



**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
NATIONAL EXAMINATIONS COUNCIL OF TANZANIA**



**CANDIDATES' ITEM RESPONSE ANALYSIS
REPORT ON THE CERTIFICATE OF SECONDARY
EDUCATION EXAMINATION (CSEE) 2020**

COMMERCE



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061-COMMERCE

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Table of Contents

FOREWORD	iv
1.0 INTRODUCTION	1
2.0 ANALYSIS OF THE PERFORMANCE OF CANDIDATES' IN EACH QUESTION	2
2.1 Question 1: Multiple Choice Items	2
2.2 Question 2: Matching Items	16
2.3 Question 3: Warehousing Management	19
2.4 Question 4: Business Communication	25
2.5 Question 5: Marketing	28
2.6 Question 6: Insurance	33
2.7 Question 7: Production	37
2.8 Question 8: Domestic Trade	41
2.9 Question 9: Business Units	46
2.10 Question 10: Entrepreneurship	51
3.0 ANALYSIS OF CANDIDATES' PERFORMANCE PER TOPIC	55
4.0 CONCLUSION	55
5.0 RECOMMENDATIONS	55
Appendix	57

FOREWORD

Candidates' Items Responses Analysis of Commerce subject in the Certificate of Secondary Education Examination (CSEE) 2020 seeks to provide feedback to all education stakeholders on the performance of candidates in the subject.

The report highlights some of the factors that made candidates to score either high or low marks in the questions. Some factors for the candidates' scoring low marks include poor understanding of the demands of the questions, inadequate knowledge of the topics stipulated in the Commerce syllabus, incompetence in stock calculations, and inability to express some of their answers in English language. Conversely, the candidates who scored high marks had adequate knowledge of the topics and concepts examined, ability to answer the questions according to demands and good mastery of English Language Proficiency.

The feedback provided in this report is hoped to enable the educational stakeholders to take proper measures to improve teaching and learning for the prospective candidates. The use of this report will result into better performance of the candidates in future examinations administered by the council.

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



Dr. Charles E. Msonde
EXECUTIVE SECRETARY

1.0 INTRODUCTION

The Commerce Certificate of Secondary Education Examination (CSEE) was held in December 2020. The paper consisted of ten questions which were spread into three sections, namely; A, B and C. Candidates were required to answer all questions in sections A and B and any two from section C. Section A consisted of 2 questions, question 1 and question 2. Section B consisted of five short answer questions. Section C consisted of 3 essay questions.

A total of 13,973 candidates were registered, of whom 13,655 (97.72%) sat for the examination. The results show that a total of 7,431 (54.95%) candidates passed the examination while a total of 6,093 (44.62%) candidates failed. Further, the results show that 131 candidates' results were withheld. There was an increase of 3.38% in the commerce subject performance in the year 2020 when compared to 2019 in which, out of 13,958 candidates who sat for the examination 7,126 (51.57%) candidates passed and 6,692 (48.43%) failed.

The performance of candidates was considered to be good, average or weak if the percentage of candidates who scored 30 percent or above ranged from 65 to 100, 30 to 64 or 0 to 29, respectively. This performance is represented in the figures and in the appendix the result are presented are presented by green, yellow and red colours for good, average and weak respectively.

This report provides the analysis of what the candidates were required to do in each question, their performance in general and the reasons for their performance. The samples of candidates' correct and incorrect responses are used to illustrate the candidates' performance in various questions. The report also includes the analysis of the candidates' performance per topic, conclusion and recommendations which are expected to be of use to all stakeholders. Further, the report includes the appendix, which is a summary of the candidates' performance per topic.

2.0 ANALYSIS OF THE PERFORMANCE OF CANDIDATES' IN EACH QUESTION

2.1 Question 1: Multiple Choice Items

The question had fifteen (15) multiple choice items from items (i) – (xv). Each item was awarded 1 mark, making a total of 15 marks. The candidates were required to choose the correct answer from among the given alternatives. The items were composed from various topics, which are *Transportation, International trade, Production, Economics Basics, Advertising, Management and Organization of Business, Finance, Warehousing management, Taxation, Business units, Domestic Trade, Commerce Basics and Insurance.*

This question was set to test candidates' knowledge of different commercial concepts. The question was attempted by all 13,654 (100%) candidates, out of whom 1,747 (12.8%) scored from 10 to 15 marks 5,831 (42.7%) scored from 5 to 9 marks and 6,076 (44.5%) scored from 0 to 4 marks. Figure 1 summarises the candidate's performance in question 1.

