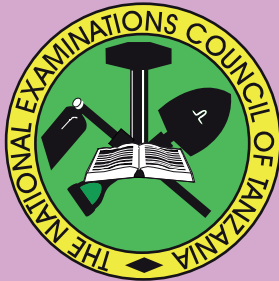


**THE NATIONAL EXAMINATIONS COUNCIL OF TANZANIA**



**CANDIDATES' ITEM RESPONSE ANALYSIS REPORT  
FOR THE ADVANCED CERTIFICATE OF SECONDARY  
EDUCATION EXAMINATION (ACSEE) 2018**

**152 COMMERCE**

# **THE NATIONAL EXAMINATIONS COUNCIL OF TANZANIA**



## **CANDIDATES' ITEM RESPONSE ANALYSIS REPORT FOR THE ADVANCED CERTIFICATE OF SECONDARY EDUCATION EXAMINATION (ACSEE) 2018**

**152 COMMERCE**

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## **FOREWORD**

This report on the Candidates' Item Response Analysis (CIRA) in Commerce subject in the Advanced Certificate of Secondary Education Examination (ACSEE) 2018, has been prepared so as to provide feedback to the education stakeholders 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, among other aspects, shows the effectiveness of the educational system in general and the education delivery system in particular. Principally, the candidates' responses to the examination questions is a strong indicator of what the educational 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 the understanding of some of the reasons for the good or bad performance of the candidates question wise. It outlines the factors that made majority of the candidates to perform well in the questions. Some of the factors include ability of the candidates to answer the questions as per requirements, knowledge on the concepts related to the subject matter, and ability to follow the examination instructions. However, poor performance in some of the questions was attributed to the candidates' failure to identify the demands of the questions, misconceptions, insufficient explanation and description, as well as lack of knowledge on some concepts related to the subject matter. It is expected that the feedback provided in this report will enable the education administrators, school managers, school quality assurers, teachers and students to identify appropriate measures to be taken in order to improve the teaching and learning process. This will further improve the candidates' performance in future examinations administered by the Council.

The National Examinations Council of Tanzania will highly appreciate constructive comments and suggestions from all education stakeholders which can be used for improving future Candidates' Item Response Analysis Reports.

Finally, the Council would like to express its sincere appreciation to all those who participated in the preparation of this report.



Dr. Charles E. Msonde  
**EXECUTIVE SECRETARY**

## 1.0 INTRODUCTION

This report analyses the performance of candidates who sat for 152 Commerce subject for Advanced Certificate of Secondary Education Examination (ACSEE) that was done in May 2018. The examination tested the candidates' competences as stipulated in the Commerce syllabus for Advanced Level Secondary School, which was issued in the year 2010.

The examination comprised of two (2) papers; 152/1 Commerce and 152/2 Commerce. Each paper had eight (8) questions which were distributed into two (2) sections, A and B. Each section had four (4) questions. The candidates were required to answer five (5) questions from each paper.

In both 152/1 Commerce paper 1 and 152/2 Commerce paper 2, the candidates were required to choose three (3) questions from section A and two (2) questions from section B, making a total of five (5) questions. However, question one (1) in both papers was compulsory. Each question carried twenty (20) marks.

A total of **1,518** candidates sat for Commerce paper in May 2018. The examination results show that 1,514 (99.74%) candidates passed while only 4 (0.26%) candidates failed. The rate of candidates' performance in this year has increased by 0.66 percent as compared to 2017 performance in which out of 1,530 candidates who sat for that examination, 1,516 candidates (99.08%) passed and 14 candidates (0.92%) failed.

The report also analyses the performance of the candidates in each question. The performance in each question is rated as good if the scores range from 60 to 100 percent, average if the scores range from 35 to 59 percent and weak if the scores range from 0 to 34 percent. As seen in the figures and appendix, these categories of performance are indicated by using special colours where green, yellow and red colours denote good, average and weak respectively.

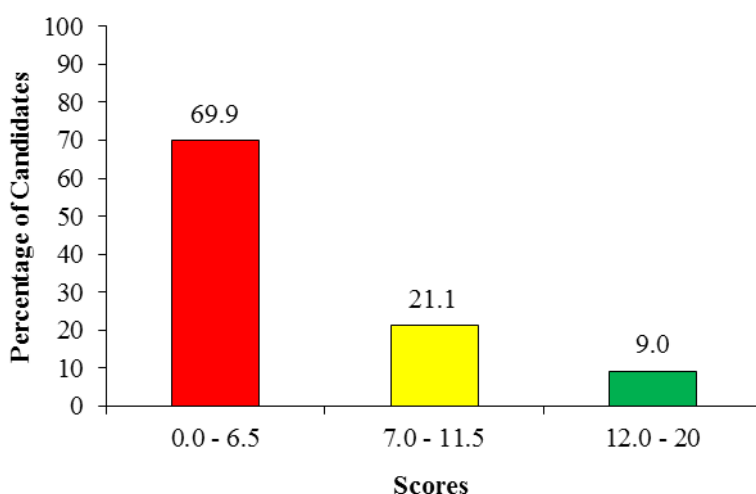
Furthermore, the report analyses the demands of the questions, performance and responses of the candidates in each individual question. In addition, the report shows strengths and weaknesses in the candidates' responses. Figures and samples of extracts from the candidates' responses have been inserted to illustrate the candidates' performance.

## 2.0 ANALYSIS OF THE CANDIDATES' PERFORMANCE IN EACH QUESTION

### 2.1 152/1 COMMERCE PAPER 1

#### 2.1.1 Question 1: Insurance

The candidates were required to explain four forms/types of marine losses which are covered under marine insurance contract. The question was compulsory and it was attempted by all candidates (100%) out of which 69.9 percent scored from 0 to 6.5 marks, 21.1 percent scored from 7 to 11.5 marks. Only 9 percent scored from 12 to 19.5 marks. The analysis shows that the candidates' performance in this question was poor since only 30.1 percent of the candidates were able to score an average of 35 percent or above. The candidates' performance in this question is summarized in figure 1.



**Figure 1:** *Candidates' Performance in Question 1.*

A total of 1,069 candidates performed poorly in this question. This is mainly due to misinterpretation of the question and limited knowledge on the topic of insurance. There were some candidates who provided some correct types of marine losses but they could not explain them correctly. For example, the candidate correctly mentioned actual total loss but the explanation given was related to constructive total loss and vice versa. Some other candidates managed to explain a single correct point and the rest of other points were irrelevant as they were not related to the subject matter examined. However, a total of 245 candidates (16%) who scored a zero mark failed to identify the

demand of the question as indicated in their responses. For example, some candidates explained the risks involved in insurance such as: *accident, fire, theft, bad debts, and robbery* instead of types of marine losses which are: *actual total loss, constructive total loss, general average loss and particular average loss*. Other candidates explained the principles of insurance instead of the types of marine losses. Likewise, there were some candidates in this category who confused marine losses with marine policies. Their responses include: *voyage policy, time policy, mixed policy and floating policy*, which are marine policies and not marine losses. Extract 1.1 shows a sample of the candidates' poor responses.

### Extract 1.1

1	Marine loss, this is the occurrence of	
	risk during transporting using marine transport. The	
	following are the types of marine losses which are	
	covered by marine insurance contract.	
	Indemnity, where by the Insurance	
	Company it only aims to return the person from	
	where he was before and not make him rich. That	
	is returning him in his normal life position when he	
	gets lost.	
	Utmost good faith, this is where by	
	when the marine insurance policy is taken there should	
	utmost good faith with that person who is taking	
	up an insurance.	
	Proximate Cause, the should a proximate	
	Cause to the thing that the Shipper owner insure for	
	where by if he loses against the damage of property then	
	if there is damage of property is when the insurance co	
	will contribute for him	
	Insurable Interest, there should	
	be Insurable Interest against the loss that the Ship	
	owner is taking out for.	

1	<p>Marine losses, this are occurrence of risk which are covered under marine transport. The following are the type of marine losses which are covered under marine insurance.</p> <p>Loss of properties, when the properties of people who are travelling using marine transport but they are covered by insurance company if their marine transport has been the loss against properties.</p> <p>Damage of goods, when there is any damage of goods when transporting in marine transport in case goods are damaged then the insurance company need to insure loss against the damage of goods.</p> <p>Death of people, when people who were transporting in marine then they die then their family members will be compensated by the insurance company.</p>	
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Extract 1.1 shows a sample of poor response from a candidate who explained the principles of insurance and some of the risks that can be insured under marine insurance instead of the forms/types of marine losses.

However, 21.1 percent of all candidates scored from 7 to 11.5 marks, which was average performance. Majority of the candidates under this category had partial knowledge on the types of marine losses. Some of them were able to identify all types of marine losses but failed to provide correct explanations to some of the types. Other candidates explained only few types of marine losses and some of their explanations were inadequate to meet the demands of the question.

Only 9 percent of all candidates performed well in this question as their scores ranging from 12 to 19.5 marks. Their good performance was attributed to better understanding of the requirement of the question, ability to explain the types of marine losses and proper presentation of their responses in an essay form. Majority of these candidates were able to explain most of the points correctly though some slight discrepancies were noticed in some of their responses. Extract 1.2 shows a sample of the candidates' good responses.

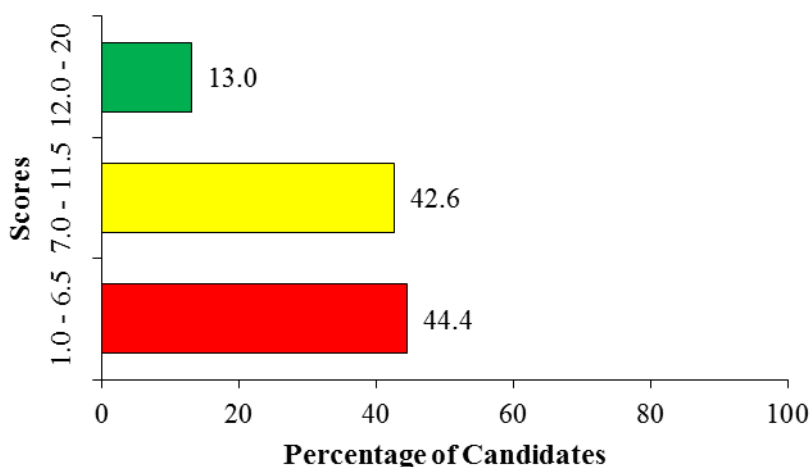
## Extract 1.2

1	<p>Marine insurance is the contract between the insurer and insured whereby the insurer agree to indemnify the insured against the peril of the sea such as collision of ships, storm and sinking of the ships in return of consideration known as premium. While Marine losses are the losses that result from happening of the risks insured against.</p> <p>The Following are the Forms of the marine losses that are covered by the marine insurance contract and are explained as follow:</p> <p>Actual losses This is the type of loss whereby the ship and cargo is totally destroyed by the water and nothing more can be collected from either cargo or ship that means they are totally lost in the water.</p> <p>Constructive loss. This is the form of the marine loss whereby the the cargo and ship are destroyed to extent that they have no practical use of either the cargo inside the ship or the ship itself.</p> <p>General average losses. These are the type of losses where by some of the cargo must be jettisoned in the water so as to save some of the cargo and ship for this loss is borne by cargo owner and the ship owners.</p> <p>Particular average loss. This is the loss where only some of the cargo have destroyed in the ship not all the cargo. For this case the loss is borne by the ship owner if it is due to misconduct of the ship master or the crew on the ship unless otherwise is borne by cargo owner if it's due to natural causes.</p>	
1	<p>Therefore marine insurance are important as it help to ensure that the insured is compensated on the event against the risk insured against so as to enable them to continue with their business effectively thus economic progress within the country.</p>	

Extract 1.2 shows a sample of good response from a candidate who was able to explain the forms of marine losses correctly.

### 2.1.2 Question 2: Wholesale Trade

The candidates were required to explain six risks that manufacturers are served by a wholesaler. This question was optional and it was attempted by a total of 261 candidates out of which 34 candidates (13%) scored from 12 to 17.5 marks, 111 candidates (42.6%) scored from 7 to 11.5 marks and 116 candidates (44.4%) scored from 1 to 6.5 marks. The candidates' performance in this question was average. Figure 2 shows the summary of candidates' performance in question 2.



**Figure 2:** *The Percentage of the Candidates' Performance in Question 2.*

The analysis shows that the candidates who scored high marks managed to explain most of the risks as required though there were some discrepancies observed in some of the explanations on some of the risks. Furthermore, other candidates were able to explain most of the risks clearly but they interchanged the explanation of the two risks namely: *fall in demand of the commodity* and *fall in price of the commodity*. For example, the risk of fall in demand for goods while in the hands of a wholesaler is counted as the wholesaler's loss. This is due to the fact that such goods must be sold at low price than expected. It, therefore, reduces the wholesaler's profit. It is obvious that, if the goods were not in the hands of the wholesaler the risk would be borne by manufacturers. In fact, some of the candidates' responses on the risk of fall in demand reflected a fall in price of commodities instead of a fall in demand and vice versa. In addition, some

candidates in this category did not score full marks because they did not present clearly the introduction and conclusion parts in their responses.

The correct responses for this question include: *the risk of fall in price, problems of bad debts, risk of overproduction, fall in demand, risk of market competition, storage risks, conflict with customers and those risks associated with the transportation of goods from manufacturers to wholesaler.* Extract 2.1 is a sample of the candidates' good response.

### Extract 2.1

02	A wholesaler is a person who buys goods in bulk from manufacture and sell them in relative small quantity to retailer after Breaking the bulk. A wholesaler serves many business risky that would have been on producer's shoulder. If there was no wholesaler. The following are the risk that wholesaler serves the manufacturers	
	Transportation Risk; The wholesaler does a service of Transporting goods from the manufacturer's premises to his/her warehouse. That's he/she bears the risk of transporting the goods as they could be damaged on the way or high way robbery of the product. That's he/she bears the risk that would have been done by wholesaler him/herself.	
02	Storage Risk; The wholesaler after transportation of the goods he/she bears the risk of storing the goods in the warehouse in which, he/she is still looking for the market of those products. He/she bears the risk of damage of the product, or fall in quality of those products. If the wholesaler did not bear the risk, it would have been borne by the manufacture. Hence served by a wholesaler.	



02.	<p><b>Financing Risk;</b> A wholesaler finances the producer by buying the product in large quantity and paying on cash. Also the wholesaler can offer credit facility to its retailers and sometime they get bad debts. That's the wholesaler bears the risk of bad debt and financing the producer without being assured of the payment or selling of the products. Hence serves the risk of the producers.</p> <p><b>Marketing Risk;</b> The wholesaler markets the product of the producer to the retailers and other customers. That's he/she bears the risk of marketing as he/she is not assuredly he/she would be able to sell the product in the market. Hence he/she has to advertise the products to the retailers, and that's sometime the product may be out of fashion or outdated hence the wholesaler bears the risk.</p> <p><b>Stabilise the price;</b> The manufacturer is the one who stabilize the price by ensuring steady flow of goods in the market. That's the manufacturer should ensure not to supply the goods in large quantity than what is actually demanded, as it would cause fall in price. That's the manufacturer is served of the risk in falling of price as the wholesaler is the one who holds the stock and distribute to the retailers.</p> <p><b>Bridge the gap between Forecast Demand;</b> The wholesaler plays the role of bridging the gap between producer and retailers. That's by buying goods in large quantity from producer and selling them to retailers, that's he/she serves the risk of gaping the two traders. That's this would have been done by producer himself if he/she did there was no wholesaler.</p>	
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Extract 2.1 shows a sample of relatively correct response from one of the candidates who was able to explain most of the risks that a wholesaler serves the manufacturer. However, he/she did not score full marks because the last point is about wholesalers' function and not the risks.

