simple calculations because they scored all marks in part (c). Extract 13.1 presents a sample of a good response.

Extract 13.1

| 5(a) Capital refers to collection of assets or man mode |
|--|
| resources that are employed into the business to |
| enable the business to be cannot effectively. It can be |
| in financial form (money form) or assets (fixed assets), |
| Business capital is Financial into the business to |
| ensure the business operates well and certain of |
| contunity is adhered the to llowing are forms of business apolls |
| Owned Capital; This is the Capital which is Contributed |
| by the owner at the time he she starts the |
| bushess. It is the capital that the owner him her |
| self employed by to the country (mynous control) |
| Working capital; This is the capital which is |
| Working capital; This is the capital which is used in operating the business, it consists the Circulating capital which meets daily expenses and needs of business o penetion, can be expressed |
| Circulating capital which meets darly expenses and |
| needs of business o penetion, can be expressed |
| maxing wastally as I work of capital - come, reserve - comes is reasoning |
| Borrowed Capital This is the Capital that the |
| business borrows from the external Financieus, |
| Such as debendunes, thus being a loan capital to |
| the business, which is to be regard at gover rate of |
| Interest |
| Fixed capital, this is the Capital that is |
| dwable in nature and can be used in the business for |
| a long period of time in different business operations |
| a long found of time in different business operations. Such as Production. It includes; Modules, Furnitures and others. |
| |
| SUB) The Lud Sources of Finance that Come From within Suspect. |
| Ploughing back of Profit (re-Investing profit) This is when |
| the profit made by the business or firm |
| is imported so as to increase the size of |
| Capital of a business or firm. Hence one of |
| Sources of finance from within the business |
| |

| 5(b) Leasing; leasing refore to renting parts of | |
|--|--|
| business resources to outsiders for a rental | |
| change and be pand dranges of lease House increase | |
| Size of business capital. | |
| SICEVI | |
| | |
| SC) Given o (Pre-tumour doda) | |
| Role of Stock turn = 8times | |
| | |
| Average Inventory = 3, 248,000f. | |
| Makeup = 50% = = = = = = = = = = = = = = = = = = = | |
| Expenses = 60% of gross profit. | |
| (C) (A) B (C) (D) | |
| (i) cost of goods sold. | |
| Rosatum = (ogs | |
| Avg. stock (True-levy) | |
| Cast of goods Sold = Arg. Inventory x R.O.S.T | |
| Cogs = (3,248,000) x 8 = | |
| Cogs = 85,984,000 = | |
| | |
| cost of goods sold = 25,984,000=. | |
| | |
| (1) Cours bout. | |
| Mark-up= Gross grafit , Gross profit = (Mark-up)x (ost of sales) Cost of sales. | |
| | |
| 50 = Gross profit | |
| 100 25, 984000. | |
| | |
| Gross profit = (as, 984,000x50) | |
| 100 | |
| | |
| .: Gross profit = 12,992 000= | |
| | |
| | |

| To love - Colo | , |
|--|---|
| 30 (111) Turnover (sales). | |
| Mak-up=1, Magm=1=1 | |
| , | |
| Margin = Grossprotet Sales. | |
| Sales. | |
| 1 = .12992000 3 Soles. | |
| 3 Soles. | |
| | |
| Sales = (12, 992,000)x 3 | |
| Sales = 38,976,000 = | |
| | |
| (iv) Total expenses | |
| (iv) Total expenses Expenses = 60/ (Goves postt) | |
| | |
| $\pm xperses = 60'(12,992,000)$ | |
| | |
| , Expenses = 7, 795, 2001= | |
| | |
| | |
| (V) Net profit | |
| Net pool = Gross profit - Expenses = 12,992,000 - 7,795,200 Netport = 5,196,18001= | |
| = 12,992,000 - 7,795,200 | |
| Netpot = 5, 196, 800 = | |
| ' | |
| Net profit = 5,196,800= | |
| | |
| | - |

Extract 12.1 presents a response from a candidate who correctly explained the four main forms of capital, identified two sources of internal source of business finance and calculated all the required items.