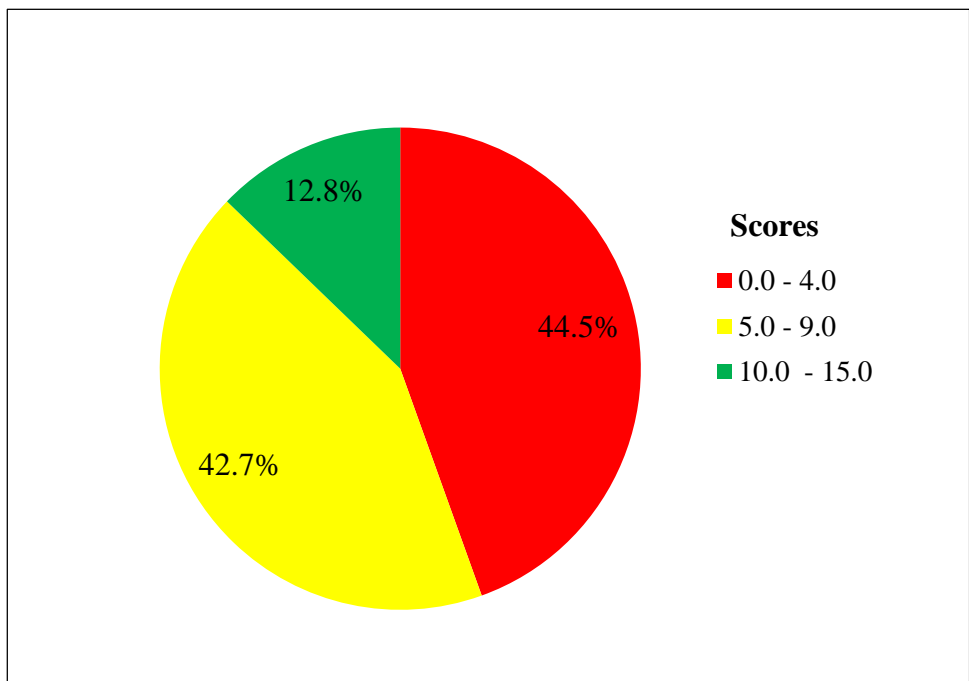


Figure 1: *The Percentage of Candidates' Performance in Question 1*

Figure 1 shows that the general performance of the candidates in question 1 was average since 7,788 (55.5%) of the candidates scored 4 to 15 of allotted marks.

Item (i) was: *The shipping company charged one of its customers with a demurrage fee. Which condition is not fulfilled by such a customer?*

- A Loading the goods on time*
- B Offloading the goods on time*
- C Paying freight charges on time*
- D Paying insurance charges on time*
- E Keeping the records of all goods loaded in the ship.*

The question aimed to test the candidates' understanding on the procedures and conditions which the port customers must fulfil in the process of taking goods at the custom authority. The correct response was *B Offloading the goods on time*. The delay on offloading the goods from the ship causes some inconveniences to the shipping company. In order to compensate such cost the customers have to pay demurrage fee. The candidates who opted for *A, Loading the goods on time* were wrong because if customers failed to load the goods on time it means that the goods are still in his/her hands therefore, the shipping company is not responsible for any charges. Those who opted for *C Paying freight charges on time* could not realise that freight charges can be paid before or after the goods being dispatched depending on the contract between the two parties. Further, the candidates who choose *D, Paying insurance charges on time* were incorrect. This is because before goods being transported insurance charges must be paid to protect the goods against the losses while in transit. Likewise, the candidates who choose *E Keeping the records of all goods loaded in the ship* were incorrect since the records of all goods loaded in the ship are shown in the bill of lading of which the shipping company has its copy before goods being loaded.

Item (ii) was: *Why does elimination of the wholesaler from the channel of distribution not affect the flow of goods from the manufacturer to the final consumer?*

- A The wholesaler has very small amount of capital.*
- B The wholesaler performs the only selling function.*
- C All goods involved in the channel of distribution are branded.*
- D In regardless of the financial position, manufacturer can sell direct to final users.*
- E The wholesaler's functions can be performed by other agents.*

The correct response was *E, The wholesaler's functions can be performed by other agents*. The candidates who chose this alternative knew that the functions performed by the wholesaler can be done by large scale retailers, or manufacturers. Large scale retailers perform the wholesaler's functions like buying in bulk from the manufacturer, transportation, storage, advertising, breaking the bulk packaging and financing. All those functions can be done by either large scale retailers or manufacturers.

The candidates who opted for other options were incorrect in the sense that option: *A, The wholesaler has very small amount of capital* was contrary to the conditions of carrying out wholesale trade. It needs high amount of capital to facilitate wholesalers to perform well their functions. The candidates who chose *B, The wholesaler performs the only selling function* were not aware of other functions performed by the wholesalers since selling is only one among wholesaler's functions. Some candidates opted for *C, All goods involved in the channel of distribution are branded* which was incorrect. The candidates were attracted by such option because it is among the reasons for eliminating wholesaler but, it only constitutes the function of advertising among many functions. Further, the candidates who chose *D, In regardless of the financial position, manufacturer can sell direct to final users* were incorrect because manufacturer can sell direct to final users if he/she is financially sound by opening manufacturer's retail outlet. Such retail outlets enable customers to buy directly from such shops while large scale consumers can buy directly from the manufacturer.

Item (iii) was, *Suppose you are in the process of insuring your house against fire and you have already paid the premium. Which document is temporarily issued to you by an insurer as an evidence of premium payment?*

A *Assurance policy*

B *Insurance cover note*

C *Insurance policy*

D *Insurance claim form*

E *Insurance proposal form*

The item intended to test the candidates' understanding of the different documents used in insurance. The correct answer was B, *insurance cover note* which is issued by the insurer to be insured once the premium is paid. This serves the purpose for only 30 days before insurance policy has been issued.

The candidates who chose other options lacked knowledge of the documents used in insurance. For example, the candidates who opted for A, *assurance policy* and C, *Insurance policy* failed to link the question with the meaning of the option. The question was about house insurance and issue of temporary document to evidence payment of premium. These candidates did not know that insurance and assurance policy are issued on the maturity of the insurance cover note however, assurance policy is issued on life assurance not on properties while insurance policy is issued on properties insurance. The candidates also failed to differentiate policy from cover note. Insurance/assurance policy gives the conditions on which the contract is based.

Some candidates who opted for D, *Insurance claim* failed to realize that such document is filled when requesting for compensation from the insurer on the occurrence of the event of what has been insured. Hence it is not an evidence for the payment of premium. Furthermore, the candidates who chose E, *insurance proposal* form were wrong because such form is used by the insured to client who wishes to take up insurance policy.