Nevertheless, a total of 116 candidates (44.4%) scored from 1 to 6.5 marks. Some of the reasons behind this poor performance include misconception of the terms functions, advantages and risks in relation to the requirement of the question. This is due to inadequate knowledge on the topic and poor understanding of the demand of the question. Some of the candidates' responses were the explanation of the advantages or functions of a wholesaler to manufacturers such as *financial assistance, business expansion, breaking the bulk, transportation and storage* instead of the risks a wholesaler serves the manufacturers. The points of transportation and storage appeared as both functions and risks served, but the candidates failed to explain how a wholesaler uses transport and storage to serve the manufacturers from business risks. A wholesaler transports goods from the manufacturer to his/her premises and sometimes to the retailers therefore any risks involved in transporting the goods are borne by the wholesaler instead of the manufacturers. Also when goods from the manufacturers are in the wholesaler's warehouse they may face the risks of spoilage and damage which are all borne by the wholesaler.

Majority of the candidates mentioned the general functions of a wholesaler but they failed to relate the points with the risks that a wholesaler serves the manufacturers. Extract 2.2 is a sample of the candidates' poor responses.

### Extract 2.2

2.	Whole Seler . This sales to the	
	bride who <del>deals</del> with buying of good and services in large	
	quantity from the manufacturer and selling them to the	
	retailer in small quantities. Manufacturer refers to the	
	bride or the producer of goods. The following are the	
	risks that manufacturer are served by a wholesaler:-	
	Wholesaler having poor	
	Storage facilities. The manufacturer produces large	
	amount of goods and later sells to the wholesaler, in	
	which the wholesaler distribute to retailers. So if the	
	wholesaler faces the poor storage facilities by being	
	unable to store large amount of stocks in the warehouse,	
	he find that the goods will end up to spoil and being	
	destroyed. So the production of goods from manufacturer	
	will be affected and decline.	

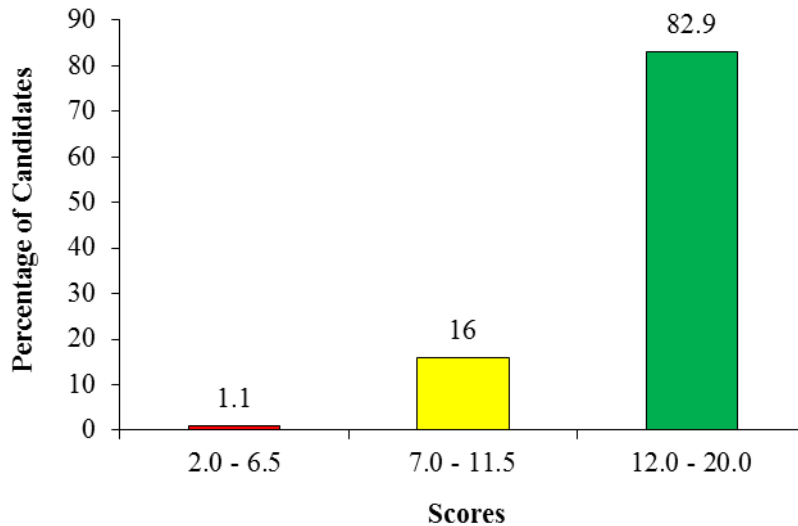
2.	Whole sales Facing poor transport facilities. Also the manufacturer incurs risks on whee by there is poor transport facilities in which the roads are destroyed by bad weather conditions such as rain, floods. So with such risk it affects the supplying of goods from the manufacturer to the wholesaler, so find that business tend to fall also as production falls.	
	Whole sales Facing Shortage or Inadequate Capital. As known that the wholesaler is the one buying in bulky from the manufacturer, so with low amount of money the wholesaler cannot be able to buy more goods from the manufacturer, hence production will decrease and force manufacturer to sell direct to retailers in which it is very difficult.	
	Whole sales fails to provide Information to the Manufacturer. The wholesaler is the one who provides Market Information to the wholesaler on what product do customers want and at what <sup>quality</sup> quantity which is of their choice. So you find that manufacturer cannot be aware at all of what consumers want. In which the manufacturer may produce goods of which consumers are not of their choice to them.	
	Generally, The Manufacturer can stay well with production on which if only the problems facing the wholesaler will be solved and ensuring good supply.	

Extract 2.2 shows a sample of poor response from a candidate who explained problems facing wholesalers instead of how can a wholesaler serve the manufacturer from business risks.

### 2.1.3 Question 3: Transport and Communication

The question required the candidates to elaborate nine (9) factors which are to be considered before choosing the appropriate mode of transport to be used in transporting goods and services. This question was opted for by a total of 1,450 candidates out of which 1,202 candidates (82.9%) scored

from 12 to 20 marks, 232 candidates (16%) scored from 7 to 11.5 marks and 16 candidates (1.1%) scored from 2 to 6.5 marks. Generally, the candidates' performance in this question was good. Figure 3 summarizes the candidates' performance in question 3.



**Figure 3:** *The Percentage of the Candidates' Performance in Question 3*

The candidates who performed well in this question were able to elaborate the factors according to the demands of the question. The reason for good performance in this question was attributed to sufficient knowledge the candidates had on the concepts examined. This is also due to the fact that most people, including students, are involved in using transport services in their daily life. Therefore, it was easier for them to recall the factors to be considered in choosing the appropriate mode of transport. The majority of the candidates were able to exhaust all the required points in accordance with the demands of the question. However, some of these candidates failed to score full marks because they did not present correctly the introduction and conclusion parts.

In addition, some of the candidates managed to exhaust the required number of points but there were some discrepancies observed in elaborating some of the factors. For example, the elaboration of the factor "freight charges" was confused with the "value of goods transported" by some of the candidates. The variation of the candidates' scores depended on the extent to which they explained correctly the points and the number

of the correct points provided. Extract 3.1 shows a sample of the response from a candidate who scored high marks.

### Extract 3.1

3.	<p>Transport; is the movement of goods services and people from one place to another it is categorized into three types which are water transport, air transport and Land transport. transport enables goods and services to be in the Market on demand. The following are the factors to consider before choosing the appropriate mode of transport to be used in transporting goods and services:-</p> <p>Cost of Mode of Transport; before choosing an appropriate mode to be used in transporting goods and services one should consider how much is it cost when using such mode of transport. For example the cost of using road transport and railway transport are different compared to air transport. That using an aeroplane to transport goods and services cost much than trains and cars.</p> <p>Availability of Mode of transport; before transporting goods and services one should consider the presence of the mode if they are readily available on demand or not, For example one should consider that road transport, railway transport and air transport are appropriate in his or her area then he or she choose the appropriate mode suitable for him or her.</p> <p>Nature of goods to be transported; also one should consider the nature of his goods that for perishable and fragile goods need quick transport to avoid losses then road transport and air transport are more suitable.</p>
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3	<p>Distance; Also one should consider the length of his or her journey, that how far the journey is then he is reliable to choose what mode to be used in transporting goods and services. For example for the long journey air and road transport may be appropriate but railway are not more suitable for transporting goods and services.</p> <p>Speed and urgency; One should consider what kind of mode of transport offering speed and quick transport according to his demand then he should choose such mode to transport goods and services. For example for a quick and speeding mode of transport air transport may be appropriate.</p> <p>Value of the goods; One should consider the price of the products to be transported before choosing the mode of transport to be used, for example for the expensive goods like Gold, silver, Diamond tend to add the value when delay to reach the market so to avoid this one should use a faster mode of transport and air transport may be appropriate.</p> <p>Risks involved in the mode of transport; Also before choosing the mode to be used one should consider how and what risks are likely to happen on the mode of transport chosen. For example for the road transport risks of accident and robbery are very high so to avoid this one should use water transport or railway transport.</p>	
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3.	Terminals; One should consider if there are appropriate areas for loading - and offloading before choosing any mode of transport because terminals are the end and starting point of the journey. For example, one should ensure that there are harbours, car parks, bus stand, railway stations and airport to ensure good transport system.
	Bulk of the goods; Before choosing a mode of transport one should consider how heavy is goods appear, that for the heavy and bulk goods water transport is more appropriate. So one should use water transport to transport its goods.
	Therefore, the explained and-mentioned are the factors to consider before choosing the appropriate mode of transport. Not only that transport are very important because it enables people goods and services to move from one place to another, it influence the availability of the Market and also it create employment opportunities to the people.

Extract 3.1 shows the response of a candidate who was able to give the correct factors to consider before choosing the appropriate mode of transporting goods and services.

The few candidates (1.1%) who scored low marks ranging from 2 to 6.5 were unable to elaborate most of the required factors correctly. They managed to list some of the factors with incorrect explanations. Some of the incorrect explanations given in some responses include *availability of the mode of transport* which was described as the source of increase in production, *cost of the mode of transport* which was elaborated as cost of buying the unit of carriage instead of freight charges. Repetition of some of the points was another factor that led to poor performance of the candidates. In addition, some candidates mixed the factors to be considered in choosing the appropriate mode of transport with the elements of transport. Some candidates also failed to elaborate the required factors. They ended up writing introduction and mentioning a few factors that led to

scoring less marks or failure. Extract 3.2 illustrates a sample of the candidates' poor response.

### Extract 3.2

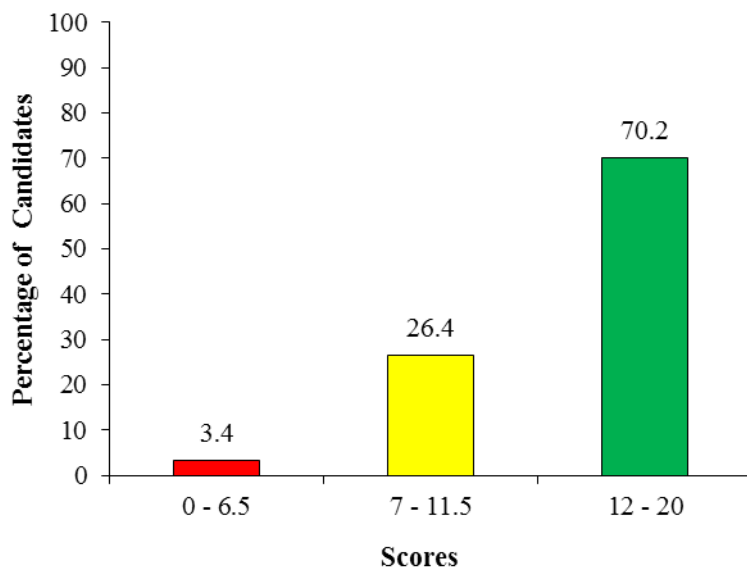
3	Transport is the transfer of goods and human beings from one place to another. It is divided into land, water and air transport. The below are factors which are considered before choosing the appropriate mode of transport to be used in transporting goods and services. Nature of the mode of transport due to this a person should know what does the mode of transport should be is it bad or good does it suit or not, so before transporting goods does it suit for large or small. Size of the Mode of transport Since the mode of transport is, has come with wide or small ways like railways there mode of transport is narrow which can transport Speed and Urgency Since the mode of transport is suitable and well known for long distance transportation which needs speed of almost above 1000 hence air transport is suitable and very known to transport goods and services which need high speed and accuracy. Poor Construction of the fleet due to this many of the fleet that is vessels, cars and others when they are constructed bad the vessels won't be able to be suitable for transportation of goods and services of the people Hence protects the means of saving in the country and help them do.
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Extract 3.2 shows a sample of poor response from a candidate who gave irrelevant points instead of the factors to consider before choosing the mode of transport. However, only the point of *speed and urgency* was correct.



### 2.1.4 Question 4: Production

The candidates were required to examine six (6) factors that influence labour supply in production. A total of 1,327 candidates opted for this question whereby 932 candidates (70.2%) scored from 12 to 20 marks, 350 candidates (26.4%) scored from 7 to 11.5 marks and 45 candidates (3.4%) scored from 1 to 6.5 marks. The analysis shows that the question was well performed since 96.6 percent of the candidates scored an average of 35 percent or above of the marks allotted. Figure 4 shows the candidates' performance in question 4.



**Figure 4:** *Distribution of the Candidates' Scores in Question 4.*

The analysis of the candidates' responses shows that, the candidates who scored high marks (70.2%) had sufficient knowledge on the concept of labour supply and the factors that affect labour supply. They also had good essay writing skills. Majority of them examined most of the required factors according to the demand of the question. Some of the correct responses include: *the level of technology used in carrying out jobs in different firms, number of working hours, cultural influence and climatic condition*. However, some of the candidates' responses had insufficient description in some of the points. For example, on the point of *population size and structure*, some candidates explained it as the number of people in the society in general without considering age in the majority of the population and how it affects labour supply. Extract 4.1 presents a sample of candidates' good response.

#### Extract 4.1

4.	<p>Labour supply refers to the number of people who are willing and able to work at the prevailing wage rate at a given period in time. There are various factors affecting labour supply in production and among them are as follows:</p> <p>The population demographic in a country affects the labour supply. If a majority of the population is made up of young children and aged people, then the supply of labour will be low. This is because of the few number of people of working age making up the work force. Similarly, when there are less children and aged people making up the population, then the labour supply will be high. This is because of the large number of people of working age making up the population.</p>	
	<p>The wages being offered influence the labour supply in production. Workers are more attracted towards higher wages than low wages. Hence, when wages being offered are high, the corresponding response is a high supply of labour. On the other hand, when prevailing wages are low, the supply of labour for production is also low.</p>	

	The transport and communication networks	
	influence labour supply. Where transport systems are	
	well developed, labour can move throughout the country	
	to work. Likewise, where communication systems are established	
	and efficiently run, labour can come to know of job	
	opportunities available. Thus, improvements in transport and	
	communication facilities boost labour supply in a country.	
	On the opposite end, poorly developed transport and commu-	
	nication systems hinder labour mobility, hence resulting	
	in low labour supply.	
	The level of education <del>of</del> and training of the	
	labour available influences labour supply in production. Both	
	skilled and unskilled labour are needed in the production	
	process. Where the labour is educated, the supply of labour	
	that is skilled tends to be higher than that of unskilled	
	labour. Also, where <sup>the</sup> labour force is in possession of little	
	to no education, the supply of unskilled labour tends to	
	be high in comparison to that of skilled labour.	
	The attitude of people towards work influences	
	labour supply in production. In areas where people possess a	
	positive attitude towards work and have a hardworking	
	spirit, supply of labour tends to be high in production.	
	Conversely, in areas where people have a negative attitude	
	towards work and are lazy, the supply of labour tends	
	to be low in production.	

4.	The government policy on retirement age affects labour supply. In places where the retirement age is low, then the labour supply will be low. Individuals cannot work for prolonged periods of time in such places. On the other hand, labour supply is higher where the legal retirement age is high. People are able to continue working in production for longer periods of time.	
	Labour is a core factor of production; without it, production cannot take place. Where labour supply is low, efforts by both the government and firms can be made to improve labour supply through training programs and improved infrastructure. Likewise, where it is high, measures can be taken to distribute it throughout various productive enterprises.	

Extract 4.1 presents a sample of good response from a candidate who was able to examine the factors that influence labour supply in production.

The candidates with average performance (26.4%) were able to explain at least two factors that influence labour supply correctly, but other points were incorrect. The correct points explained by majority of the candidates in this category include: *wages/salaries, the level of education, population size and structure, and provision of essential services such as education services, food, medical services and housing allowances*. It was easier for the candidates to recall these points because they are the common factors considered by both employers and employees in the labour market.

The candidates who scored low marks lacked sufficient knowledge on the supply of labour in production. Most of them understood the requirements of the question but failed to provide correct explanations on the points mentioned. Apart from failure to provide correct introduction and conclusion, some candidates explained the factors that influence production in general instead of the factors influencing labour supply. Extract 4.2 shows a sample of a candidate who scored low marks.