However, some candidates who performed poorly in this question (7.6%) failed to understand some parts of the question especially part (a) and (b). They explained the forms of share capital such as paid up capital, called up capital, authorized capital and issued capital instead of the main forms of capital. In part (c), most of the candidates in this category failed to obtain correct answers because they applied incorrect formulae. Extract 12.2 presents a sample of a poor response.

Extract 12.2

| 5 B | D Debenture - is the unit of loan. This can | | | | | | | |
|-----|---|--|--|--|--|--|--|--|
| | be used in retain capital or loan | | | | | | | |
| | from the company. This help to finance the | | | | | | | |
| | business when it need the capital or loan | | | | | | | |
| | to to save from downfall. | | | | | | | |
| | (10) 10 -2000 (10) | | | | | | | |
| | ii) Salling share - is the unit of capital A | | | | | | | |
| | Company can be finance when the Maporty | | | | | | | |
| | Ompany can be finance when the Majority of Sharsholder decise to selling Sum of the | | | | | | | |
| 56 | to other wants or new share holder in the | | | | | | | |
| lf. | 1 Company. | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 50 | Given: Average stock = 3,248,000 | | | | | | | |
| | Mark up = 50% | | | | | | | |
| | Stock tomover = 8 time per | | | | | | | |
| | Expenses = 60% of the gross profit. | | | | | | | |
| | , | | | | | | | |
| | Dest of goods sold. | | | | | | | |
| | Soln | | | | | | | |
| | 0102 Doop to t20) (i) | | | | | | | |
| | <u> </u> | | | | | | | |
| | Stock turn over = Average stude | | | | | | | |
| | Coas | | | | | | | |
| | 2 7 3 24 3,000 | | | | | | | |
| | (olis | | | | | | | |
| | | | | | | | | |
| | (OGS = 3248000 | | | | | | | |
| | 2 | | | | | | | |
| | · (0 (13 - Da 406,000 /= | | | | | | | |

| 50 | (ii) Mark up = Cotis | | | | | | | | |
|----|-------------------------------------|--|--|--|--|--|--|--|--|
| | Sales | | | | | | | | |
| | 50% = 406000 | | | | | | | | |
| | Sales | | | | | | | | |
| | Sales = 406 000 | | | | | | | | |
| | 50% | | | | | | | | |
| | _Sales = Tsh &12100/= | | | | | | | | |
| | anus profit = Sales - Colis | | | | | | | | |
| | = 812100 - 406000 | | | | | | | | |
| | = 406100 | | | | | | | | |
| | | | | | | | | | |
| | : Cross prof1 = Bh 406100/2 | | | | | | | | |
| | | | | | | | | | |
| | (iii) Tumover = Cross Profit x 100% | | | | | | | | |
| | Sales | | | | | | | | |
| | = 406100 | | | | | | | | |
| | 312100 | | | | | | | | |
| | Turnover = 0.5 % | | | | | | | | |
| | | | | | | | | | |
| | (W) Potal expenses = Cross profit | | | | | | | | |
| | = 60% of Cross profit | | | | | | | | |
| | = 60 % x 406 1m | | | | | | | | |
| | : Total expense = Bhs. 243660/= | | | | | | | | |

Extract 12.2 shows a sample of responses from a candidate who explained the external sources through which a company acquired capital instead of the internal sources. In part (c), the candidate failed to apply correct formulae to some of the items.

2.2.6 Question 6: Organisation and Management of a Business

In part (a) the candidates were required to explain (i) organisation chart (ii) the main types of organisation charts, (iii) three advantages and two disadvantages of an organisation chart. In part (b), they were required to explain two principles of delegation of authority.

This question was attempted by the lowest number of candidates (3.8%). The candidates' performance shows that 55.6 percent scored from 0 to 6.5 marks, 38.8 percent scored from 7 to 11.5 marks and only 5.6 percent scored from 12 to 14.5 marks. The candidates' performance in this question was average.

The candidates who performed well in this question demonstrated their understanding of the Organisation and Management of a Business topic. Most of the candidates were able to respond well to some sub parts in part (a). For example, they explained the term organisation chart, but they mixed correct with incorrect responses on the types of organisation chart. Their responses were a mixture of organisation chart and organisation structure. In addition to that, some candidates were able to explain the advantages and disadvantages of organisation chart but some of their points were not clearly elaborated.