Item (iv) required the candidates to be aware of the managerial functions in business management. The item was: *A business manager must obey the management functions so as to attain the business goals. In which function does a manager get involved in manpower planning and recruitment?*

- | | |
|-----------------------|---------------------|
| <i>A Staffing</i> | <i>B Directing</i> |
| <i>C Planning</i> | <i>D Organising</i> |
| <i>E Controlling.</i> | |

The correct response was *A, staffing*, it deals with manpower planning and recruitment. The candidates who responded correctly to this item understood the meaning of each function from the list of alternatives. If there is a need to employ new workers or some workers are about to retire staffing function can settle the matter. The candidates were able to differentiate the item's demand from other incorrect alternatives. The candidates who chose the incorrect responses either failed to differentiate the functions according to the demand of the question or they responded by guessing.

The candidates who opted for *B, Directing* were wrong as it is concerned with issuing orders and instructions to subordinates, supervising, and guidance and counselling workers with the aim of attaining the goals set. Other candidates who responded incorrectly chose *C, Planning*. These candidates were attracted by the words *manpower planning* from the stem of the question. They were supposed to know that planning is all about forecasting the future of the business organization which involves all members of the organisation not only about manpower. It can be short, medium or long-term plan.

Moreover, the candidates who opted for *D, Organising* were wrong because this function is involved in defining the activities and authorities for each position and individual within business organisation. *Controlling* in alternative *E* is also a management function but was incorrect because it is not involved in manpower planning and recruitment; instead it deals with assessing the difference between what was planned and what was attained and find out the source of deviation but also look for the actions to overcome the variation to make sure that everything is done as per plan.

Item (v), was set from the topic of Business units under the sub topic of partnership. It was intended to test the candidates' ability to differentiate different types of partners in a partnership, particularly on the age of the partner. The item was as follows:

By being a form four student of 17 years old, you want to be admitted in one of the partnerships dealing with selling of books. In which type of partners would you fit?

A Dormant partner

B Quasi partner

C Active partner

D Minor partner

E General partner

The candidates were required to understand the partners according to their age, especially on the age of maturity and under maturity. They were also supposed to understand partners on the basing on the participation and capital contribution. The correct response was *D, Minor partner*. Those who opted for this response knew that the student would fit under such type because he/she is under 18 years. He/she is responsible for capital contribution, sharing the profits/loss but not liable for paying any liability of the business beyond the capital contributed. She/he will also miss the right of electing or being elected in any of the business management committee.

The candidates who opted for incorrect response *A, Dominant partner* and others *C Active partner* failed to note these types of partners according to the role played. A dominant partner is a sleeping partner who does not take any part in the management of the business. He/she has all the rights like contributing capital, sharing profits/losses, and is liable for the business debts. Those who chose alternative *C, Active partner* were wrong since the partner is over the age of 18 years and actively involved in the management of the business.

In addition, the candidates who selected alternative *B, Quasi partner* were wrong because the partner of that nature is classified according to his/her capital contribution and must be at the age of maturity. A quasi partner does not contribute capital to the business; instead, he/she allows his/her name to be used by the partnership with a return of low amount of profits and is not liable for any business debts. *General partner* which was alternative *E* was incorrect because a partner is considered mature and the amount to be paid to recover business debts is limited to the stated sum.

Item (vi) required the candidates to identify the correct type of production based on the statement given, which was: *Suppose you are self-employed in carpentry activities but you have spent two days to produce dining table for your family; In which category does the production of such table be grouped?*

- | | |
|------------------------------|----------------------------|
| <i>A Indirect production</i> | <i>B Direct production</i> |
| <i>C Tertiary production</i> | <i>D Direct services</i> |
| <i>E Indirect services</i> | |

The question was intentionally set to test the candidate's ability to distinguish levels of production from types of production. The correct response was *B, Direct production*. Candidates who opted for this option were aware that it involves making goods/services for own use as explained in the statement that the dining table was for personal use. The candidates who opted for *A, Indirect production* were wrong because the producer is engaged in the production of furniture for sale. However, the question was specific that a table was for family consumption. Options *C, Tertiary production* and *D, Direct services* were incorrect since they referred to levels of production. *C, Tertiary production* deals with exchange and distribution of goods and services while direct services is the level of production which involves provision of face to face services like medical services. The candidates who opted for *E, In direct services* failed to realize that those are the services which are provided to the public by the government to the citizen without payment like protection through the police for whom they are not paid directly by the citizens.

Item (vii) was: *Which method would Tanzania adopt if she wants to completely restrict importation of sugar from Zambia?*

- | | |
|--|------------------------------------|
| <i>A Imposing heavy import duties</i> | <i>B Using government agencies</i> |
| <i>C Provision of customs drawback</i> | <i>D Fixing import quotas</i> |
| <i>E Total ban</i> | |

The correct response was *E, Total ban*. The candidates who selected this option realized that the response meant that no sugar will be imported from Zambia by any means to Tanzania. Many candidates failed to choose the correct answer because they failed to differentiate completely restricting and reducing importation. They were also not competent on the ways that can be

used to improve exports. For example, the candidates who chose *B, Using government agencies* and *C, Provision of customs drawback* were wrong because the two methods are used to improve exports. In government agencies, the government uses the agencies to find new market for the products or services outside the country. On the other hand, in customs drawback the government encourages the local export producers who import raw materials for further production by reducing or omitting the import duty for the imported raw materials. Furthermore, those who chose *A, Imposing heavy import duties* did not understand that, the government charges the importer higher amount of import taxes for imported goods to discourage importation. Likewise, in *D Fixing import quotas*, the government sets limits of the quantity of a certain products to be imported.