## Extract 4.2

4	<p>Labour supply; This is the increase of labour to a certain area due to the factor influence. The following are factor that influence labour supply in a production</p> <p>Excessive demand; This is among of factor that influence Labour supply. If the demand increase in the market influence the producer to produce the quantity of goods in a large which also need the labour to work on behalf.</p> <p>Number of the firm in the market; Also this is among of the factor which the firm is determine labour by increase the firm in the market that is large increase of a firm large increase of a labour</p> <p>Cost of production; If the cost of production is low in price that is lower cost it seems that there is large input where the labour is needed to produced goods but if it is vice versa the labour is small in number which where produced goods.</p> <p>Price of commodities; Also this is the factor of Labour supply where the price of commodities is high the firm the demand can decrease and Labour force decline but if price of commodity is low the demand of commodities can be</p>	
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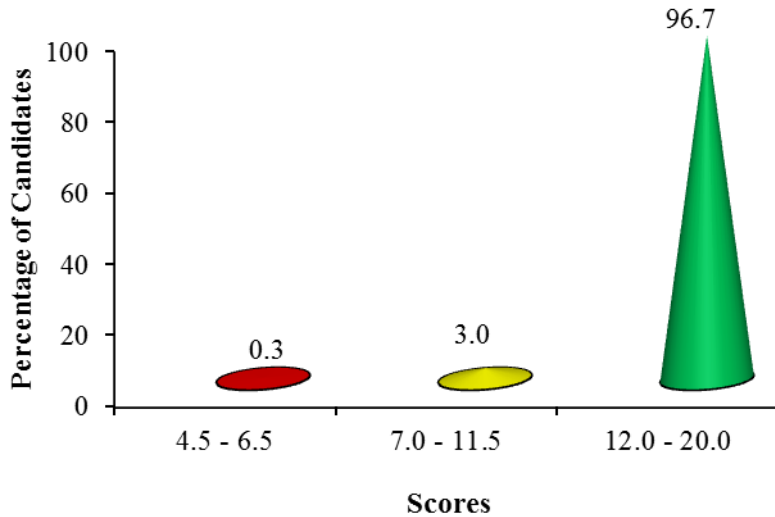
4	increase which also led to increase of labour in the firm.	
	Good infrastructure; infrastructure allow the firm to produce a greater quantity of goods if it's good which led to increase labour to produce a greater quantity of goods.	
	There fore all these are the point show the factor that influence supply of Labour of a production.	

Extract 4.2 shows incorrect response from one of the candidates who explained some of the factors which influence change in production instead of examining the factors influencing labour supply in production.

### 2.1.5 Question 5: Banking

The question had two parts, (a) and (b). In part (a), the candidates were required to explain six characteristics of good money and in part (b), they were required to describe three functions of money.

The question was opted for by a total of 1,490 candidates out of which 1,441 candidates (96.7%) scored from 12 to 20 marks, 45 candidate (3%) scored from 7 to 11.5 marks and 4 candidates (0.3) scored from 4.5 to 6.5 marks out of the 20 allocated marks. The general performance of the candidates in this question was good. This performance is summarized in figure 5.



**Figure 5:** *The Percentage of the Candidates' Performance in Question 2.*

The majority of the candidates who performed well in this question were able to portray their clear understanding of the topic of Banking especially in the sub topic of history of exchange. Most of these candidates were able to explain the characteristics of money with examples in part (a) and they were also able to describe the functions of money in part (b). The candidates were able to relate what they learnt from class with several business transactions in their daily life, where money is used to facilitate those transactions. The variation observed in the candidates' scores depended on the accuracy of explanations and number of points given. Extract 5.1 shows a sample of a candidate who scored high marks.

### Extract 5.1

5	<p>a) Money is anything that is generally accepted as a medium of exchange and a means of settling debts. Below are the characteristics of good money.</p> <p><b>Acceptability:</b> For anything to be regarded as money, it should first be accepted generally by the main users of that particular society as a medium of exchange and means of settling debts. Example, in the colonial era, metal and valuable stones were considered as money, since it was what was agreed as a medium of exchange in the colonial society.</p> <p><b>Portability:</b> A good money must possess a reasonable weight and size so as to enable its users to easily move with it from one place to another to perform various transactions in different market places. Example is coins and notes, possess qualities of good money because their weight and size is reasonable to be carried by a consumer for performing transactionary motives in the business world.</p> <p><b>Divisibility:</b> A good money should also be easily and readily divisible into smaller units, that is, it should not be biased in terms of its availability in large units. This is termed so, so as to facilitate transactions of the consumers of small items who require small units of money. Example money should be divided into small units such as Tsh. 50, Tsh. 100, Tsh. 200 so as to facilitate the transaction of small items like matchboxes and sweets whose value is small in terms of money.</p> <p><b>Stability:</b> A good money should possess a stable value. That is, its value, supply in circulation should be stable so as to be in a good position to facilitate financial transaction. Its face value should not be subject to regular fluctuations simply because, due to so doing people will</p>	
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5@	<p>tend to lose confidence in their currency. The stability of money is measured by quantity of goods it can buy/ purchasing power and it should not undergo regularity in devaluation policies, or be subject to inflation often.</p> <p><u>Malleability:</u> A good money should also be malleable, that is, it should be printed (in case of notes) and minted (for the side of coins) into a shape and size that can be easily identified by its user or its holder within the business economy. Malleability is regarded as a good feature of money as to maintain uniformity of currency. A good example, is the currency of Tanzania, the shapes of its coins are regular/ same to all coins, thus the user is able to identify the amount whether is Tsh-100/200 by looking at the shape size.</p> <p><u>Difficult to counterfeit:</u> A good money also possesses a characteristic of being hard/very difficult for the fraudulent people within the economy to make the fake copies of coins and notes in the country. This can be well implemented, by the printing and minting authority, that is, the central Bank making sure that there are always some description which precisely aim at distinguishing the identification of a real money from the fake money. A good example is the, Tanzanian currency where they (coins and notes) tend to possess a common seal and signature of the Governor of the Central Bank, this furtherly acts as a good feature for distinguishing fake money from real. All this, helps to regulate the legality of money supply in the economy and assist money to command its value absolutely.</p>	
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5(b)	<p>Money as anything which is generally accepted as a medium of exchange and means of settling debts undertakes to perform a number of functions. Some of the functions may include.</p> <p>Medium of exchange: Exchange refers to the transfer of ownership from the seller to the buyer. Money facilitates transactions thus acts as a medium of exchange between the transacting parties. An example, a seller dealing with furniture will allow a transfer of ownership of his furnitures to the buyer only after he has received a return of a fee (money) as a reward for compensation of the ownership of furniture he/she has transferred. This function is well performed by money.</p> <p>Store of value: Money performs the function of store of value when a party wishing to keep/preserve something for future use. Example, perishable goods are well stored in the refrigerated warehouses in return of payment in terms of money to the warehouse keeper. Thus the value of perishables is being stored in the warehouse from getting spoiled by the use of money.</p> <p>Standard of deferred/future payments: Money also plays a great function of acting as the main standard for facilitating payments in future or to uphold credit transactions. A seller may decide to offer credit sales to the credit worthy customer in return of future payment by use of money which is taken in different forms such as credit card. Example due to existence of money, the current business economy is undertaking hire purchase sale agreement, due to payment of price in future, interest of money plus the agreed interest upon it.</p>	
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Extract 5.1 shows a sample of response from a candidate who demonstrated a clear understanding of the characteristics and the functions of money.

The candidates who scored low marks ranging from 4.5 to 6.5 were able to pinpoint some of the characteristics of good money in part (a) but they failed to provide correct description in most of the points. They

interchanged the descriptions in some of the characteristics. For example, one of the candidates interchanged the descriptions of the characteristics of *divisibility* with that of *portability* and *malleability* with *homogeneity*. Also one of the candidates attempted part (a) of the question by mentioning only a few characteristics of good money mixed with the functions of money. Almost all candidates in this category scored some marks in the introduction part of their responses. Extract 5.2 presents a sample of poor responses from one of the candidates.

### Extract 5.2

5(a)	<p>Money: Is the anything which accept in the social to can act as medium of exchange in a country. Money can act as measure of goods and can <del>act</del> as storage of goods and it can be transfer immovable property from one place to another.</p> <p>These are following of the characteristics of Money</p> <p>Acceptability: In the social where have act as medium of exchange due of existence of Money it leads of existence of value money because people have exchange between money and goods so must be money to accept by the social because then they used this money through of world without money does not to get any thing</p> <p>Scarcity: This is another of characteristics of good money in the country because scarcity of money it leads of money value than it increase in the hand of people it causes of decrease the value so in the country cause of product to decrease price it cause of money supply in the country government it ensure they have reduce money from hand of people</p> <p>Divisibility: These are another characteristics of <sup>good</sup> money from 1000 to 1000000 so this is features of good money in the country where people it has leads easy to hold money due of existence of divisibility in the <sup>country</sup> without money does not to get <del>any</del> any thing existence of money in the country it facilitate business transaction. Examples buyers to sellers exchange money for goods and not goods for goods or services for goods or services for services</p>
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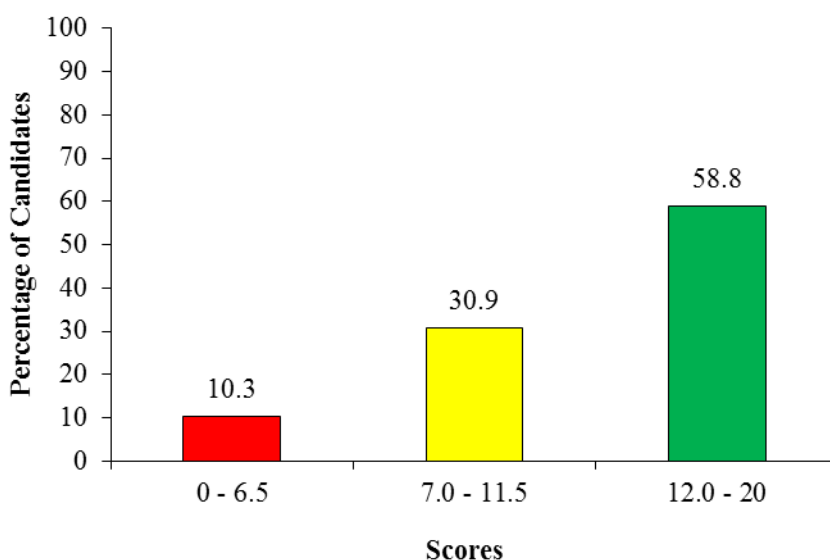
5(a)	<p>Portability : this is another characteristic of good money due of money keep portability It leads of existence of good money in the Country and peoples they have enjoy about Money without of any problem and buyers and sellers it facilitate in the transaction from one one personal to another in the issue of exchange</p> <p>Durability : this is another features of good money due of existence of durability It leads stay by long terms and lead all peoples to enjoy due good system of money in the Country Money is medium of exchange by the social because without money does not exchange between two parties</p> <p>Instability : this is another features of good money Example of money instability is coins this is good money because It stay any place without get any problems so stability of money it leads of existence good Money and facilitate business transactions in the Country this is features of good money is instability</p>
5(b)	<p>Money : Is the any thing which accept in the social to can act as medium of exchange in the Country</p> <p>These are following of functions of money</p> <p>It can act as measures of goods or product : In the country money It is very important because It can be as measures of product between two parties as one personal has money and another personal has goods have can</p>

56	exchange money and goods without any problem	
	So this is function of money is country.	
	It can act as transfer Immoveable property!	
	from where it stay to another place by using money	
	Example there are house kenne It can be used money	
	to transfer by create mbezi or any place where	
	there are security so money is very function but	
	this is one function which it is used by the	
	various peoples in the country because without	
	money does not any thing to move <del>from</del> from	
	one place to another place.	
	It can act as storage of product due of	
	existence of money can be used money to store	
	goods from Manufacture to warehouse for	
	storage until released or required to the custom	
	ers for consumption so this is function of Money	
	there are many function of Money but this is	
	one function in the country money is very impor	
	tant in the world	

Extract 5.2 shows a sample of response from a candidate who scored low marks as he/she mentioned some correct points but failed to explain them properly.

### 2.1.6 Question 6: Advertising

This question required the candidates to give six advantages of newspapers advertising. The question was attempted by a total of 68 candidates. The data analysis shows that the candidates' general performance in this question was good as 48 candidates (58.8%) scored from 12 to 18.5 marks, 21 candidates (30.9%) scored from 7 to 11.5 marks and 7 candidates (10.3%) scored from 1 to 6 marks. Figure 6 summarizes the candidates' performance in this question.



**Figure 6:** *The Percentage of the Candidates' Performance in Question 6.*

The analysis of the candidates' responses shows that, the candidates who performed well in this question were able to justify the advantages of newspapers advertising as compared to posters and neon signs advertising. The correct responses given by most of these candidates include: *the ability of the message to reach large number of people, suitable for both long and short messages, the messages can be read over and over again, flexibility, long life span, costs are reasonable and cheaper, and can be used for evidence purposes*. However, some candidates in this category could not score maximum marks as they were able to give four correct advantages out of the required six with appropriate introduction and conclusion in their responses. Likewise, other candidates were able to give all the advantages correctly but they neither showed the introduction nor the conclusion in their responses. Extract 6.1 is a sample of the candidates' good response.

## Extract 6.1

6.		
	<p>Advertising it refers to the whole process of creating awareness to the public about the existence and availability of the commodities in the market. Newspaper advertising this is the form of advertising through written words in a newspaper to the public. The following are the advantages of newspaper advertising.</p>	
	<p><b>Life span factor</b>; a newspaper advertising is one among an advertising medium which is very preferred by the advertising agents. In this point it stresses out that newspaper tends to have a long life span hence the advert will last for a long period of time after the target group reaches it. Unlike the use of other advertising media such as televisions and radio they don't last long.</p>	
	<p><b>Flexibility</b>; one among the advantages obtained through newspaper advertising is the flexibility to change the adverts for a very short period of time where by means of eyes the advertising agents can easily change the advert for a very short period of time. Hence the rectification and correction can easily be done.</p>	
	<p><b>Less time consuming</b>; Newspaper advertising consumes less time in getting the information to the targetted group in the society because once a person have bought the newspaper it easy for him or her to obtain the information he or she wanted to get unlike posters where its hard to locate where to obtain them. and these new signs you may find they are being putted in the bus stand where its hard to stop and read them.</p>	

6.	<p>They have wide coverage; in this case the point stated or shows that Newspaper adverts tends to cover a wide area especially in town and cities where after the adverts have been published on them they are being supplied in different areas across the city and the country from which the information get spread.</p> <p>Affordable cost to use; it shows the cost or price that a firm will incur when wanting to press their adverts in the newspaper and in that newspaper tends to cost less since the adverts will not be printed in the whole newspaper but in just some few parts in it.</p> <p>It can be used for future reference; A newspaper advertising in the firm or business plays a vital role of being used as a reference by the company, the customer as well as the advertising agents from which the information (advert) published can be kept for future reference by all parties and hence it tends to be more effective.</p> <p>Therefore; Newspaper advertising is one among many of advertising which plays a great role in supplying information to the societies and potential customers the government must protect and provide a considered hand to the sector in their necessary way of operation.</p>
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Extract 6.1 shows a sample of a relatively correct response from a candidate who managed to give the advantages of newspapers advertising.

A total of 21 candidates (30.9%) with average performance whose scores range from 7 to 11.5 marks were able to give three correct advantages of newspapers advertising out of the required six. Also some candidates' responses had almost all the correct points but only a few of them were correctly explained. Most of these candidates had knowledge on how to answer essay type questions as they showed introduction and conclusion in their responses.