The candidates with poor performance had insufficient knowledge of the subject matter. Most of the candidates in this group scored some marks after providing a clear meaning of organisation chart. Furthermore, they explained the types of organisation chart. However there were candidates who correctly mentioned the types of organisation chart but interchanged the explanations of the vertical organisation chart with that of horizontal organisation chart. Also, some of the candidates failed to explain the advantages and disadvantages of an organisation chart instead they explained some advantages and disadvantages of one of the types of organization structure. In addition, a majority of the candidates answered part (b) incorrectly by explaining the principles of organisation instead of the principles of delegation of authority. Extract 14.1 is a sample of a candidate's poor response.

Extract 14.2

| 60) is organisation |
|---|
| b) Line & Haff Organisation, This is the organisation |
| System whereby Hay specialists with skill on Certain |
| Spacialized matter are read to assif the line manages is |
| Such specialist yields, these give achice the line marges |
| Concerning with specialist mallers but do not have direct |
| authority ove the Subordinates. |
| |
| or Functional organisation, is the Organisation structure |
| by the Stay- Specialish are have authority can give order |
| to the subodinates and how some Control over the subodi |
| nate |
| |
| di Committee Organization, this is the Organisation |
| Arinture where a group of individuals is alocated of |
| Specific took to julill it may be jamed permanently |
| or temporarily to the accomplish a Certain task of which |
| will be called ashoic, Committee Organisation joined |
| Should make accurate analysis of feets and come up |
| with exective decisions. |
| and great orders |

Extract 14.1 is a part of incorrect responses from a script of a candidate who explained types of organisation structure instead of organisation chart.

2.2.7 Question 7: The Role of the Government in Trade

There were two parts in this question: (a) and (b). In part (a), the candidates were required to identify five objectives of consumerism while in part (b), they were required to describe five legislative measures available to safeguard consumers in Tanzania.

The question was attempted by 27.8 percent of all the candidates. The candidates' performance in this question was poor as 71.3 percent scored from 0 to 6.5 marks, 26.7 percent scored from 7 to 11 marks and very few candidates (2%) scored from 12 to 15 marks which was the highest score. Figure 8 summarizes the candidates' performance in this question.

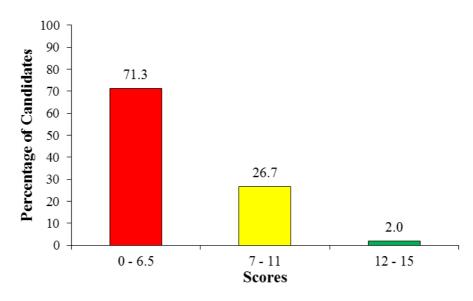


Figure 8: Candidates Performance in Question 6

The candidates who performed poorly had insufficient knowledge and skills on the role of the government in trade. There were some candidates who misinterpreted the question because their responses focused on the importance of warehouses to consumers. Other candidates' responses focused on the importance of advertising to customers instead of the objectives of consumerism so, they listed such importance as *price stability, to acquire variety of goods, to provide information, and to increase in quality of goods.* However, some candidates managed to explain a few correct objectives of consumerism like *to educate the consumers and to encourage them to join various associations.* The correct objectives were:

- (i) To awaken and organize consumers who are generally uneducated, scattered and passive to arise their voice against dishonest manufactures and dealers.
- (ii) To make representations to the government and legislative bodies.
- (iii) To educate consumers through various advertising media.
- (iv) To organize and spread the network of consumers association to all over the area and encourage consumers to join the association for their own benefits.

(v) To get effective participation of consumers in the decision making process

However, most of the candidates who scored from 7 to 12 marks, described most of the legislative measures available to safeguard consumers while other points mentioned had inadequate explanations. In part (a) they highlighted some objectives of consumerism such as to educate consumers, to get effective participation of consumers in decision making and to encourage consumers to join the consumers association for their benefits but it was difficult to spot the intended meaning. Extract 15.1 is a sample of a relatively correct response from a candidate who responded correctly to part (b) and partially to part (a).