Item (viii) aimed to test the candidates' competences on the marketing functions. The item was: *How can different drinking water industries in Tanzania differentiate the same products they offer for sale in the market?*

- | | |
|---------------------------|--------------------------------|
| <i>A Through packages</i> | <i>B Through grading</i> |
| <i>C Through branding</i> | <i>D Through standardizing</i> |
| <i>E Through price</i> | |

The correct response was *C, through branding*. The candidates who chose that response knew that it is from branding, that the producer names its products to enable customers to identify the producer and differentiated them from that of other producers so as to make correct decision of their interest. For example, in Tanzania, *Uhai, Kilimanjaro, Hill, Maisha* drinking water are the names of the product from different producers. Other alternatives were also the functions of marketing but did not meet the demands of the item.

The candidates who selected incorrect response *A, packages* did not know that, it involves the wrapping of the product to ease delivery and protection of goods. For example, packages used by different drinking water producers for packing drinking water. The candidates thought that since the name appeared in package as labels it also works as a brand name. Those who chose *B, grading* were not aware that grading deals with quality of the products; therefore, the products are classified/sorted according to their quality on the basis of the standard but not according to their names.

Furthermore, the candidates who chose *D, Standardizing* were wrong because standardization is all about providing specification of the products by setting up basic measurements to which the product must conform to and ensure that all goods produced meet the standards set. On the other hand, the candidates who chose alternative *E, through pricing* were wrong as it is the marketing function in which drinking water industries in Tanzania used in setting up the price for the products.

Item (ix) was: *Kajewa is a large scale retailer who wants to identify the fast moving goods in his business. Which stock calculation will Kajewa apply to arrive at correct identification?*

- | | |
|-----------------------------|-----------------------------|
| <i>A Average stock</i> | <i>B Mark up percentage</i> |
| <i>C Cost of goods sold</i> | <i>D Margin percentage.</i> |
| <i>E Rate of stock turn</i> | |

The item was set to test candidates' ability to make use of the meaning of the stock calculations. The correct response was *E, Rate of stock turn*. The candidates knew that this shows how many times the stock is turned into a business. The higher the number of times the stock turned means the items are highly demanded by the customers. If the rate of stock turn shows small number, it implies low demand for such product. It can give the owner the chance to decide to reduce the quantity or otherwise. The selection of an alternative *A, Average stock* by the candidates were wrong since it is involved in the formula for the computation of rate of stock turn; it doesn't mean that it is used as a determinant of fast moving item by itself. It shows the value of products that are kept for sale during the accounting period.

The candidates who chose *B, Mark up percentage* failed to know that mark-up percentage is used in the computation of the gross profit by comparing the selling price with the cost price. Some candidates who selected *C, Cost of goods sold* did not know the meaning of the term because it is used in stock calculations to determine the selling price since it includes buying costs and any other direct costs which are directly involved in the production and buying of goods. It is applied in the computation of the rated of stock turn rate but it cannot be used to identify the fast moving item. *D, Margin percentage* was not correct because it defines the sales of the business in percentage, it is a ratio of gross sales which is useful in the

business in the aspect that it enables the business to understand how much successful it is in maintaining the cost structure to gain the proper amount of sales. It is not for determining the fast moving items.

Item (x), was: *If you have been employed as machine operator in one of the soft drinking industry and your salary ranked under low income earner category, which tax system will favour you as one of the low income earners?*

A *Indirect tax* B *Regressive tax* C *Direct tax*
D *Progressive tax* E *Proportional tax*

The candidates were required to identify tax system that favours the tax payer with low income. In order to answer the question correctly the candidates were supposed to know all types of tax system. The correct option was D, *Progressive tax* which requires the high income earners to pay high fraction of their income than the low income earners so automatically this system favours low income earners. The candidates who chose A, *Indirect tax* and C, *Direct tax* failed to differentiate the types of tax system from the types of tax. The two options A and C are the types of tax of which indirect tax is the one that can be shifted to another person/entity normally imposed on a manufacturer or supplier who will shift the tax to the final consumers. On the other hand, direct tax is the one that the tax payer pays directly to the tax authorities and it is levied on the individual income, property (ies) and activities.

The candidates who opted for B, *Regressive tax* were wrong since the meaning of the tax system negates the demands of the question. Regressive system requires high income earners to pay small fraction of their income compared to low income earners. It helps low income earners to work hard to get more income but it can also discourage them from work.

Likewise, the candidates whose response was E, *Proportional tax* were also incorrect. They failed to relate the demand of the question with the correct meaning of the tax system. The word “propositional” means equal tax rate charged to all tax payers regardless of the level of income. For example, if the tax rate is 15 percent the rate will cut across all the tax payers.

In item (xi), the candidates were required to choose the statement which shows the importance of internal motivation to entrepreneur. The item was:

Some entrepreneurs debated that internal motivation in entrepreneurship is wastage of resources. Which statement evidences that internal motivation is an important aspect on entrepreneurship?

- A It creates employment opportunity to workers.*
- B It reduces regional development imbalance.*
- C It stimulates employees to accomplish the desired goals.*
- D It assists decision making in a business.*
- E It encourages consumption of local resources in production.*

The correct response was *C, It stimulates employees to accomplish the desired goals*. The candidates knew that internal motivation gives self-satisfaction and encourages employees to work hard so as to achieve the entrepreneurial desired goals. Those candidates who chose the correct answer were aware of the importance of internal motivation to employee. They were also able to distinguish general importance of entrepreneurship from the importance of internal motivation to employees on the aspect of entrepreneurship. The candidates with inadequate knowledge of internal motivation failed to choose the correct alternative. For example, the candidates who chose *A, It creates employment opportunity to workers* could not understand that such alternative is the general importance of entrepreneurship. Some candidates with incorrect response *B, It reduces regional development imbalance* confused the importance of internal motivation on entrepreneurship with the importance of regional economic integration because the explanations are on the benefits/importance of economic integration. Similarly, for those who opted for *E, It encourages consumption of local resources* in production, which stands as one of the general advantages of entrepreneurship, were wrong because it does not meet the demands of the item.