However, a total of 7 candidates (10.3%) performed poorly in this question. Some of the candidates' responses included few correct points on the advantages of newspapers advertising with incorrect explanations. Others were able to give the meaning of newspapers advertising as part of the introduction but in the main body they explained the importance of advertising in general instead of focusing on the advantages of newspapers advertising. For example, one of the candidates explained about: *increase in sales, informing customers about new products, increasing goodwill and encourages production* which are the importance of advertising in general and not the advantages of newspapers advertising.

Furthermore, another candidate confused newspapers advertising with public announcements. For example, the candidate explained the points such as: *people to be informed about the importance of paying tax, and the precaution to take to avoid diseases*. Repetition of points was also noted as another weakness for some of the candidates. All these weaknesses are due to inadequate knowledge of the subject matter of advertising. Extract 6.2 is a sample of the candidates' poor response.

#### Extract 6.2

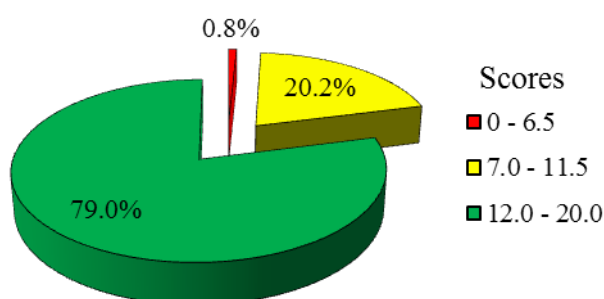
6	<p>Newspaper advertising. Is the advertising of newspapers which make the goods and services to be known to the public. Advertising is the process of making goods and services to be known to the public.</p> <p>The following below are the advantages of newspaper advertising which are:-</p> <p>It spread up the sales of goods and services; The newspaper advertising spread the goods and services through sales. Therefore the newspaper advertising increase the sales of goods and services in a specific area.</p> <p>It encourage specialization. The production; Due to the existence of newspapers advertising makes the production to be raised in a specific area. Therefore this kind of advertising are very necessary in order to inform the customers about the products required.</p>	
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	It help to inform people on various information. The newspaper advertising inform the people about difference information that are conducted or done in the country. Therefore this advertising are very necessary to the people in order to know the information of events that occurs.	
6.	It help to build confidence through reading newspapers; The newspaper advertising makes knowledge and confidence of mind through readings, this may encourage a lot number of customers to wish to read the newspapers in order to facilitate the ideas to another people.	
	It help a person to know early information; Due to existence of newspaper advertising makes a person to get early information because the newspaper cost low price to buy than other means of advertising like radio, television and so forth.	
	It involves less costs; The newspaper advertising involves little costs than other advertising such as radio and television. The cost of television involves many costs than newspaper advertising.	
	It create the market of goods and services; This can create the market through the existence of newspapers that show or indicate the advertising of various commodities in a specific area.	
	Therefore, the government should support the newspaper advertising in order to get more information that may encourage the growth of the nation through business activities.	

Extract 6.2 is a sample of poor response from a candidate who explained some importance of advertising in general instead of advantages of newspapers advertising. However, the point of *less cost* was correct.

### 2.1.7 Question 7: Retail Trade

This question had two parts, (a) and (b). In part (a), the candidates were required to elaborate five characteristics of large scale retail business and in part (b), they were required to analyse four advantages of small scale retail business. The question was attempted by a total of 894 candidates out of which 706 candidates (79%) scored from 12 to 20 marks, 181 candidates (20.2%) scored from 7 to 11.5 marks and 7 candidates (0.8%) scored from 5.5 to 6.5 marks. The analysis shows that the overall candidates' performance in this question was good. Figure 7 summarizes the candidates' performance in this question.



**Figure 7:** *The Percentage of the Candidates' Performance.*

The candidates with good performance in this question were able to elaborate most of the characteristics of large scale retail business in part (a). They also analysed at least three advantages of small scale retail business out of the required four in part (b). This shows that they had adequate knowledge of the subject matter. Only four candidates scored all 20 allotted marks. They were able to elaborate the five characteristics of large scale retail business and analyse four advantages of small scale retail business with relevant introduction and conclusion in their responses. However, some of the candidates did not score full marks because of some discrepancies in their explanations. For example, some of these candidates were able to provide some correct descriptions in all parts but they gave less than the required number of points especially in part (a) of the question. Some of the correct responses given by the candidates in part (a) include: *the use of modern technology, distinctive packaging, the use of business assets as collateral security for loan and wide coverage*. Most of these candidates provided correct points in part (b) of the question. Extract 7.1 shows a sample of a candidate who scored high marks.

### Extract 7.1

7(a)	<p>Large scale retail business refers to the type of Retail trade who operate on large scale. Example Super Markets, Hyper Markets, Departmental stores, Multiple shops, Mail order business, etc. These large scale retail business poses the following characteristics</p> <p><u>Large Initial Capital</u>, Large scale retailers needs huge Initial capital to start up the business as they buy goods in bulky, and operate under large buildings. Example Departmental stores and Hypermarkets, they have large buildings and buy lots of equipments to facilitate their activities. Example of these equipments are refrigerators, Computers, Security equipments etc.</p> <p><u>Fixed Premises</u>, Most of large scale retailers have their own permanent premises in which they operate their businesses. Example Super Markets, Departmental stores, Multiple shops have fixed shops where they conduct their business. Example Mall, city mall.</p> <p><u>Employment of Specialist</u>, The large scale retailers have the ability of employing qualified personnel who are specialist who have specialized knowledge on the products that they are dealing with, this is due to large capital they have. Example Salesman, Accountants and cashiers, Managers.</p> <p><u>Hold large stocks</u>, The large scale retailers tend to hold large amount of variety of stocks since they have enough capital and can buy from many sources of suppliers hence get large stocks in which they</p>
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7(a)	buy at discount price to enable attracting many customers and get more profits.	
	Large volume of Business and sales, the large scale retailers operate in large scale hence they have large volume of Business as they hold many stocks and variety of goods this led to increased sales and bring huge returns. Example. Hyper Markets, Multiple shops, Super Markets, Malls all of this are operating on large volume of Business as they have Administration layout, Secretaries, Managers, Supervisors etc.	
	Above all the large scale retailers also pay huge taxes to the government since they get enough profit and operate on large scale this enable government to run its activities smoothly.	
7(b)	Small scale retail business refers to the type of retail business which operate on small scale Example Tied shops, Single shops, kiosk, kiosk traders, Hawkers, Peddlers, carterens, etc. They have the following Advantages.	
	Small initial Capital, The small scale retail business needs small amount of Capital to finance its activities hence any one who wish to join the business can afford since initial capital outlay is quite small.	

	little expenses', since most of them do not employ specialist, they operate under their own abilities hence overhead expenses such as wages, rent expenses are reduced since can not employ salesman to operate and run the business. Example sole trader, who employ family labour.	
	Quick decisions can be Made', since small scale retailers operate, manage, control and supervise himself then decision can be made quickly since there is no prolonged procedures as he/she can only decide as nature of business. Example single shops, canteen, kiosks, etc.	
	Flexibility', the retail business is more flexible as one can change from one line of the business to another line. If he/she seeks to get more profits. Example canteens can change from selling foodstuffs to selling clothes since he is alone.	
	The government should provide protection measure to the small scale retailers so as to improve their businesses.	

Extract 7.1 shows a sample of response from a candidate who managed to elaborate the characteristics of large scale retail business and analysed the advantages of small scale retail business.

Despite the good performance observed in this question, a few candidates (0.8%) scored low marks ranging from 5 to 6.5. These candidates had an idea on the subject matter but failed to elaborate most of the characteristics of large scale retail business in part (a) and the advantages of small scale retail business in part (b). For example, in part (a) one of the candidates wrote incorrect points like: *insurance of the business, import goods from other countries, export goods to other countries, provide free goods to attract customers, store goods in large quantity and bridge the gap between wholesalers and consumers*. These points reflect functions and/or advantages with other commercial terminologies and not the characteristics of large scale retail business.

In part (b), some candidates analysed the functions of the wholesaler such as *breaking the bulk, buying goods directly from the manufacturer, storage and branding of goods* instead of the advantages of small scale retail business. Furthermore, some candidates' responses showed the problems encountered by retailers in their businesses such as: *lack of sufficient capital, lack of business knowledge and lack of managerial skills* instead of the advantages of small scale retail business. Extract 7.2 shows a sample of a candidate who scored low marks.

### Extract 7.2

7	a).	
	Large scale retail business is the type of retailer which involve large amount of capital to operate example of large scale retail business are the multiple shop, supermarkets, departmental store.	
	The following points explain about characteristics of the large scale retail business.	
	The cost of operating is very high! large scale retailer needs more capital in order to operate and the business objectives be successful in the commercial activities example large scale retailers involve cost of operating like payment of salaries, taxes to the governments.	
	They need large amount of capital to operate! also in order to establish the large scale retail business there must be large amount of capital which will facilitate in buying and conducting other commercial activities like paying the salaries, employee to the labourers.	

	They paid large amount of tax to the government! the large scale retail business pay the large amount of taxes to the government then the small scale retailer due to the large bulk buying and selling several kinds of goods in the market to the small scale retailer opt consumers	
	The most of them they have branches in several places of the country! also large scale retailers they have branches in several places of the country which facilitate (increase) of goodwill and sales. Example multiple shop they have several branches thus leads to the growth of the business	
7		
	(b) Small scale retail business! small scale retail business are the types of retail business which involve small amount of capital to operate. example of small scale retailer are cheap jacks, old shop, coin operated machines.	
	The following points explain about the advantages of small scale retail business	
	They increase the market of goods and services! small scale retail business they increase the market of goods and services since they are sell to the final consumer at lower price and affordable price which will influence the customer to purchase more goods.	
	They increase the production of goods and services of manufacturers or producers! also the small scale retail business increases the production of goods and services of producer by knowing the want of the consumer and solve various problem in the business.	

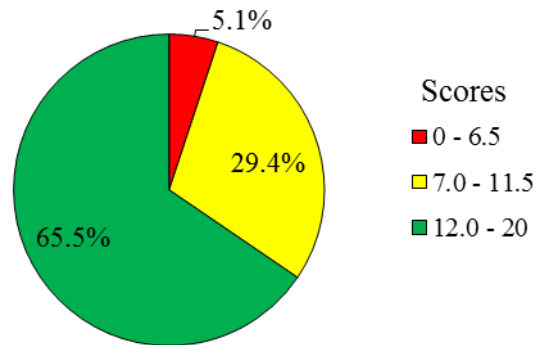
Extract 7.2 shows a sample of poor responses from a candidate who provided partial elaboration on some of the characteristics of large scale retail business in part (a) and some advantages of advertising in part (b) instead of the advantages of small scale retail business.

### 2.1.8 Question 8: The Scope of Commerce

The candidates were required to justify the statement “Commerce is part and parcel of human life” by giving six importance of commerce to the society. The question was opted for by 609 candidates out of which 399 candidates



(65.5%) scored from 12 to 20 marks, 179 candidates (29.4%) scored from 7 to 11.5 marks and 41 candidates (5.1%) scored from 3 to 6.5 marks. The data analysis shows that the candidates' performance in this question was good. Figure 8 presents a summary of the candidates' performance in this question.



**Figure 8:** *The Percentage of the Candidates' Performance.*

The analysis from the candidates' responses shows that the candidates who scored high marks (12 to 20 marks) had sufficient knowledge on the scope of commerce. They were able to point out all important points required though some of their points were not well explained. Some candidates responded to the question by providing at least four correct points with proper introduction and conclusion in their responses. The correct points provided by most of these candidates include: *bridge the gap between the producers and consumers, employment opportunity, to ensure steady supply of goods and services throughout the year, acquisition of capital, facilitate production, business loss compensation for those who insured their businesses and improvement of living standards of people*. However, only one candidate scored all the 20 marks allocated in this question. The candidates' scores varied in accordance with the number of correct points with correct explanation given by the candidates. Extract 8.1 shows a sample of good responses.

### Extract 8.1

8.	<p>Commerce is the study which deals with the exchange and distribution of goods and services from producers or manufacturers to the final consumers to satisfy various human wants such as food. It is true that commerce is part and parcel of human life due to the following importance undertaken by commerce to the society.</p> <p>provides employment opportunities to people in the society. Various people in the society have been employed as, marketing managers, economists of which all these careers help people to obtain incomes in terms of salaries which helps them to cater for their basic needs such as food, shelter so as to live well in their societies.</p> <p>Commerce has facilitated an exchange of technology within and across the countries boundaries. Commerce, through its branch of trade has given rise to an overseas/ foreign trade whose advantages<sup>are</sup> of great importance such as transfer of technology from the developed nations to developing countries. Example, in Tanzania, the sector of taxation procedures machines such as ELECTRICAL FISCAL DEVICES have been imported which smoothen the easy collection of revenues from firms and individuals and minimizing cases of evasion and avoidance of taxes thus improving the economy of a country by widening tax compliance.</p> <p>Promotion of confidence among business dealers, Dealers in business have<sup>been</sup> attaining great assurance of their business continuity, due to existence of insurance services which are as a result of development of commerce. Various risks that are most likely to occur in the business are assured of their coverage through various insurance policies such as, policies against the bad debtors, fire insurance policies, life insurance policies. Thus, promotes businesses in the society.</p>	
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8.	Commerce has facilitated <sup>introduction of</sup> valuable information - among the low level students to further business studies such as economics, marketing, finance, banking. In the secondary schools, the studying of commerce has introduced people to various professional studies such as banking and finance. Thus, commerce is of great use to students life at school.	
	Commerce also bridges the gap between the producers and consumers. Through various aids to trade, such as transport, existence of trade agents like wholesalers, this has enabled those consumers to enjoy the use of various product without buying in bulk or moving long distances, since retailers and wholesalers are conveniently located near residential areas. Example, the existence of kiosks selling sodas, Mangishups selling small items like matchboxes has reduced the burden to consumers to make all the way to the original producers. Thus, improved human life and act as a beneficial intermediary.	
	Commerce creates awareness among various people and individuals. Through advertising process in various medium of communication such as radios, televisions and newspapers, people have become aware of the right sources of supply and right sources of orders, thus, the individuals can make choices which suits their ability and preference in their day to day life, and hence live a life they are accustomed to. Example, through advertising, the society is warned about imitation and harmful products in the market; this kind of awareness helps to save lives of people from consuming what is harmful and going for what is useful and proper for their health, by use of various trade laws such as the TFDA (Tanzania Food and Drugs Act).	
	Therefore, commerce is a very important field in human's life	

Extract 8.1 portrays good responses from one of the candidates who justified that commerce is part and parcel of human life by giving the importance of commerce to the society.

A few candidates (5.1%) failed to score high marks because they lacked adequate knowledge on the scope of commerce. They responded partially by highlighting a few correct points with insufficient explanations to justify the requirements of the question. Furthermore, other candidates in this category mentioned the importance of commerce with unrelated explanations. Some candidates were able to score some marks on introduction and conclusion parts, while others explained the reasons for international trade and the challenges of international trade instead of the importance of commerce in the society. For example, some of the incorrect points given by one of the candidates are: *unequal distribution of natural resources, it involves different documents, to know about the background, and assisting students to pass in commerce examination*. Extract 8.2 shows a sample of poor response.