Extract 15.1

| $\frac{7}{4}$ (b) | Consimer protection; These are the measures adopted |
|-------------------|---|
| | by the government to control the admities a private |
| | businessman & a the right a consumers are protected the |
| | following are the legislative measures available to safe-gund |
| | Consumed in Tanzapia |
| | Sale of goods act; This is the agreement |
| | enforceable by law where by the seller agree to transfer or |
| | trunsper the papely in gods in consideration a money termed |
| | as price. The establishment of this act enabled the |
| | Consumer to get their right. For example right to example |
| - | goods kight to reject poor quely goods and right to |
| | Sue for the Scaler who he repuse to creaver govers |
| | thire ourchase act; This is the legal protection by |
| | the government to enable the consumers who can not |
| | pay all the money in lumpsum when buying goods, to get |
| | the property the want by buying on live purchase terms where |
| | the debt is paid on installment |
| | Food and drugs act; This is the act created |
| | by government to protect consumers by putting the |
| | Stringerd a food and drugs which should be produced in |
| | Candania Mough this ad the consumers are in safe |
| | Position to get quality food and drugs. |
| | Weight and measurement act; this is the act |
| | enaded by the government of Tanzania to make sure that |
| | the weight and measures used to provide service to |
| | Consumors are in right Standard that is do not explish |
| | consumecs. |
| | Reside price at; This is the acts enaited by |
| | Tonzania government to make sure that sellers do est |
| | explore consumer by charging high price he art |
| | explain how the price of goods for relate Should be |
| | explain how the price of goods for relate Should be determined so as to protect the right of consumers. |
| | |

| 7(9) | Consumerism; This is the method adopted | | | | | | |
|------|---|--|--|--|--|--|--|
| | by consumer to control and protect their right through | | | | | | |
| | ferming consumer association organization The objectives of | | | | | | |
| | ConsumenJm or consumer association are as follows | | | | | | |
| | To provide education among the consumer so | | | | | | |
| | as to help them understand their right consumaism aim at | | | | | | |
| | providing the education to the member of the association So as to enable them understand their basic right on | | | | | | |
| | | | | | | | |
| | buying goods and Services | | | | | | |
| | To enable consumer to the condition which | | | | | | |
| | exist in the market eccommy! Consumerism com making | | | | | | |
| | Consumer to understand the morket situation which exist in | | | | | | |
| | the market economy. For example when the Supply increas | | | | | | |
| | the price kend to fall. | | | | | | |
| | To crowle good relationship among the | | | | | | |
| | Consumers; Consumersm aim at creating the good | | | | | | |
| | relationship among the consumors, so that they can | | | | | | |
| | Seat down and duculs matters relating to their rights and | | | | | | |
| | get the solution on what to | | | | | | |
| | To chrose regresentative who will present the | | | | | | |
| | blaining of the consumers to the government; Consumerish | | | | | | |
| | alm at Chausing the regresentalities who will make | | | | | | |
| | presentation of consumer's blaims to the government so | | | | | | |
| | as they can be solved as soon as possible. | | | | | | |
| | lo increase the welfare of consumers. The | | | | | | |
| | technique a consumerism aim at increasing the welfare a | | | | | | |
| | consumors by moting sure that answer get commonly at the right place, home one as apportable pice | | | | | | |
| | Lat the right place, home one at apportable pice | | | | | | |
| | All in all the above explained are the objections | | | | | | |
| | Sure that the right of consumers are protected: | | | | | | |
| | . Sure that the right of consumers are protected: | | | | | | |
| | | | | | | | |

Extract 7.1 shows a sample of a response from a candidate who identified some objectives of consumerism and described legislative measures used to safeguard the consumers in Tanzania.