Item (xii) was: *When drawing a supply curve, it is automatic that the curve slopes upwards from the left to the right. Why does the supply curve slope upward from the left to right?*

- A The lower the price the higher the quantity demanded and vice-versa.*
- B When the price held constant the quantity supplied increases.*

- C The lower the price the higher the quantity supplied and vice-versa.*
- D The higher the price the higher the quantity supplied and vice-versa.*
- E When the factors other than price are held constant the quantity supplied increases.*

The question was composed from the topic of *Economics basics*. It aimed at testing candidates' understanding of the theory of supply, which states that everything held constant, the higher the price the higher the quantity supplied and vice versa. The candidates who understood the theory of supply therefore, opted for the correct response which was *D, The higher the price the higher the quantity supplied and vice-versa*. They knew that this happens because the suppliers aimed at profits. Therefore, as the prices increases they intend to supply more goods to the market to meet the demand. However, when the price falls for a particular product the quantity supplied is reduced to avoid loss.

On the other hand, the candidates who opted for the incorrect responses could not understand how to apply the theory of supply and also confused the theory of demand from that of supply. The candidates who opted for *A, The lower the price the higher the quantity demanded and vice-versa* failed to realize that such option is of the theory of demand which was against the demand of the question. There were some candidates who chose *B, When the price is held constant the quantity supplied increases* were also wrong because, as stated above, suppliers are profit oriented. Under normal circumstances, they will sell more goods when the price is high and not when the price is held constant. Furthermore, those candidates who opted for *C, The lower the price the higher the quantity supplied and vice-versa* were incorrect because the option reverses the theory of supply. The candidates were also supposed to know that increase or decrease in quantity supplied is determined by the price of a particular product. Therefore, the candidates who chose *E, when the factors other than price are held constant the quantity supplied increases* were wrong as the statement state only about increase in supply but it was supposed to state on both directions depending on the change in price.

Item (xiii) was, *Which bank account would you advise a trader to open if he/she wants to deposit/withdraw cash at any time and allows overdraft to its customers?*

- | | |
|--------------------------|--------------------------------|
| <i>A Joint account</i> | <i>B Fixed deposit account</i> |
| <i>C Minor account</i> | <i>D Savings account</i> |
| <i>E Current account</i> | |

The candidates were required to identify the account suitable for trader who travel to different places and wants to deposits and withdraw cash/cheques at any time which also allows credit in form of overdraft. The correct option was *E, Current account*. The selection of this response by the candidates implies that they were familiar with different types of accounts. They knew that the only account among the given alternatives that provides overdraft services to its customers is current account. Apart from such service, it also allows the customer to withdraw any amount from his account as he/she is not limited by the number of bank transactions. Other accounts from the options do not offer overdraft to customers. Some of the candidates opted for incorrect response; for example, alternative *A, Joint account* was incorrect because the trader needs his individual account which provide overdraft but the features for joint accounts vary as the account must involve more than an individual. It does not have overdraft services. Option *B, Fixed deposit account* does not fit for the trader because once depositing cash to the bank, withdraw will only be made at the agreed time. So in a trade the account is inappropriate. The candidates who selected *C, Minor account* did not understand the meaning of the option because minor account is useful for people who are under 18 years. For the trader to be registered in business he/she must be above 18 years. Some candidates who choose alternative *E, Savings account* were wrong because it could not be possible to serve the trader with overdraft and unlimited amount to withdraw.

Item (xiv) was composed from the topic *Commerce basics* it was intended to test the candidates' ability to identify the importance of aids to trade in commerce. The item was as follows:

Suppose you have attended a commercial debate with the motion “aids to trade is not necessary element of commerce” Which option will you choose as correct to oppose the motion?

- A Aids to trade support production and not commerce.*
- B Aids to trade attract more buyers hence, low price for the goods.*
- C Aids to trade facilitate trade to take place smoothly.*
- D Aids to trade act as a link between commerce and production.*
- E Aids to trade are used to determine price of the goods produced.*

The correct answer was *C, Aids to trade facilitate trade to take place smoothly*. Those who opted for this response were competent enough to know that without aids to trade which includes warehousing, banking, insurance, transport and communication and advertising, it will be difficult for exchange of goods and services to take place. Further, the analysis shows that there were some candidates who chose the incorrect answers. For example, they chose alternative *A, Aids to trade support production and not commerce*. They did not realize that you cannot separate commerce from production because production ends when goods and services produced reaches the final consumers, which first involves exchange of goods and services through commerce. There is no commerce without aids to trade. The candidates who chose *B, Aids to trade attract more buyers hence, low price for the goods* incorrectly linked the availability of buyers with fall in price, and there is no law or theory which proves that scenario. As the customers increase it is more likely for the price to increase and not to decrease. For Option *D, Aids to trade act as a link between commerce and production* was not correct because commerce is made up of trade and aids to trade. Therefore aids to trade links trade with commerce and not direct with production.

On the other hand, those who chose *E, Aids to trade are used to determine price of the goods produced*, had an idea that some cost of aids to trade which are direct cost are used in determining the cost of product but not all aids to trade are involved in determining the cost of production. However, the costs of production include direct cost like buying fixed assets and raw materials which are not part of auxiliary costs.