### Extract 8.2

8	<p>Commerce is the exchange of goods and distribution of goods in the country. Commerce deals with trade and trade like communication, transport, advertising and others. Commerce has the following importances to the society.</p> <p>It deals with knowledge about trade since commerce is so important to people exchange of goods and services in the country or society helps to promote employment of people in the society by involving in trade activities such as barter trade and others.</p> <p>Deals with knowledge on commercial activities such as transport and communication, market research and banking due to these activities commerce has grown to an extent that it deals with the different people carriers in the country or society.</p> <p>Deals with financial basis due to this more people in the country or society have done commerce due to the knowledge of different activities people try to save and also keep into bank accounts for future use and also most of people who deals with banking market research.</p>
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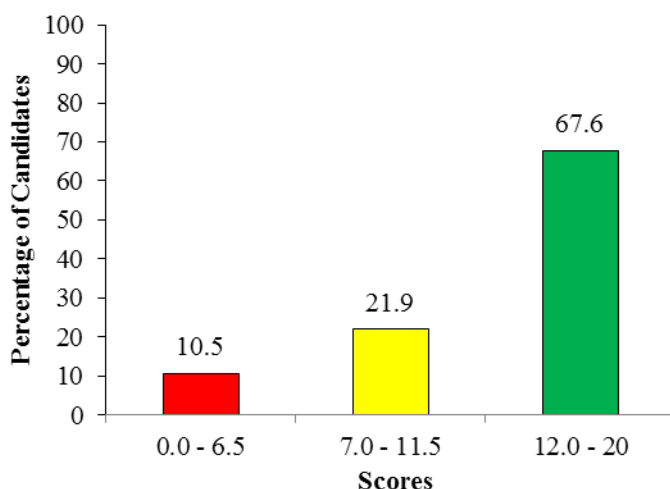
	Deals with different documents like, invoices, cheques and others in the business since most of the business people does work then their documents should be so safer and hence should be used in doing different activities example when a person wants to start a business he or she read a document.	
8	Deals with the help of students in learning institutions since the people in the society use Commerce as a subject in teaching students and also provision of social services to people in the society hence encourage people to work hard and emphasis employment of people.	
	Helps in the provision of social service or due to this Commerce has lead to make people to be given better services example basic needs will be provided by each service like food and shelter hence makes them be in trade activities in the society.	
	In summary Commerce deals with the different activities in the country like Market Research, Banking, Advertising, Transport, Warehousing, Insurance, Communication.	

Extract 8.2 is a sample of response from a candidate who scored low marks. The candidate mixed correct with incorrect points with inappropriate explanations.

## 2.2 152/2 COMMERCE PAPER 2

### 2.2.1 Question 1: Business Units

The question required the candidates to give six needs for a partnership deed to partnership. This question was compulsory therefore it was attempted by all candidates (100%) out of which 67.6 percent scored from 12 to 20 marks, 21.9 percent scored from 7 to 11.5 marks and 10.5 percent scored from 0 to 6.5 marks. The analysis reveals that the candidates' performance in this question was good. Figure 9 is a summary of candidates' performance in this question.



**Figure 9:** *The Percentage of the Candidates' Performance in Question 1.*

The candidates (67.6%) who performed well in this question demonstrated better understanding of the subtopic of partnership under the topic of Business Units, particularly in the concept of partnership deed. Most of them were able to verify the needs of partnership deed to partnership by explaining its importance to the partnership business. A few candidates scored full marks in this question because they were able to identify all the required six points and explain them clearly. However, some candidates in this category failed to score full marks because they provided insufficient explanations in some of the points. The analysis shows that almost all candidates were able to provide relevant introductions and conclusions. Extract 9.1 shows a sample of good response.

## Extract 9.1

1. Partnership deed :- Is the document which governs all the perform in partnership. Partnership deed is import since it shows all the activities such as rules and regulation to be followed in partnership.

The following are the needs of partnership deed to partnership:

It shows the name and addresses of the partners :- A partnership deed is important since it shows the names and address of the partners and all the important information concerning the origin of the partners. Example through addresses each partner will be able to know where each member is located so as to reach each other in case of any problem.

Location of the business :- The partnership deed also shows the area in which the business will be allocated. Example the business will be located in Dodoma at the Offices near the Nyerere square road Halotel building floor number 3. So the partners will be able to know where their business will be located.

Capital distributed and share profit ratios :- It shows the capital in which every partner has contributed as the capital of the business. Also the share profit ratios on which the profit will be distributed. It can be equally or ratios according to the profit given. This helps them to know what they will receive at the end thus reduce conflicts caused by profit share misunderstandings.

Duties, rights and responsibility :- Partnership deed also shows the duties, rights and responsibilities according to each type of the partner. This will help to show the work and contribution of everyone in Partnership. This will help Partners to be aware of their rights, duties and responsibility as members.

1.	<p>Agreements on admission of new partner:- The partnership deed shows all the regulations which should be followed when they want to admit a new partner in the business. This will show what the new partner will contribute so as to have the same position as the old partners are. This helps partners in the admission of the new partner in their partnership.</p> <p>Agreements and regulation in dissolution and insolvency of partners:- The partnership deed also shows the agreement on what is going to be done by partners in case of insolvency of the partner on how they can compensate their fellow and at the time of dissolution where partners want to retire or at the end of the business on how they will distribute the properties and the income made.</p> <p>The partnership deed is therefore very important as it guides the performance of all partners in a partnership. A partnership without Partnership deed is like a country with no government.</p>
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Extract 9.1 presents a sample of good response from the candidate who verified correctly the need for partnership deed to partnership.

The candidates (21.9%) whose performance was average were able to list most of the correct points but with unsatisfactory elaboration in some of the points. Some of them had confusion on the descriptions on some of the points. For example, the point of capital contribution, some candidates argued that capital has to be contributed equally among the partners instead of the agreed ratio. Other candidates, apart from presenting their essays in good format, explained only three correct points instead of the required six.

The candidates (10.5%) with poor performance were not able to explain the needs for partnership deed to partnership business correctly. This was due to insufficient knowledge and skills on partnership business. Some candidates mixed some correct and incorrect points. Others mentioned a few correct points such as: *capital contribution, name and location of the business, and objectives* but some candidates provided explanations that reflected the contents of the memorandum of association. For example, in capital contribution, the candidates



explained the way in which companies raise their capital such as selling of shares and debentures which applies to companies and not partnerships.

Some of the candidates scored a zero mark because of failure to abide by the demands of the question. Some of them explained what would happen in the absence of partnership deed instead of the need for partnership deed in the partnership business. Examples of incorrect points given by these candidates include *equal sharing of profit/losses*, *equal amount of capital contribution*, *no interest allowed on capital*, *every partner has the right to inspect the books of account*. Other candidates in this category explained the advantages of partnership instead of the need for a partnership deed in the partnership business. Extract 9.2 is a sample of responses from a candidate who scored low marks.

### Extract 9.2

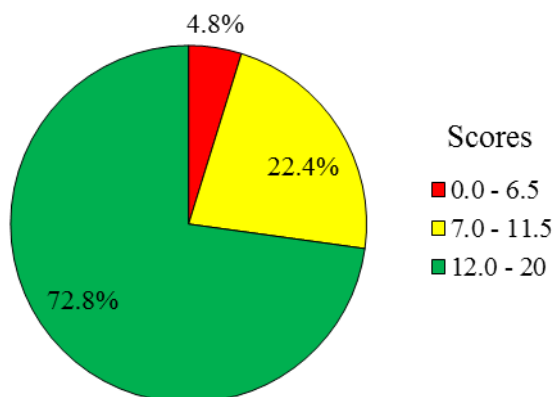
Q1.	Partnership deed refers to the document or written agreements between the partners that contain all needs and regulations that are to be used and followed in the partnership. The following are the needs for a partnership deed to partnership, are:-
	To ensure that all activities are performed by partners; This is where by, all activities that are to be performed by each partner in a partnership are mentioned and categorized so every partner is in position of knowing the activities that he or she should do. Example a partner is in position of doing his work effectively and others.
	To ensure violations of partners rights; This is where by in a partnership deed every partner's rights are mentioned

		To ensure there is security between partners; This is where by, security between partners means peace and unity and co-operation between partners, so partnership deed is needed in order to avoid conflicts which may arise in partnership. Example through partnership deed one is able to solve conflict	
		To ensure that books of accounts of the partnership are well kept; Partnership deed, in one of the agreements, is that books of accounts of that partnership concerning for should be kept properly in order to avoid misplacing of those books of accounts. Example if partnership deed states that books of accounts are to kept in the head office, then those books should be kept at head office.	
		To ensure transparency and accountability; This is where by partnership deed contains some rules and regulations which account there is transparency and accountability in partnership and between partners (members). Example if a partner is supposed to receive a certain amount of salary, then that amount should be known by both in order to avoid theft or embezzlement of funds in partnership	
		Generally; Partnership is one of the form of business and which contains various number of people who joined together for the aim of running the business for profit motive.	

Extract 9.2 shows a sample of responses from a candidate who failed to explain the need for the partnership deed to partnership instead the candidate explained what would happen if the partnership operated without a partnership deed.

### 2.2.2 Question 2: Business Capital

In this question, the candidates were required to evaluate six sources of raising short term finance to a businessman. The question was opted for by 991 candidates, out of which 721 candidates (72%) scored from 12 to 20 marks, 222 candidates (22.4%) scored from 7 to 11.5 marks and 48 candidates (4.8%) scored from 0 to 6.5 marks out of the 20 allocated marks. The overall candidates' performance in this question was good. Figure 10 shows a summary of the candidates' performance.



**Figure 10:** *The Percentage of the Candidates' Performance*

The candidates (72.8%) who scored high marks in this question evaluated correctly most of the sources of raising short term finance to a businessman. These candidates had knowledge and clear understanding of the concept of short term finance and were able to relate the concept with the demand of the question. A few candidates (0.3%) who scored all 20 marks in this category showed mastery of the subject matter across their introduction, main body and conclusion. They evaluated all required points with reliable explanations. The correct responses explained include: *discounting of the bills, payment in advance, instalment selling, bank over draft, trade credit, cash credit, selling of personal properties and borrowing from friends/relatives*. However, the candidates who failed to score full marks in this category either provided all correct points with insufficient explanations to some of the points or at least five correct points out of the required six. The majority of the candidates with five correct points in their responses explained long term bank loan as one of the sources instead of bank overdraft. Some of the candidates evaluated correctly all the sources but they did not introduce and conclude their answers in response to the question. Extract 10.1 is a sample of responses from a candidate who scored high marks.

## Extract 10.1

2.	Finance refers to any amount of money or credit employed in the business. It is very important as it helps to carry out various activities of the business. Short term finance is required by all businessmen for various reasons like paying advertising expenses, wages, provide credit facilities to customers etc. Therefore, the sources of raising short term finance to a businessman can be as under:	
	Trade suppliers or creditors. A businessman can purchase goods on credit, this means he takes the delivery of the goods but makes the payment at a later date. This allows the businessman to purchase goods even if he does not have the required cash in hand. Therefore, the creditor is providing a short term finance by selling the goods to the businessman on credit.	
	Hire purchase firms. These are firms which require the businessman to make an initial deposit and pay the rest of the amount in smaller amounts through installments. Therefore, the hire purchase firms involve in financing the businessman's operations as it allows him to use the goods while still paying for them and the division of the amounts in various installments.	
	Banks and other financial institutions. A businessman can apply for short-term loans in banks and other financial institutions in order to finance his operations and then re-pay the loan after a short period of time. Therefore, banks play a role in providing short-term finance to a businessman by providing short term loans to enable them finance their activities without any problem and delay.	

2.	Also, a businessman may borrow funds from friends or relatives. If a businessman requires a short term finance, then he may borrow money from a friend or relative and pay back after a short period of time. This is another source of a short term finance to a businessman.	
	Ploughing back of profits. A businessman may re-invest a certain percentage of the business' profit back into the business so that he can carry out short term activities like payment of salary expenses, wages etc. This is one of the best methods of short term finance as it does not include borrowing.	
	Lastly, the businessman's personal savings can also be used as a short term finance to the business. The owner might have saved some money which he could invest in the business in order to meet the short term needs of the business.	
	Therefore, these are some of the sources which can be used to raise short term finance to a businessman.	

Extract 10.1 presents a sample of good responses from one of the candidates who correctly explained the sources of raising short term finance to a businessman.

The candidates who scored from 7 to 11.5 marks were able to evaluate at least three correct points out of the required six sources of short term finance to a businessman. Most of these candidates were able to explain some correct points such as: *short term bank loans, borrowing from friends/family, personal savings, and trade credits*. Nevertheless, some of their explanations had some weaknesses in some of the points.

Despite the good performance in this question, a few candidates (4.8%) scored low marks as they failed to explain the sources of raising short term finance. These candidates had insufficient knowledge on the topic of Business Capital, particularly on the short term sources of business capital.

Some candidates explained the sources of government revenue instead of sources of raising short term finance. While others scored some marks on the point of loans from banks, they failed to give proper explanations about bank overdraft on the difference between short term and long term loans. However, the candidates who scored a zero mark misinterpreted the demands of the question. Two of them explained the sources of government revenue instead of the sources of raising short term finances to a businessman. One of the candidates highlighted the means through which business can improve the performance. Examples of incorrect responses provided by some of the candidates include: *improvement of technology, advertising, improvement of infrastructure, credit sales, wide market, increase the quality of goods, increase of efficiency, good management and reduce the selling price*. Others provided some irrelevant points such as: *education and training, customers' satisfaction, price stability and marketing the products*. Extract 10.2 is a sample of responses from a candidate who scored low marks.

### Extract 10.2

2.	Business ; is any activities that are done so as to generate profit in his business and business can be either legal business or illegal business. The following are the sources that rising short term finance business	
	Advertising ; through advertising it will lead to the rising of short term finance to a businessman and this is when advertising is taking place.	
	Technology of the businessman ; that when the business man have enough technology about his business will lead to raise of short term finance	
	Chain of Distribution ; where it is the path or way where goods flow from producer to final consumer this will lead to raise of short term finance to a business	
	Insurance Compensation ; the insurance company lead to raises of short term finance to a businessman through premium contributed to insurance company in which in case of any rise will be compensated.	

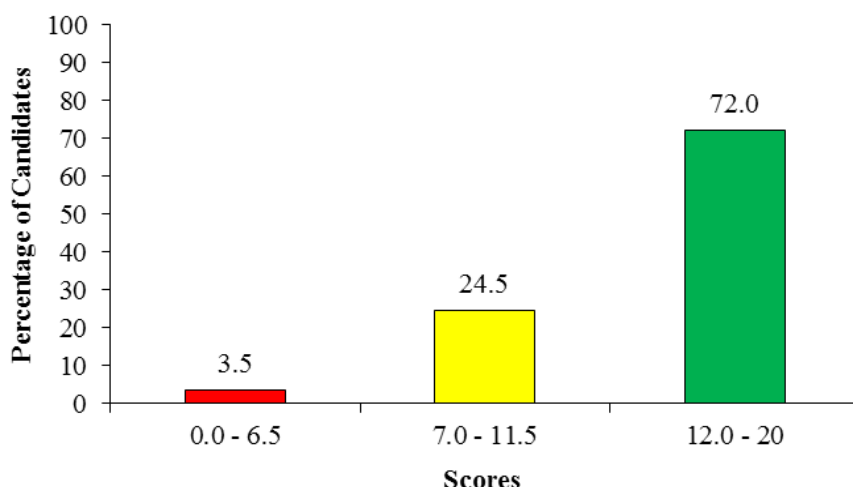
	Transport and Communication network	
	The system of transport and communication network will	
	raise the short term finance to businessman when	
	there is availability of transport and communication	
	network.	
	Bank system & this is through	
	provision of loan to the businessman when they	
	can finance their business and enlargement of market.	
	through source of loan will raise the short term finance business.	

Extract 10.2 shows a sample of poor response from one of the candidates who listed some activities that facilitate trade to take place instead of evaluating the sources of raising short term finance to a businessman.

### 2.2.3 Question 3: Marketing

This question had two parts, (a) and (b). In part (a), the candidates were required to differentiate between brand mark and trade mark while in part (b) they were required to analyse four advantages of selling goods under brand name to both manufacturers and consumers.