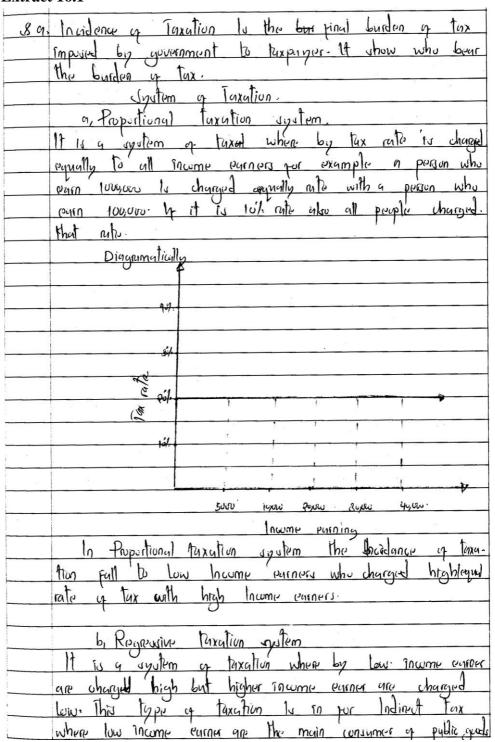
2.2.8 Question 8: Taxation

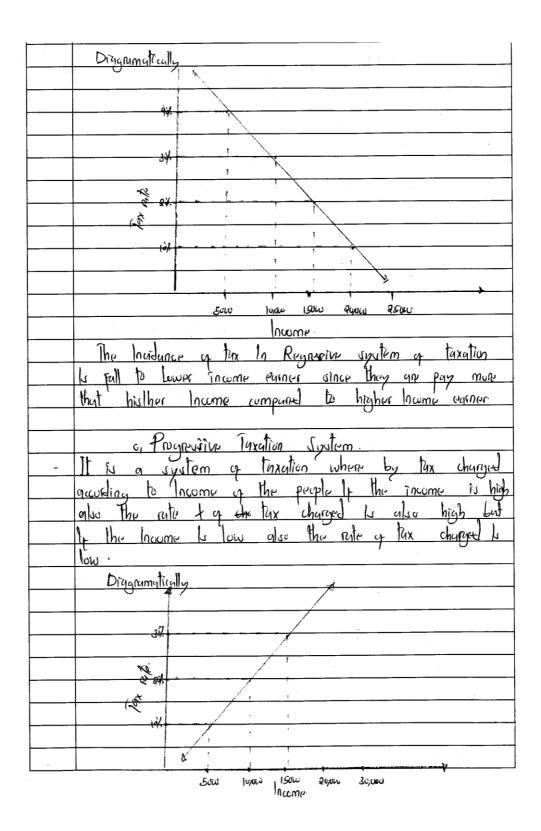
This question had parts (a) and (b). In part (a), the candidates were required to (i) define incidence of taxation and (ii) describe three main system of taxation. In part (b) they were required to explain six limitations of direct taxes.

A total 92.2 of percent of the candidates attempted this question. The candidates' performance was good, since 66.4 percent of candidates scored from 7 to 20 marks, 27.7 percent scored from 7 to 11.5 marks and only 5.9 percent scored from 0 to 6.5 marks.

The candidates who performed well scored from 12 to 20 marks. The majority of them were able to give the meaning of incidence of taxation. They correctly presented it as a final resting place of the tax, and went on to add that incidence of taxation shows who finally pays the tax and feel the burden of taxation. For example, employees pay PAYE, for businessmen pay sales tax and buyers indirectly pay tax on bought goods or services rendered. They also described the three main taxation systems which are regressive, progressive and proportional systems of taxation with examples to support their responses. Most of them were able to explain the limitations of direct taxes. A good performance in this question could be attributed to the fact that the topic is taught in Commerce and Economics so candidates share knowledge from both subjects. Discrepancy in candidates' scores resulted from the variation of their depth of explanations. Extract 16.1 shows a sample of a candidate's good response.