In item (xv), the candidates were required to identify the role of entrepreneurship for a given set of alternative. The item was: *The following are the roles of entrepreneurship in economic development except:*

- A *creation of friendship among the countries*
- B *creation of employment opportunities*
- C *improvement on peoples' living standards*
- D *improvement in per capital income*
- E *capital formation*

The candidates were required to be familiar with the roles of entrepreneurship so as to identify the one which is not. The correct response was A, *creation of friendship among the countries*. Entrepreneurship is normally done within the national boundary. Creation of relationship among the countries can be done in various aspects including international trade through import and export trade. Those who opted for the rest of the options B to E did not have an idea that those are the roles of entrepreneurship. For example alternative B, *creation of employment opportunities* justified the above statement because through entrepreneurship people get self-employed but use their enterprises to employ other peoples. Option C, *improvement on peoples' living standards* is supported by option B because once people get employed it is very likely that the living standards change due to the accessibility to income. Likewise, option D, *improvement in per capital income* and E *capital formation* are the roles of entrepreneurship as it is the task of entrepreneur to find out the capital to invest. Through investment made by entrepreneur, per capital income is improved.

2.2 Question 2: Matching Items

This question had five matching items. Each carried 1 mark, making a total of 5 marks. The items were set from the topic of *Taxation*. The candidates were required to match the meaning of taxation concepts in Column A with concepts in Column B by writing the letter of the correct response in the answer booklet(s) provided. The question was as follows

<i>Column A</i>	<i>Column B</i>
(i) <i>The situation from which the tax payers omit or refuse to declare their business income for tax payment.</i>	A <i>Regressive tax</i> B <i>Ad valorem duty</i>
(ii) <i>The tax which its tax rate is determined by basing on the value of the goods.</i>	C <i>Corporation tax</i> D <i>Tax evasion</i>
(iii) <i>The tax value which is levied at each stage of production.</i>	E <i>Value added tax</i> F <i>Tax avoidance</i>
(iv) <i>The situation in which tax payers provide incorrect record so as to be charged with less amount of tax.</i>	G <i>Tax incidence</i>
(v) <i>The tax system from which the percentage of tax paid is inversely to the income of the tax payer</i>	

The question was attempted by all 13,655 (100%) candidates, out of whom 7,792 (57.1%) scored from 0 to 1 mark, 4,707 (34.4%) scored from 2 to 3 marks and 1,156 (8.5%) candidates score from 4 to 5 marks. Figure 2 summarises the candidates' performance in question 2.

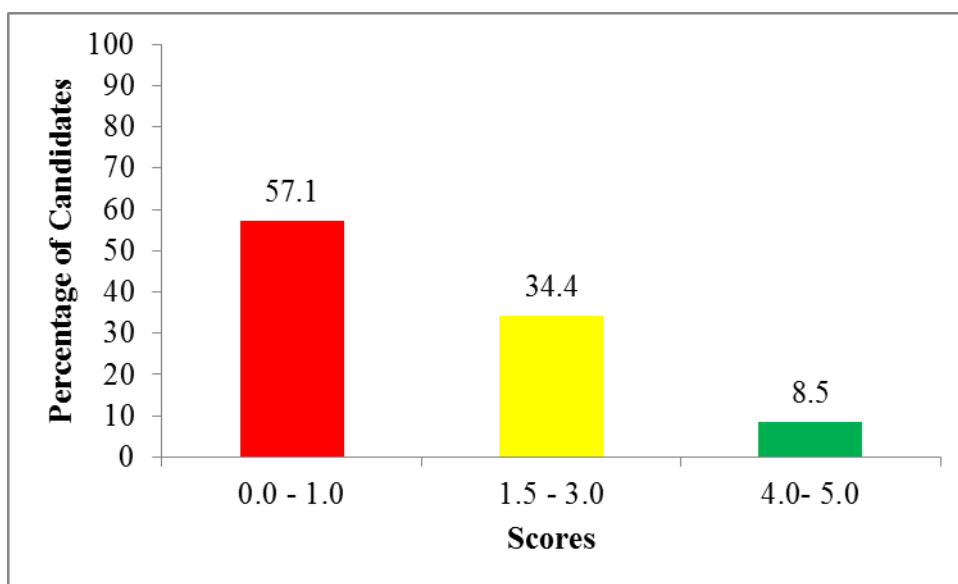


Figure 2: *The Percentage of Candidates' Performance in Question 2*

Figure 2 gives a summary of the candidates' performance in question 2, which indicated that the candidates' performance was average as 5,867 (42.9%) candidates scored from an average of 2 to 5 marks.

Item (i) required the candidates to understand the situation in which the tax payers omit or refuse to declare their business income for tax payment. It was set to test the candidates' ability to identify the meaning of tax avoidance from tax evasion. The correct response was *D, Tax evasion*. The candidates were aware that this situation is possible to the country where the tax registration system is not effective to mean that not all people liable for tax are registered under tax authority. It also occurs when tax payers and tax authorities are not trust worthy, so bribery may happen.

On contrary, the analysis shows that some candidates chose other options. For example, the candidates who chose *F, Tax avoidance* failed to understand that in tax avoidance the tax payers legally reduce their taxable income. This happens when the tax payers are structuring their affairs whether intentionally or not. Other alternative which was selected by most of the candidates was *E, Value added tax*. The candidates used some word from the stem of the question especially the word omission, therefore they assumed that in value added tax, it is difficult for the person to evade paying tax, as it is taxed on products or/and services, which was the wrong assumption.