The question was opted for by 721 candidates, out of which 519 candidates (72%) scored from 12 to 20 marks, 177 candidates (24.5%) scored from 7 to 11.5 marks and 25 candidates (3.5%) scored from 0 to 6.5 marks. The candidates' performance in this question was good. Figure 11 summarises the candidates' performance in this question.



**Figure 11:** *The Percentage of the Candidates' Performance in Question 3*

The candidates (72%) who scored high marks were able to adhere to the requirements of the question and they had adequate knowledge of the subject matter. The majority of them were able to differentiate, with examples, between brand name and trade mark, according to the demands of part (a) of the question. The correct distinctions provided were: *Brand mark is a part of brand which is in the form of a symbol, name, distinctive colour or letter which is usually recognised by signs but cannot be pronounced; while trade mark is a brand that gives a legal protection to products and enable consumers to differentiate the products from those of different producers*. Some candidates, however, could not give correct explanations to differentiate the two terms but they drew some pictures and labeled them to differentiate between the two terms.

In part (b), the candidates analysed the advantages of selling goods under brand name to manufacturers and consumers. However, most of these candidates managed to provide correct advantages despite a few discrepancies observed in their responses like insufficient description in some of the points. The candidates who scored full marks were able to give the correct advantages with relevant introduction and conclusion. Extract 11.1 is a sample of the responses from a candidate who scored high marks.



### Extract 11.1

2	(a) Brand Mark this is the name given to the product in order to differentiate it from other product of other-firms while trade Mark this is the name of the firm which have legal protection by the law of the government. Therefore brand mark is the name given to the product and trade mark is the name of the firm that have legal protection.	
3	(b) Brand this is the name given to the products. And the following are the advantages to both manufacturer and consumer as follows:- Increase sales and profit, also this is among of the advantage of brand name that enable the manufacturer - sales to increase and hence if the sales of goods increase - also the profit will increase. Therefore this is the advantage to Manufacturer in his deal with branded goods. Advertisement, also this is among of the advantage of brand name that it help manufacturer in advertise - the products through brand that it make people to be aware of that goods. Therefore brand name help manufacturer in advertising the products.	

	Expand market of products, also this is among of the advantage that manufacture gain from the brand-name that it help to expand the market of the goods and services through its promotion. Therefore brand name help-manufacture market for product to expand.	
	it help in the determination of price of product, also this is among of advantage that manufacture get that brand name help to determine the price of product in the market. Therefore brand name also help in determination of price of goods.	
	And also the following are the advantage of brand name to consumer:-	
	help consumer to get quality products, also this is among of the advantage of brand name that it make the product produced to be of quality because of competition that exist in the market that also help the consumer to get quality products. Therefore brand name - help the consumer to get quality products.	
	help consumer to differentiate products, also this is among of the advantage of brand name to consumer that it help that consumer to differentiate the product of one firm from the products of another firm in the market by consider the brand name of the products. Therefore brand name help consumer to differentiate products.	
	Stabilize price of goods, also this is among of the advantage that consumer obtain from brand name that it stabilize the price of product in the market that makes consumer to benefit because the price of the goods tend to be stable in the market. Therefore brand name stabilize the price of goods in the markets.	

	Increase choice to customer, also this is an advantage	
	of the advantage of brand name to customer that it	
	increase the choice of customer in different products because -	
	each product is given the name to differentiate it from other	
	products. Therefore brand name increase choice of customer.	
	Therefore brand this is the name given to	
	a product to make it differ from other products it benefits	
	consumers and producers in different aspects.	

Extract 11.1 illustrates a sample of good responses from a candidate who was able to distinguish between brand mark and trade mark and also analysed correctly the advantages of brand name to both manufacturers and consumers.

The analysis shows that the candidates (24.5%) with average performance understood the requirement of the question and were able to provide correctly at most two advantages of selling branded goods to both manufacturers and consumers, according to the demands of part (b) of the question. Some of them were able to analyse the advantages of selling branded goods to manufacturers, but failed to give correct advantages of selling branded goods to consumers. Other candidates explained the advantages to consumers with at least one correct advantage to manufacturers, but they did not attempt part (a) of the question. In addition, there were some candidates who mentioned almost all correct points in part (b) but failed to give correct explanations to those points.

However, few candidates (3.5%) who scored from 0 to 6.5 marks were unable to differentiate between brand mark and trade mark in part (a). Some candidates defined either brand mark or trade mark but failed to compare the two terms as required in the question. Moreover, in part (b) some of these candidates explained the points like: *increasing in sales*, and *reduce cost of advertising* as advantages of selling branded goods to consumers instead of being advantageous to manufacturers. Extract 11.2 illustrates a sample of the candidates' poor response.

## Extract 11.2

3	<p>a) Branding: This is the process of giving a particular name to a certain product. Example of products with brand are like Tamaa Soap, Kasuku exercises books. The following are the difference between trade, brand mark and trademark.</p> <p>Brand mark: This is the function of branding goods where by the producers use a certain name or picture to identify their product which differ with other products. Example of telephone with brand mark is like Highton which contains a brand mark of apple.</p> <p>While</p> <p>Trade mark: This is the attributes of marking goods produced by one firm to be different from others which can not relate with another firm which produce the same product. Example of Trade mark on the commerce national examination.</p> <p>Council of Tanzania advanced Certificate of secondary education is 802152200012</p>	
3	<p>b) Brand name: This is the producers given to the products by the producers of their products. Example of goods or commodities with brand name are like Tamaa Soap, Tea bags are like Chai-bora, chairman's phones are like Samsung galaxy. The following are the advantages of selling goods under brand name to consumers.</p>	

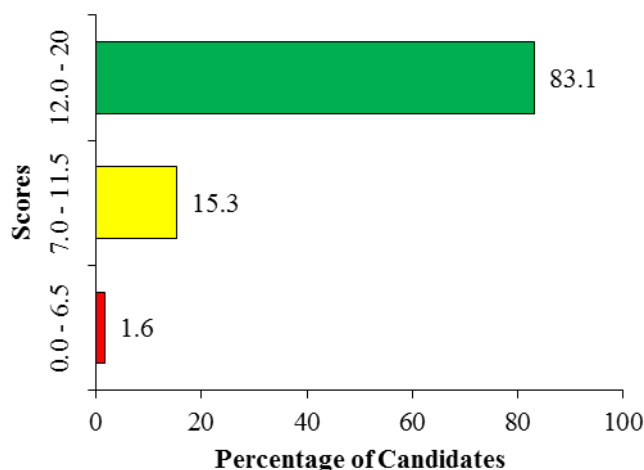
	Make easy to advertise: This is	
	due to this when goods are well branded	
	and given a brand name it will be easy	
	for manufacturers to make its goods	
	known to the public	
	It saves time: This is due to	
	this when goods are selling under	
	brand name it save time to the producers or	
	manufacturers to select goods easily and	
	sell them to the consumers	
	Easy to handle: This is due	
	to this the branded goods when their	
	sold with brand name is easy for	
	the consumers to choose the product	
	and handle it compared to the goods	
	without brand name.	

Extract 11.2 shows a sample of incorrect response from a candidate who failed to differentiate between brand mark and trade mark in part (a), and had interchanged some advantages of selling goods under brand name to manufacturers and consumers in part (b).

#### 2.2.4 Question 4: Foreign Trade

The question had two parts, (a) and (b). In part (a), the candidates were required to outline three (3) effects of persistent deficit Balance of Payment to a country. In part (b), they were required to elaborate four methods to overcome the problems of Balance of Payment disequilibrium.

This question was opted for by 1,334 candidates out of which 1,108 candidates (83.1%) scored from 12 to 20 marks, 205 candidates (15.3%) scored from 7 to 11.5 marks and 21 candidates (1.6%) scored from 0 to 6.5 marks. The overall candidates' performance in this question was good as seen in figure 12.



**Figure 12:** *The Percentage of the Candidates' Performance in Question 4.*

The candidates (83.1%) who performed well had adequate knowledge and skills of the subject matter examined. Their responses showed the understanding of the concept of Balance of Payments in the topic of Foreign Trade. The candidates who scored all 20 allocated marks were able to exhaust all the required points in part (a) and (b). In part (a), majority of the candidates were able to outline the effects of persistent Balance of Payment deficit to a country. Their answers were as follows: *creation of domestic constraints policies, lack of competitiveness and failure of a country's export trade, country's financing problem, hindrance of employment opportunities, and destruction of domestic industries*. Other candidates were able to outline all points correctly but failed to provide adequate descriptions in some of those points. In addition, some candidates outlined two correct points out of the required three.

In part (b), many candidates managed to elaborate the methods used to overcome the problems of Balance of Payments disequilibrium. However, some of the candidates did not provide comprehensive elaborations in some of the points. Extract 12.1 shows a sample of responses from a candidate who scored high marks.

## Extract 12.1

4 a)	<p>Balance of payment is the <del>total</del> import difference between total import expenditure and total export income. If the total import expenditures are less than the total export income then there is said to be a favourable balance of trade. But if the total import expenditures are greater than the total export income then there is said to be an unfavourable balance of payment or a deficit balance of payment. A persistent Balance of payment, has the following effects to a country:</p> <p>large capital outflow. The persistent Balance of payment leads to a large capital outflow this is because most of the money earned is used in exchange so as to buy goods from other countries and bring them to the country. This affects the economy because <del>not</del> the country will be unable to provide for other ventures that need</p>	
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4a)	these funds.	
	Decline in local industries (Domestic Industries).	
	Persistent Balance of payment leads to the decline in local industries. Since the expenditures exceed the revenues then, the government will be unable to provide subsidies to the local industries and this will lead to their decline and also lead to a decline in employment opportunities offered by these domestic industries.	
	Leads to public debt. Due to less revenue, caused by a large outflow of capital the government will be forced to borrow from foreign countries so as to be able to cover its expenditures. This leads to an increase in public debt which later on will affect the people in terms of taxes because they are the ones who would have to pay for the debt.	
	In general, Balance of Payment deficit affects a country in several ways. The correction of this would help to stimulate economic activities, growth of domestic industries, creation of employment opportunities and even increase in exports.	
4b)	Balance of payment disequilibrium is the situation whereby, a country's total import expenditure is more than a country's export income. This means that purchase is greater than sales of a particular country. There are several methods that can be used to overcome the problems of balance of payment disequilibrium. These methods are:	



4b)	<p>Increase exports. In order to overcome Balance of payment disequilibrium a country should increase its exports so as to exceed its imports. Through more exports a country will be able to sell more and obtain a much higher revenue, hence increasing its revenues rather than expenditures.</p> <p>Impose heavy taxes on imports. The taxation of imports will help help to reduce importation in the sense that, once imports are heavily taxed then the prices of imported goods would be much higher this will lead to a reduction in imports since people will stop buying and hence demand will fall discouraging importers from importing anymore goods.</p> <p>Provision of subsidies to local industries. The government should give support to the local industries so as to ensure their success. Through subsidizing a market for local industries would be provided allowing them to produce more goods and export more. This will increase the level of exports.</p> <p>Reduce imports. A country should reduce the level of importing goods from other countries. This is especially for goods which can be locally produced by local producers. Reduction of imports would lower the outflow of capital, it would also lower the import expenditures incurred by importing goods and this will help overcome the balance of payment disequilibrium problem.</p> <p>Generally, these methods would be efficient</p>	
4b)	<p>in reducing imports but the reduction of imports would restrict foreign competition and allow for low quality goods to be produced, also it will allow inefficient firms to remain in business and this would not be good either.</p>	

In extract 12.1, a candidate was able to outline the effects of persistent deficit Balance of Payment and also elaborated the methods used to overcome the problems of Balance of Payment disequilibrium.

Nevertheless, the candidates who scored average marks showed some weaknesses in their responses. Some candidates failed to answer part (a) correctly as they explained some of the reasons of international trade such as: *unequal distribution of natural resources, selling of surplus goods, to obtain what the country cannot produce and difference in technology* instead of the effects of persistent deficit balance of payment. However, they managed to elaborate three correct methods used to overcome the problems of Balance of Payment disequilibrium in part (b). These candidates also outlined only one effect of persistent deficit balance of payment in part (a). Other candidates responded correctly in part (b) but they did not attempt part (a) of the question.

The analysis further indicates that, the candidates with low scores ranging from 0 to 6.5 marks had insufficient knowledge on the concept of Balance of Payment. In part (b) most of the candidates managed to elaborate few correct points while others listed the points without elaboration. Some other candidates failed to provide relevant answers to part (a) of the question. There are few candidates who discussed about the effects of taxation in the economy while the question was about Balance of Payment disequilibrium. In addition, some of the candidates under this category failed completely to provide relevant introduction as well as conclusion. Extract 12.2 is a sample of a candidate's poor response.

## Extract 12.2

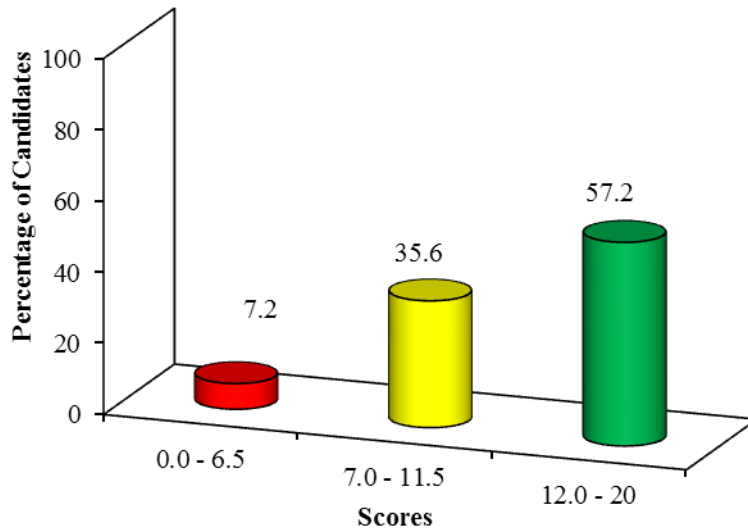
4a.	The following are the effects of deficit balance of payment.	
	Over dependence, this means that if there is deficit balance of payment in a country it bring to the over dependence of the less developed country tend to depend much to the developed country	
	Less developed country become dumping country this means that the product which has become out of use are the one which are exported to the less developed country	
	Unequal distribution of <del>net</del> wealth, this means that if there is deficit balance of payment the distribution of wealth will be not equal in the countries involving in an international trade.	

Extract 12.2 shows a sample of poor response from a candidate who attempted only part (a) of the question. The candidate mentioned one reason for international trade and two disadvantages of international trade instead of the effects of persistent deficit Balance of Payment.

### 2.2.5 Question 5: Business Office

The question had two parts, (a) and (b). In part (a), the candidates were required to describe, with examples, the terms (i) Executive furniture (ii) Special purpose furniture and (iii) General furniture. In part (b), they were required to examine six (6) disadvantages of an open office to both office providers and receivers of services.

A total of 292 candidates opted for this question whereby 167 candidates (57.2%) scored from 12 to 20 marks, 104 candidates (35.6%) scored from 7 to 11.5 marks and 21 candidates (7.2%) scored from 0 to 6.5 marks. The data analysis shows that the candidates performed well in this question. This performance is summarised in figure 13.



**Figure 13:** *The Percentage of Candidates' Performance in Question 5.*

The candidates (57.2%) who scored from 12 to 20 marks were able to describe the terms *executive furniture*, *special purpose furniture* and *general furniture* in part (a), however, others failed to provide relevant examples. In part (b), most of the candidates were able to examine the disadvantages of open office with some examples. Some candidates mentioned the correct points like *disarray* and *status of the executive* but they did not explain them correctly. Moreover, some of the candidates confused the description on *lack of privacy* with *status of the executive*. “Status of the executive” is about lack of comfortability and recognition which is usually expected by the staff members while in the office. Lack of privacy refers to an environment where the workers cannot handle their duties privately because of the nature of the office in which they work. Extract 13.1 is a sample of a candidate’s good response.