Extract 16.1





| | In this system of taxation the Incidence of tax is | | | | | |
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| | pass to both lower lacome parner and higher lacome varner | | | | | |
| | both bus the burden. | | | | | |
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| 48_ | | | | | | |
| | is changed on income of a person trample Capital gain | | | | | |
| | tax, Cooperation tax, property tax etc. It is the payment | | | | | |
| | charged direct a texpuger know the exactly value to | | | | | |
| | be Imposed charged | | | | | |
| | The pollowing one the limitations of direct taxes. | | | | | |
| | It disconrage suring, a direct taxes since it is | | | | | |
| | charged direct a taxpages knowing the exactly figure which | | | | | |
| | is charged it make him to be discourage to core. | | | | | |
| | also some time is changed high tax. | | | | | |
| | It discourage Investment, a direct tax may be | | | | | |
| | charged high that discourage investor to invest and invest- | | | | | |
| | changed high that discourage investor to invest and invest- ment full also since they Imposed high tax on Investment | | | | | |
| | and I pun when they owner | | | | | |
| | It discourage for to work, a direct laxon discourage | | | | | |
| | a perior to work since is charged on histher Income | | | | | |
| | and know where to be charged that make herthim to | | | | | |
| | receive Low income bring her to discourage to work | | | | | |
| | It is paid by Minority, It is not equality, since | | | | | |
| | tax charged on Income to and it for these who are | | | | | |
| | registered and known by public is only those are charge | | | | | |
| | ed but there is some receive income but do not cha- | | | | | |
| | ત્યુલી. | | | | | |
| | Easy to evade since a person can tro his Informa- | | | | | |
| | tron about his Income that make her to be charged high | | | | | |
| | low tex companied to b Indirect co, that relace govern- | | | | | |
| | ment revenue | | | | | |

| | 114 0 | PVPN6 | , โป กบ | large | und | not | econon | 09, | Dino | |
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| me pull | | | | | | | | | | |
| or collect | iun su | nut | que | dekanar | | mili | ny or | 0. | vrmy | מעל |
| 1 | HOM | 1 | U ૯ હવત | | | | ا ر | | ν | · [2] |
| Hilly Se | 10111 | 11.50.11 | | | | | | | | |

Extract 16.1 is a sample of a good response. The candidate was able to describe the term tax incidence, identify the main systems of taxation and explain limitations of direct taxes.

The candidates who scored from 7 to 11.5 marks responded to almost all parts of the question though some of their responses had some weaknesses. Some of the noted weaknesses include insufficient number of correct points and failure to match the explanation with some of the main systems of taxation. For example the explanation for regressive system of taxation was given under progressive system and vice versa. They also confused the explanations above with some limitations of direct tax like tax avoidance and tax evasion.

On the other hand, some of the candidates who had poor (0 to 6.5) scores in this question showed several discrepancies in their responses. Some of them were able provide the correct meaning of incidence of taxation and to list the main systems of taxation but they failed to give the correct explanation to such systems of taxation. Others were able to mention the limitations of direct taxes but failed to provide detailed explanations. Those who scored 0 marks responded contrary to the demand of the question and they attempted only some parts of the question. For example, one of them explained the meaning of tax avoidance instead of tax incidence and direct and indirect taxes as systems of taxation. They failed to differentiate the forms of tax from the systems of taxation. In part (b), some explained the advantages and disadvantages of indirect taxes instead of the limitations of direct taxes. Their responses showed that those candidates had inadequate knowledge and skills on the subject matter tested. Extract 16.2 shows a sample of a candidate's poor response.

Extract 16.2

| 8/ | Where by an equit 'n price level leads to the - equal in Income |
|-----|--|
| | Where by an equit in price level leads to the- |
| | equal In Income |
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| 8./ | |
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| 5/ | lay or li flor Lype of for impajed directly on- |
| | the personal Income. The lollowing on the limitation - |
| | hax or 11 the type of tax impared directly an- the personal income. The following are the limitation- of direct tax. Revise of acietant revenue, there leads- |
| | Ruise of government pevenus: there leads- le the circle tex passe government pevenus by reducing. The flowerment expenditions of the squarement. When the government collect the tax on equal feach to rasse in- |
| | to the wind tex passe government revenue by reducing |
| : | the government expenditives of the government. When the |
| | government Collect the tax on equal feed; to raste in- |
| | · government revise reversive. |
| | The 17th one person are contributing |
| | more Income or tax rather then poor: thate leads to the- |
| | when you get more income and you contribute - more to the Paymonts of taxation. |
| | Income redistribution: Hede is |
| | Where by the income redistribute more and- |
| | more in the dystem of timitation texation |
| | Imposed on Dectional Income. |
| | Hieror leads the tex collected are imposed much on personal which we of the limitation of direct |
| | on personal losies. I the one of the timitation of direct- |

Extract 16.2 illustrates a sample of a part of an incorrect response from a candidate who failed to explain the systems of taxation and the limitations of direct taxes. He/she also explained the advantages and disadvantages of indirect taxes instead of limitations of direct taxes in part (b).