Item (ii) was: *The tax which its tax rate is determined on the basis of value of the goods*. The correct response was *B, Ad valorem duty*. The candidates knew that, this tax is charged in regard to the value of goods such as building, car and other personal properties. Therefore, the candidates who chose the correct answer knew different examples of direct and indirect taxes. The candidates who failed to opt for the correct response lacked adequate knowledge on the tax concepts or failed to differentiate the concepts tested. The analysis made shows that majority of the students matched the item with *C, Corporation tax*, which was not correct because this tax is charged on the profit of the corporation or the company's taxable income. They had an idea that such tax is charged from the profit; that is why they tried to link with such option.

Item (iii) was: *The tax value which is levied at each stage of production.* The candidates had knowledge that this is an example of direct tax which is called *Value added tax*. So, the correct response was *E*. The tax is charged from the preliminary stage where the products are produced to the stage of consumption. Everyone who makes use of the product is charged with such tax. It is difficult to escape from paying such tax provided that every item bought pass through the right channels. Some candidates incorrectly matched the item with *D, tax evasion*. They tried to relate it with the difficulties of evading from paying value added tax. Other candidates selected *A, Regressive tax* which had no correlation with the given item because the concept is on the types of tax system and not on the examples of types of tax.

Item (iv) was: *The situation in which tax payers provide incorrect record so as to be charged with less amount of tax.* The candidates who correctly matched the item with response *F, Tax avoidance*, realized that tax is charged based on an individual or organization records in relation to the products or services. Some people who are dishonest underestimate their record consequently pay less tax. For example, some traders in Tanzania do not provide receipts to the buyers, so understate their sales. Some candidates opted for *D, Tax evasion*, while others opted for *Tax incidence* due to inadequate knowledge on the terms.

2.3 Question 3: Warehousing Management

This question was composed of two parts. (a) and (b). In part (a) the candidates were required to provide brief explanations on four essential levels of stock that should be maintained in a store. Each level was awarded 1 mark, making a total of 4 marks. In part (b) the candidates were provided with information related to maize flour stock for February 2018 as follows: *opening stock 500 bags, weekly sales 700 bags, minimum stock 300 bags, closing stock 200 bags and delivery time 2 weeks*. The candidates were required to use the information to (i) *Calculate order point* (ii) *calculate average stock* (iii) *interpret the answer obtained in part (i) and (ii)*. This part was worth 6 marks.

All 13,655 (100%) candidates who attempted the question was candidates, out of whom 6,042 (44.2%) scored from 0 to 2.5 marks, 6,166 (45.2%)

scored from 3 to 6 marks and 1,447 (10.6%) candidates scored from 6.5 to 10 marks. Figure 3 summarises the performance in question 3.

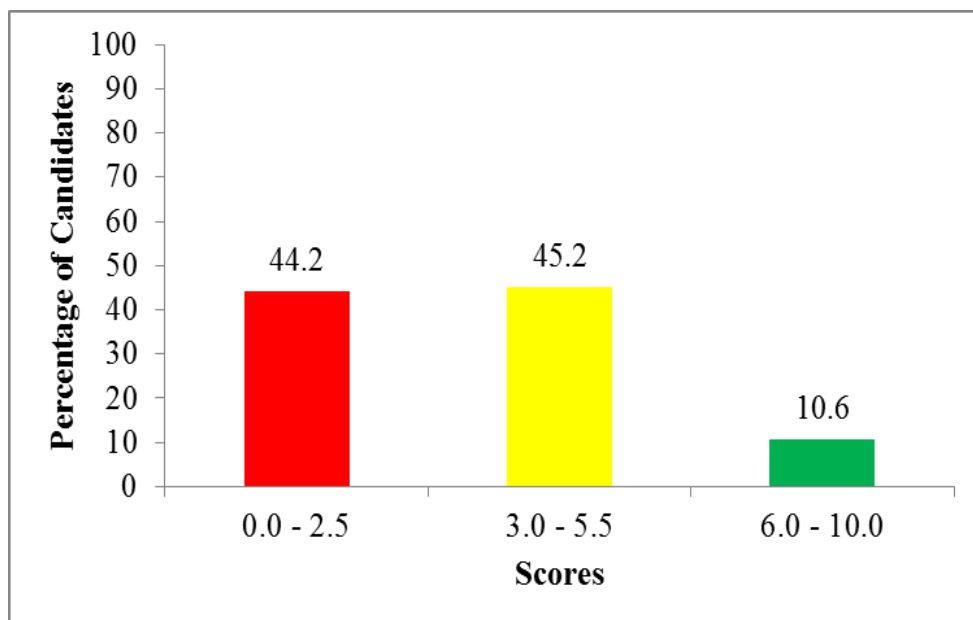


Figure 3: *The Percentage of Candidates' Performance in Question 3*

Figure 3 gives a summary of the candidates' performance in question 3, whereby a total of 7,613 (55.8%) candidates scored from 3 to 10 allocated marks which is average performance. However, 6,042 (42.2%) candidates scored below 3 marks.

The candidates who had average performance (45.2%) in this question provided partial responses in both parts (a) and (b) or others answered only one part of the question. The reasons for this performance were that some candidates had misconception between minimum and maximum stock levels with opening stock and closing stock, respectively, in part (a). In part (b), some candidates incorrectly misinterpreted the result obtained as order point and average stock. The analysis shows that majority of the candidates in this category did not answer well part (a) but were able to answer part (b). For example, in part (a) some candidates up mixed stock levels and functions of stock administration while others explained only the functions of stock administration instead of stock levels. This resulted from incorrect interpretation of the question demands. Some of the candidates mentioned correctly all the stock levels but failed to provide correct explanations to

any of the levels. In part (b), most of the candidates performed well in (i) and (ii) but could not make proper interpretation in part (iii).