### Extract 13.1

5	(b)	An open office refers to a type of an office whereby all the staff of various departments are located in one room/hall. It ensures that there is efficient utilization of office space but the following are the disadvantages:-	
		No privacy. An open office involve the existence of all the staff in one hall or room. There is no privacy because everything done to offer services is seen by all the staff members and all the departmental secrets can not be kept with confidence because everyone can access a certain document at anytime. Hence no privacy in an open office.	

5.(b) Existence of poor concentration in the office. An open office exists without partitions hence a staff can see everything that is taking place in the office at different places including the incoming and outgoing receivers of services and other staff members this makes service providers not to concentrate in what they are doing in the office which can lead into poor services to receivers.

Easy spread of Infectious diseases. Also an open office leads to an easy spread of infectious diseases from one service provider/staff to another. This mainly includes airborne diseases like Tuberculosis and heavy flu due to staying in a room for all the staff and other incoming recipients who can also contract the infectious disease.

**Example:** A service provider/staff has flu, all other staff in the office can easily get flu and even service receivers.

There is existence of noise due to communication exchange and Gossip. In an open office, the service providers and other staff are given easy communication because all of them are sitting in the same hall/room. This makes them share various news and events not only that but also gossip about others resulting into noises in the office of which it can affect others including receivers and service providers in the office.

No respect is shown to the Superiors because they exist with normal service providers in the office. In an open office the superiors like managers of top

5 (a) (i)	Special purpose furniture; Refers to an office equipment tool that is used for a specific purpose. The furniture can not be used for any other purpose other than the one specifically designed for. (bought for a special purpose)	
	Example: File stands for storing up files only.	
	Office chairs for sitting	
	Cupboards for keeping documents.	
	(iii) General Furniture : Are the office furniture for various activities in the office.	
	They can be used for more than one activity or purpose. They are bought to fit for many uses.	
	Example: Office Tables can be used for filling,	
	Writing on and keeping various documents	

Extract 13.1 is a sample of good response from a candidate who managed to respond according to the demands of the question.

The candidates who scored from 7 to 11.5 marks were able to answer all the parts of the question but failed to provide adequate explanations on the three types of office furniture as required in part (a) of the question. Majority of them managed to give some descriptions on the term General furniture but could not point out clearly what special purpose furniture and executive furniture were all about. In part (b), most candidates in this category were able to provide at least three out of the required six disadvantages of an open office. However, a few candidates confused the description on *lack of privacy* with *status of the executive*. Furthermore, some of the candidates' responses included the disadvantages of partitioned offices such as: *less interaction, high running cost and it creates a gap between the supervisor and subordinates* instead of disadvantages of an open office.

The candidates with poor performance had partial knowledge of the topic of Business Office. Most of them answered the question partially in both part (a) and (b), or answered only one part of the question. Some of them answered some of the terms given in part (a) in a nutshell with unrelated examples. Others were able to provide some correct examples such as *chairs and tables for high ranked staff* to represent executive furniture but they did not explain them. This shows that they had an idea about the types

of furniture given but failed to explain the terms as required. For example, one of the candidates explained executive furniture as special furniture and cited the examples which reflected his/her confusion on the types. A typist chair was given as an example of executive chair instead of special purpose furniture. However, there were some candidates who failed to explain correctly any of the terms.

Part (b) of the question was attempted by almost all candidates who opted for this question. They tried to examine the disadvantages of open office but some of their responses were about the advantages of open office mixed with disadvantages of partitioned office. For example, one of the candidates wrote the points such as *saving many customers at a time, sharing of office equipment, easier communication, and low cost of supervision*. However, these are advantages and not disadvantages of open office. Extract 13.2 shows a sample of incorrect response.

#### Extract 13.2

5.	Office is a place or room	
b	where clearing activities are carried out while Open office is a type of office which are not divided by wall or partition	
	The following are the advantage of Open office to both service provider and receiver of services	
	No expensive to construct. an Open office does not need a high initial cost because its one room where different activities are carried out Example cost of construction of partition does not needed in the Open office	
	Less cost of supervision. an Open office require low cost of supervision compared to traditional office because in an Open office all worker work in one room which have no a partition so when supervision is needed one person can supervise all people in the office so	

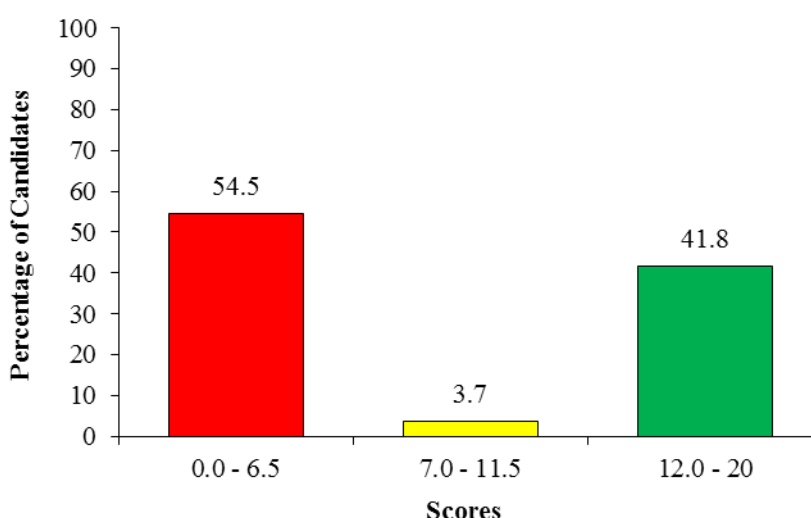


due to this it save cost by supervision	
good cooperation among employees	
In an open office there is good cooperat	
ion among employees because all people	
work in one room which have no g	
partition its easy for the employees	
to cooperate in various economic	
office example certain employees may	
get an accident its easy to be helped	
by other employees because they work	
together and cooperate in various function	

In extract 13.2, the candidate explained some advantages of open office instead of the disadvantages of open office.

### 2.2.6 Question 6: Import Trade

The candidates were required to analyse six (6) necessary procedures observed by importers in settlement of imports through a letter of credit. It was an optional question which was opted for by 110 candidates only. The candidates' performance in this question was average since 46 candidates (41.8%) scored from 12 to 20 marks, 4 candidates (3.7%) scored from 7 to 9.5 marks and 60 candidates (54.5%) scored from 0 to 6.5 marks. Figure 14 summarises the candidates' performance in this question.



**Figure 14:** The Percentage of the Candidates' Performance in Question 6.

The candidates (41.8%) who scored high marks showed clear understanding of the procedures of settling of imports through the use of a letter of credit. Those who scored all 20 marks managed to provide a good presentation of their essays and their responses covered all the steps followed by the importers when paying for imports using a letter of credit. Some of the candidates who failed to score full marks in this group were able to examine correctly the first three and the last steps but interchanged the fourth and fifth steps. Others analysed correctly the steps presented but did not follow the essay writing procedures. Extract 14.1 is a sample of a candidate's good response.

#### Extract 14.1

6.	A letter of credit is a document used in international trade which is issued by the importer instructing his/her bank to pay the bearer a specified sum of money. Types of letter of credit can be: documentary letter of credit, revocable, irrevocable, clean letter of credit etc. The necessary procedures observed by importers in settlement of imports through a letter of credit can be as follows:-	
	Firstly, the importer has to agree and request the exporter that payment will be made through a letter of credit. The exporter must agree/accept the request of the importer to make payment through a letter of credit in order to continue with the procedures.	

	After the acceptance, the importer instructs	
	his bank to open a letter of credit in the favour of	
	the exporter at his bank abroad. The importer's bank	
	is called the issuing bank.	
	Then the issuing bank arranges with the	
	exporter's bank that is the negotiating bank to either	
	accept, negotiate or pay the supplier on tender.	
	After this, the exporter's bank, that is	
	the negotiating bank informs the exporter that a	
	letter of credit has been opened in his favour. This	
	prepares the exporter to obtain all necessary documents	
	like invoices, bill of lading, bill of exchange etc	
	which he needs to produce for receiving payment.	
	Now the exporter submits all the necessary	
	documents like invoices, bill of lading, bill of exchange,	
	receipts, certificate of origin, insurance certificate and many	
	more to his local bank so that he can receive his	
	payment from his local bank.	

Extract 14.1 is a sample of a relatively good response from a candidate who was able to analyse the procedures observed by importers in settlement of imports through a letter of credit.

The candidates who performed poorly in this question lacked knowledge on the concept of means of payment for imports and the procedures involved to accomplish payment for imports. Some of these candidates mentioned other irrelevant documents and terms used in international trade such as: *bill of lading*, *certificates of origin*, *letter of hypothecation*, *freight note*, *proforma invoice* and *bills of exchange* instead of the procedures of settlement of imports through a letter of credit. Other candidates listed some incorrect procedures but they were able to highlight the last correct procedure namely reimbursement which involves recovery of funds by the issuing bank from the buyer. There were also some candidates who managed to introduce the question with only one correct procedure. Extract 14.2 presents a sample of poor responses from one of the candidates.

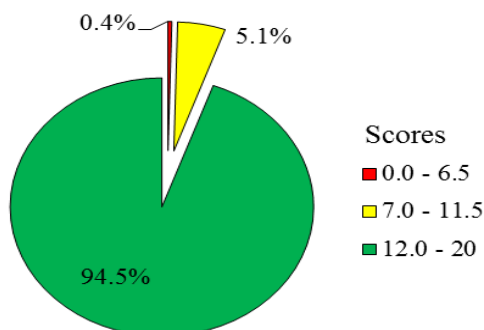
## Extract 14.2

6.	letter of credit is the documents which a used	
	in the business to conduct and used procedures when	
	conduct the business. The following are the procedures	
	of observed by importers in settlement of imports through	
	a letter of credit	
	Licence of the business this means before the	
	sending of the business are suppose to have a pati	
	ent right of the business in order to conduct the busine	
	ss.	
	Procurement of the business this means after	
	have a patient right of the business are support to	
	have agreement between the producer of the goods and	
	the consumer of the goods	
	Indent document, this is the document which	
	are used to the import trade in order to complete	
	agreement of the business which are conducted by	
	the producer in order to get the procedures of the	
	indent document.	
	Bill of exchange, this means is the document	
	which are used to the to have the complete agreement	
	among the seller which are to the border and the	
	buyer which are used contact to get information betue	
	en the producers up to the whole sales.	
	Sending the goods by using ship when you	
	use a ship are support to send the information to	
	the seller which are transport the goods through	
	the importer.	
	Warrantees document, this is the document	
	which are used by the agreement between the sendin	
	g of the business must be have the document in order	
	to take the business of the goods to the ship	
	and sending to the warehouse for storing.	

Extract 14.2 is a sample of poor response from a candidate who failed to analyse the procedures observed by importers in settlement of imports through a letter of credit. Instead, the candidate sporadically explained some of the documents and terms used in international trade.

### 2.2.7 Question 7: The Role of Government in Trade

The candidates were required to discuss six reasons for the government intervention in commercial activities. This question was opted for by 1,363 candidates out of which 1,288 candidates (94.5%) scored from 12 to 20 marks, 69 candidates (5.1%) scored from 7.5 to 11.5 marks and 6 candidates (0.4%) scored from 2.5 to 6 marks. The overall candidates' performance in this question was good. Figure 15 summarises the candidates' performance in this question.



**Figure 15:** *The Percentage of the Candidates' Performance in question 7*

The candidates who performed well in this question had adequate knowledge of the role of government in trade and they were able to apply such knowledge to answer the question. In addition, they managed to reflect different commercial activities carried out in the areas where they live. The candidates who scored all 20 marks were able to show their understanding of the demand of the question by discussing the reasons for the government intervention in commercial activities. Some of them provided relevant examples to prove their understanding of the concept examined. However, some candidates failed to score full marks because they provided insufficient explanations to some of the points while few of them discussed three to four points only out of the required six. Majority of the candidates in this category were able to present their responses in essay form with relevant introduction and conclusion. Extract 15.1 shows a sample of the candidates' good response.

## Extract 15.1

7.	<p>Government intervention refers to the involvement of the government in the commercial activities, this can be direct by carrying out trading activities or Indirect by controlling the activities in the country. There are different reasons for the government to intervene in commercial activities which are as follows:</p> <p>Prevention of Monopoly ; The Government can intervene in the commercial activities of the country in order to prevent the effects of monopoly in the country. As we know that the monopoly can lead to price fixing of the goods which are provided by them. Therefore the government can decide to intervene their activities indirectly by controlling their activities and by doing so the government is to prevent monopolies in the country.</p> <p>Provision of essential services ; There are some services and goods which can not be produced by the private sector because of their profit motives, then the government becomes responsible for its provision. Goods and services like road construction, health services these services do not bring any profit to the private sector. Therefore the Government intervene in the commercial activities so as to provide essential services to the country and its people.</p> <p>High Initial Capital ; There are some projects and sectors in the economy which requires high initial Capital outlay to start and many private firms fail to do them. Then the Government can intervene in order to conduct those projects which they wish to perform for the development of the country. These projects can be construction of roads, bridges and maintenance of public goods which have been worn out then the government is forced to operate those projects. Hence the government can intervene due to high initial Capital.</p>
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7.	<p>Regional balancing; Other business men choose a certain area and provide services to those areas only and leave other areas with no economic development; Then the government becomes responsible to make other regions to have a good economic status as other regions by providing the services which will result into regional balancing in the country. The government can intervene in the commercial activities directly to make regional balancing in the country.</p> <p>National Security; The Government also take place in the intervene of commercial activities for the national security purpose. That is; there are other production of materials which can not be left in the hands of private sector for protection of the National security and only the government becomes entitled to provide those production. Example; country's producing arm requirement like bullets, bomber the only responsible people for carrying this activity is the Government. Hence the government intervene in commercial activities for the national security.</p> <p>Enforce political Ideologies; There are some ideologies of people that the government should have some things to do in commercial activities for the political ideologies. Also some politicians tend to have commercial activity in order to be seen by the citizens that there are other things which are done by that political party. Hence sometimes the government needs to intervene in the commercial activities because of Political ideologies.</p> <p>The Government direct intervention in trading activities is by Public corporation, Parastatal bodies and Local Government and Indirectly through Chamber of Commerce, Ministry of Industry and Trade and Consumer Protection.</p>
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Extract 15.1 shows a sample of a good response from a candidate who scored high marks as she/he was able to discuss the reasons for government intervention in commercial activities.

Despite good performance in this question, a few candidates (6) scored low marks. They all understood the demand of the question but failed to associate how the government can intervene the commercial activities. Some of their responses included a few correct points without proper explanation. However, some of the candidates in this category provided irrelevant points such as: *regulation, which involves the issue of business license and setting of business standards; and training through publication.* However, these are considered as the methods of government involvement

in trade and not the reasons for government intervention in trade. Extract 15.2 is a sample of one of the candidates with low marks.