3.0 ANALYSIS OF CANDIDATE'S PERFORMANCE PER TOPIC

The analysis shows that out of 16 tested topics, the candidates had good performance in 12, average performance in topics 3, topics and weak performance in 1 topic. The topics with good performance include *Marketing* (97%), *Production* (95.1%), *Stock Exchange* (94.3%), *Taxation* (94.1%), *Insurance* (93.3%), *Business Capital* (92.2%), *Banking* (88.3%), *Advertising* (81.2%), *The Scope of Commerce* (80.4%), *Retail Trade* (74.8%), *Foreign and Import Trade* (64.1%) and *Warehousing* (61.4%). The topics with average performance were *Contract of Sales* (54.2%), *Organization and Management of Business* (44.4%) and *Business Units* (38.6%). The only topic which had weak performance was *The Role of Government in Trade* (28.1%). The performance of the candidates per topic is summarised in the Appendix where green colour indicates topics with good performance, yellow colour indicates topics with average performance and red colour indicates topics with weak performance.

4.0 CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

Although the performance in most of the questions was good, there were few questions in paper two which had average performance and one topic (The Role of Government in Trade) which had poor performance. The good performance in those questions could be influenced by sufficient knowledge and skill on the subject matter, ability of the candidates to identify the tasks of the questions and the ability to use English language to express themselves well. In addition, questions number 2, 4, and 6 had average performance, which resulted from number factors, including partial knowledge and skills on the subject matter tested, insufficient responses to some parts of the questions and poor interpretation of some parts of the questions.

Furthermore, the analysis revealed that performance of the candidates in question 7 was poor. The weaknesses observed were misinterpretation of the question, partial knowledge on the concept related to the questions and inadequate explanations of some of the points given.

4.2 Recommendations

In order to improve the performance of the candidates in future examinations administered by the Council in those questions with average and weak performance the following should be done:

- (i) Candidates should be guided to identify the tasks of the questions.
- (ii) Candidates should answer all parts of the questions with sufficient number of points as required by the question.
- (iii) Candidates should read different Commerce books and journals to widen their knowledge.
- (iv) Candidates should participate in different discussions, especially in the areas that they find difficult to understand.
- (v) Teachers should make sure that study tours are conducted so as to enable the candidates to put into practise what they have learnt in theory.

Appendix
A Summary of the Analysis of the Candidates Performance per Topic

| S/n | Topic | Total Number of Questions | Percentage of candidates who scored an average of 35% or above | Remarks |
|-----|---|---------------------------------|--|---------|
| 1 | Marketing | I | 97 | Good |
| 2 | Production | 1 | 95.1 | Good |
| 3 | Stock exchange | 1 | 94.3 | Good |
| 4 | Taxation | 1 | 94.1 | Good |
| 5 | Insurance | 1 | 93.3 | Good |
| 6 | Business Capital | 1 | 92.2 | Good |
| 7 | Banking | 1 | 88.3 | Good |
| 8 | Advertising | 1 | 81.2 | Good |
| 9 | The Scope of Commerce | 1 | 80.4 | Good |
| 10 | Retail Trade | 1 | 74.8 | Good |
| 11 | Foreign trade and Import trade | 1 | 64.1 | Good |
| 12 | Warehousing | 1 | 61.4 | Good |
| 13 | Contract of Sales | 1 | 54.2 | Average |
| 14 | Organization and Management of a Business | 1 | 44.4 | Average |
| 16 | Business Units | 1 | 38.6 | Average |
| 16 | The Role of Government in Trade | 1 | 28.7 | Weak |