### Extract 15.2

7	<p>Commercial activities, This are the activities that promote growth to the country, such activities are in trade, The following are the reasons of the government intervention in commercial activities</p> <p>Control Business Activities, This means the government controls all the govt commercial activities so as to create growth on the country economy most of the commercial Activities promote to the growth of trade</p> <p>Control Operation of Business activities, The government will Operate the commercial activities fairly so as to create good control in the Commercial activities the Operation of all Commercial activities is done by the government</p> <p>Buy Shares from private companies, the government will buy shares from the private companies so as the can facilitate the growth of commercial activities In such a way that the Commercial activities will be under the control of the government</p> <p>Establishing Various Departments, the government will establish various Departments so as they can be used to control the Commercial activities for example Ministry of trade and commerce so as to keep good control on the activities that are conducted</p> <p>Market research, The government conducts the market research so as to know how to control the activities of the simply because commercial activities are mostly used in determining what customers or individuals prefer</p>	
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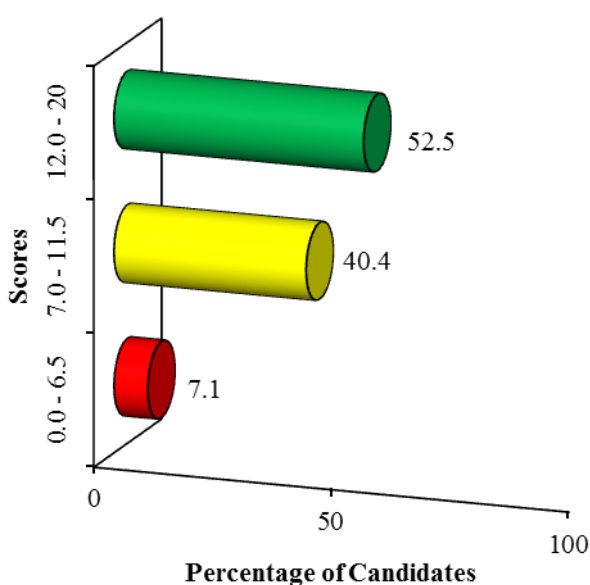
Extract 15.2 shows incorrect response from a candidate who scored low marks. The candidate highlighted a point of *business control* but failed to explain it properly. However, other points were irrelevant to the demand of the question.



### 2.2.8 Question 8: Taxation

In part (a), the candidates were required to differentiate between progressive tax system and regressive tax system. In part (b), they were required to elaborate five impacts of progressive tax system.

The question was opted for by 1,296 candidates out of which 681 candidates (52.5%) scored from 12 to 19 marks, 523 candidates (40.4%) scored from 7 to 11.5 marks and 92 candidates (7.1%) scored from 1 to 6.5 marks. The candidates' performance in this question was good. Figure 16 shows the summary of candidates' performance.

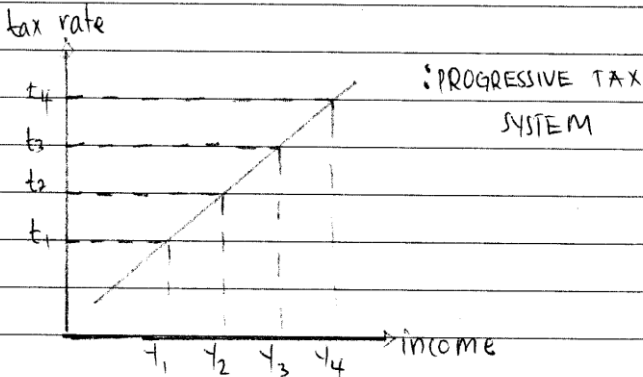


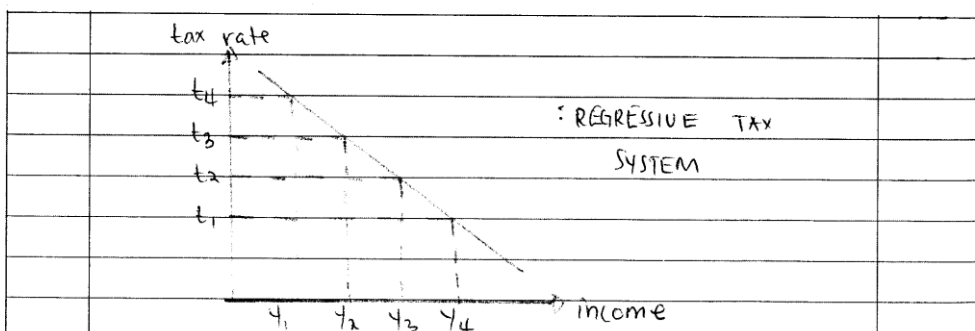
**Figure 16:** *Distribution of the Candidates' Scores in Question 8*

The analysis shows that 52.5 percent of the candidates who opted for this question scored high marks. This shows that they were familiar with the topic of Taxation since it is applicable in different environment and highly publicized by the government. In addition, the concept tested is also taught in Economics subject; so it was easy to recall. Most of these candidates were able to differentiate between progressive tax and regressive tax system in part (a). They also provided some examples to emphasize their understanding of the two tax systems. A few candidates had interchanged the description of the two tax systems.

In part (b), majority of the candidates were able to elaborate the impact of progressive tax system as: *discourage high income earners to work, motivate low income earners to work hard, reduce unequal distribution of income, encourages tax evasion, decrease in production, poor relationship between tax payers and tax collectors and it discourages investment.* Extract 16.1 is a sample of good response.

### Extract 16.1

8.	<p>① <u>Progressive tax system</u> refers to the system of paying tax whereby tax raises as the level of income increase. Tax rate under progressive tax system has direct relationship with the level of income as shown below.</p>	
		
	<p>WHILE</p>	
	<p><u>Regressive tax system</u> refers to the tax payment system whereby as the level of income increases then the tax to be paid decreases. Under this system tax rate has inverse relationship with the level of income.</p>	



8. (b) Progressive tax system refers to the system of paying tax whereby tax to be paid raises or increases as the level of income increases. Progressive tax system involves direct relationship between the amount of tax to be paid and the level of income. The most common progressive tax is PAYE (Pay As You Earn), which is imposed on income. The following are some of the positive and negative impacts of a progressive tax system

Reduce income gap, progressive tax system helps to reduce income gap between high income earners and low income earners. This is because the more a person earns the more the tax to be paid increase therefore it helps to reduce income inequalities between those who earn higher and those who earn lower. This is among a positive benefit of a progressive tax system

Helps to control inflation, among the positive benefits of progressive tax system is that it can be used to control inflation. Inflation refers to the persistent increase in prices. The government can raise the amount of tax to be paid so as to reduce the amount of money in the circulation which will help to control inflation because the quantity of money will be reduced in the circulation.

Discourage people from working hard, Also one of the negative effect of progressive tax system is that it discourage people from working hard. People will be fearing higher taxes if their income increases thus they will not be working hard to earn more because of high taxes. Thus the tax should be regulated not to discourage people from working hard.

8.	(b)	Discourage savings and investments, moreover	
		a progressive tax system discourage savings and	
		investments because an increase in income leads to	
		an increase in tax. When tax increases as the income	
		level increases then the amount to be saved or invested	
		in other businesses will be reduced thus discourage	
		savings and investments in an economy	
		Reduce purchasing power and consumption,	
		furthermore a progressive tax system has a negative	
		effect in the purchasing power and consumption. If	
		income increases also tax will increase, this will reduce	
		the purchasing power to be spent on consumption	
		Therefore it can even lead to a decline of some	
		products which are not consumed due to the	
		effect of the progressive tax system	
		Conclusively, progressive tax system	
		is one of the most common taxes used in developing	
		countries like Tanzania because the tax is certain	
		and the system is economical. This is because tax	
		is an important source of revenue to most developing	
		countries like Tanzania.	

Extract 16.1 is a sample of a relatively correct response from a candidate who differentiated progressive from regressive tax system in part (a) and elaborated the impact of progressive tax system.

The candidates with average performance had partial knowledge of tax systems. Some of these candidates responded correctly to part (a) of the question but mixed the impact of progressive tax system with some impact of regressive tax system in part (b). For example, one of the candidates wrote correct points such as *discourage high income earners to work hard* and *encourages tax evasion* but also included in his/her response some incorrect responses like *encourage saving*, *encourages investment* and *reduces tax evasion*. Other candidates' responses included some advantages of proportional tax system, for example, *ease calculation*, and *the amount to be paid is fixed and known to tax payers*.

Besides, the candidates with poor performance who scored from 1 to 6.5 marks were able to differentiate the terms progressive and regressive tax systems in part (a), but not all of them managed to provide correct distinctions between the two terms.

In part (b), some of the candidates were able to list some effects of progressive tax system with unrelated explanations. Most of the candidates elaborated the advantages of regressive tax system instead of the impact of progressive tax systems. Others elaborated the purpose of taxation in general instead of the impact of progressive tax system. For example, some candidates wrote incorrect responses like: *to raise government revenue, improve balance of payment, to maintain economic stability and to control the consumption of harmful products*. This shows that they failed to understand the demand of the question despite having a partial knowledge of the topic. Extract 16.2 is a sample of incorrect response from one of the candidates who scored low marks.

#### Extract 16.2

8a	Progressive tax system: are the rate two more the rate and not equal	
	While	
	regressive tax system: The rate of tax fall as income di	
8c		

8b	The following are the impact of progressive tax systems- these are EXTRA Discourage of consumption of the dangerous good : This are the impact of the progressive tax systems they can discourage of consumption of the dangerous good this can make the good to be in discourage eg drug abuse Reducing disposable income : The progressive sy stem can reducing disposable income because the goods can be in tax evasion and this can make goods to be developing Promot growth of income : This are impact of the pregre because can promote growth of income in govermen revenue Reducing equality Reducing equality : They can reducing equality of the good and services which are import & export process Reducing balance of <del>pay</del> payment different This are the impact of the because can reducing balance of payment different and this can make the good well	
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Extract 16.2 shows a sample of poor response from a candidate who failed to differentiate progressive from regressive tax system in part (a). He/she also elaborated some purposes of taxation instead of the impact of progressive tax system.

### 3.0 ANALYSIS OF THE CANDIDATES' PERFORMANCE PER TOPIC

The analysis of the candidates' performance per topic in 2018 is summarised in Appendix A. It shows that the candidates had good performance in thirteen (13) topics, average performance in two (2) topics and weak performance in only one (1) topic out of sixteen (16) topics that were examined.

The performance was good in the topics of *Banking* (99.7%), *The Role of Government in Trade* (99.6%), *Retail Trade* (99.2%), *Transport and Communication* (98.9%), *Foreign Trade* (98.4%), *Marketing* (96.5%), *Business Capital* (95.2%), *The Scope of Commerce* (94.9%), *Taxation* (92.9%), *Business Office* (92.8%), *Advertising* (89.7%), *Business Units* (89.5%), and *Production* (70.2%). The good performance on these topics was attributed to the candidates' ability in mastering the subject matter of each topic and by giving the responses which met the demands of the questions.

They were also able to provide sufficient descriptions to most of the concepts.

The topics which had average performance were: *Wholesale Trade* (55.6%) and *Import Trade* (45.5%). The main reason for the average performance was partial knowledge of the candidates on the subject matter of the topics examined. The only topic which had poor performance was *Insurance* (30.1%). The reasons for poor performance in this topic could be candidates' failure to identify the demands of the question and insufficient knowledge on marine losses.

The comparison of the candidates' performance per topic in the year 2017 and 2018 is shown in Appendix B. It indicates that there are some changes observed on the candidates' performance per topic. The performance in the topics of *Wholesale Trade*, *Import Trade* and *Insurance* was good in the year 2017. However, in the year 2018, the performance of the topics of *Wholesale Trade* and *Import Trade* decreased from good to average while the performance of *Insurance* topic decreased from good to poor performance (see Appendix B). The reasons for decrease in performance on those topics could be poor understanding of the requirement of the question and partial knowledge on the examined concepts.

## **4.0 CONCLUSION AND RECOMMENDATIONS**

### **4.1 Conclusion**

The general performance of the candidates in ACSEE 2018 in 152 Commerce was good since most of the candidates (99.74%) scored an average of 35 percent or above of the total marks allocated in each question. This performance implies that, the candidates had sufficient knowledge and skills which enabled them to understand the demands of the questions from various topics in paper 1 and paper 2 and respond accordingly. However, the topic of *Insurance* in paper 1 had poor performance while the topic of *Wholesale Trade* had average performance. Moreover, the topic of *Import Trade* in paper 2 had average performance. The reasons for poor and average performance were inadequate knowledge and skills on the topics examined, misconception of some of the concepts and failure to identify the demands of the questions.

## **4.2 Recommendations**

In order to improve the performance of the candidates in future, it is recommended that:

- (i) Students should read the examination questions and instructions carefully to avoid misconceptions.
- (ii) Teachers should provide the students with enough exercises; take home assignments, tests and examinations with standard questions and give feedback so as to enhance their mastering of the subjects' concepts.
- (iii) Teachers should make sure that all topics stipulated in ACSEE commerce syllabus are covered before the final examination. This must go hand in hand with revision of all topics or concepts which might have been not well understood by most of the students. It will help to improve better understanding of the topics/concepts and build confidence to the students before and during the examination
- (iv) Teachers should guide students on the best way to identify the demands of the questions and respond to questions from different topics.
- (v) The owners of both government and private schools should install internet facilities in their schools to enable teachers and students to access learning materials.



## Appendix A

### A Summary of the Analysis of the Candidates' Performance per Topic

S/n	Topic	Number of questions	Percentage of candidates who scored an average of 35 percent or above	Remarks
1.	<i>Banking</i>	1	99.7	Good
2.	<i>Role of Government in Trade</i>	1	99.6	Good
3.	<i>Retail Trade</i>	1	99.2	Good
4.	<i>Transport and Communication</i>	1	98.9	Good
5.	<i>Foreign Trade</i>	1	98.4	Good
6.	<i>Marketing</i>	1	96.5	Good
7	<i>Business Capital</i>	1	95.2	Good
8	<i>The Scope of Commerce</i>	1	94.9	Good
9	<i>Taxation</i>	1	92.9	Good
10	<i>Business Office</i>	1	92.8	Good
11	<i>Advertising</i>	1	89.7	Good
12	<i>Business Units</i>	1	89.5	Good
13	<i>Production</i>	1	70.2	Good
14	<i>Wholesale Trade</i>	1	55.6	Average
15	<i>Import Trade</i>	1	45.5	Average
16	<i>Insurance</i>	1	30.1	Weak

*Appendix B*

**Comparison Summary of Candidates' Performance per Topic for ACSEE 2017 and 2018**

	Topic	2017			2018		
		Number of questions	Percentage of candidates who scored an average of 35 percent or above	Remarks	Number of questions	Percentage of candidates who scored an average of 35 percent or above	Remarks
1.	<i>Banking</i>	1	98	Good	1	99.7	Good
2	<i>The Role of Government in Trade</i>	1	28.7	Weak	1	99.6	Good
3	<i>Retail Trade</i>				1	99.2	Good
4	<i>Transport and Communication</i>	1	91.2	Good	1	98.9	Good
5	<i>Marketing</i>	1	78.7	Good	1	96.5	Good
6	<i>Business Capital</i>				1	95.2	Good
7	<i>The Scope of Commerce</i>				1	94.9	Good
8	<i>Taxation</i>	1	86.7	Good	1	92.9	Good
9	<i>The Business Office</i>	1	89.3	Good	1	92.8	Good
10	<i>Advertising</i>	1	98.4	Good	1	89.7	Good
11	<i>Business Units</i>	1	91.5	Good	1	89.5	Good
12	<i>Foreign Trade and Import Trade</i>	1	79.5	Good	2	71.95	Good

	Topic	2017			2018		
		Number of questions	Percentage of candidates who scored an average of 35 percent or above	Remarks	Number of questions	Percentage of candidates who scored an average of 35 percent or above	Remarks
13	<i>Production</i>	1	87.6	Good	1	70.2	Good
14	<i>Wholesale Trade</i>	1	87.7	Good	1	55.6	Average
15	<i>Insurance</i>	1	80.7	Good	1	30.1	Weak
16	<i>Warehousing</i>	1	88.3	Good			
17	<i>Contract of Sales</i>	1	37.6	Average			
18	<i>Organisation and Management of a Business</i>	1	91.2	Good			
19	<i>Stock Exchange</i>	1	84.5	Good			