Apart from the average general performance in this question some candidates (1,447) which was 10.6% performed well in this question. Most of them were able to provide brief explanations in part (a) and correct calculations in parts b (i) and (ii) but could not provide correct interpretations in part b (iii). Only 21 (0.6%) candidates scored all 10 allocated marks because they had adequate knowledge and adhered to the demands of the question. Extract 3:1 is a sample of good response from the candidates who scored high marks.

3. (a)	<u>(i) Minimum Stock</u>
	- This is the level of stock that always has to be available to safeguard sales and against unforeseen delay in delivery of goods.
	<u>(ii) maximum stock</u>
	- This is the level reached immediately after the receipt of new stock.
	<u>(iii) Order level</u>
	- This is the level at which replenishment, that is placing of new order, must be done
	<u>(iv) Average Stock</u>
	- This is the average amount of stock held within a specific period. and it is obtained by taking a half of the sum of the opening and closing stocks

2	(b) (i) order point	
	$= (\text{Daily sales} \times \text{Delivery time}) + \text{minimum stock}$	
	<u>Data</u>	
	Daily sales =	
	1 week = 7 days	
	7 days = 700 bags	
	1 day = ?	
	\therefore daily sales = 100 bags	
	Delivery time = 2 weeks	
	= 14 days	
	minimum stock = 300 bags	
	$\text{order point} = (100 \text{ bags} \times 14 \text{ days}) + 300 \text{ bags}$	
	$= 1400 + 300$	
	$= 1700 \text{ bags}$	
	\therefore The order point is 1700 bags.	
	(ii) Average stock	
	$= \frac{\text{opening stock} + \text{closing stock}}{2}$	
	<u>Data;</u>	
	opening stock = 500 bags	
	closing stock = 200 bags	
	$\text{Average stock} = \frac{500 + 200}{2}$	
	$= \frac{700}{2} = 350$	
	\therefore The average stock = 350 bags	

3 (b) (iii) - The order point being 1700 bags	
means that once stock levels reach	
1700 bags, replenishment must be done	
and a new order placed.	
- Average stock being 350 bags	
means that they are the average	
stock kept in the warehouse for that	
particular period.	

Extract 3.1 A Sample of a Correct Response in Question 3.

A total of 6,040 (44.2%) candidates scored low marks in this question. The low scores to those candidates had been attributed to some factors like incompetence on the subject matter examined, incorrect interpretation of the question and poor business calculations. For example, in part (a), some candidates failed to differentiate the meaning of stock levels and functions of stock administration. Instead of explaining the stock levels they explained the functions of stock administration. Furthermore, the analysis shows that some candidates mentioned different terms used in stock administration like *stock*, *opening stock*, *closing stock*, *cost of goods available for sale* and *cost of goods sold*. However they could not give correct explanations to any incorrect points mentioned. Other candidates were able to give brief explanations on one point which was average stock level. Some explained the average stock in terms of formula. There were some candidates who mentioned the correct levels like maximum stock level and minimum stock level in this part but failed to explain them because their explanations reflected closing and opening stock. Some candidates could not attempt part (a); instead they attempted only part (b).

In part (b), most of the students scored some marks on presentation of the formula of average stock which was the opening stock plus closing stock divide by 2. Apart from correct formula on average stock, some candidates failed to use the correct data from the question. In part 3 (b) (i) some candidates failed to apply the correct formula; they were confused on whether minimum stock is to be added or deducted from the formula so they deducted minimum stock instead of adding it. However, some candidates were able to present correct formula but failed to convert weekly sales in to daily sale so as to fit in the formula.

The 1,233 candidates scored zero marks because they misinterpreted part (a) of the question and applied incorrect formulae to part (b). This shows that they had inadequate knowledge on the concepts examined. A good number of these candidates explained the functions of stock administrations in part (a) or skipped the whole part and applied incorrect formulae in part (b). One of the candidates explained the types of goods such as *durable goods*, *perishable goods*, *luxury goods*, *economic goods* in part (a) and did not attempt part (b). The incorrect response from one of the candidates is presented in Extract 3. 2.

3. (a) i) Care of stock: is the keeping the good stock care to the stock to be care to the economic product to the commerce to trade.	
ii) Stock talking: these are the stock to be talk about to maintain the time to the good store. The stock talking in the stock administration.	
iii) Stock control: is the stock which used to control the buying and selling used in stock to care the good store in the business unity.	
iv) Stock valuation: this is the stock which deals with evaluated the stock keeping in the store room. The membership of the business to evaluate the stock keeping.	
(b) i) Data	
Weekly sales 700 bags	
Minimum stock 300 bags	
Delivery time 2 weeks	
formula	
$\frac{\text{Weekly sales} + \text{Delivery time} \times \text{Minimum stock}}{2}$	
$\frac{700 + 300}{2}$	
$\therefore \text{Order point is } 500 \text{ bags}$	
ii) Data	
Opening stock 500 bags	
Closing stock 200 bags	
formula	
$\frac{\text{Opening stock} - \text{Closing stock}}{2}$	

Extract 3.2: A sample of incorrect response in question 3.

In extract 3.2, the candidate scored zero because he/she mentioned the functions of stock administration in part (a) instead of stock levels, which

are minimum stock, maximum stock and average stock levels. However, the explanations given by the candidate were also wrong. The candidate also applied incorrect formulae in part (b).

2.4 Question 4: Business Communication

The question was composed from the topic *Business Communication*. The aim was to test the candidates' competences on the elements of communication. The candidates were required to briefly explain five essential elements of effective communication. Each element was awarded 2 marks, making a total of 10 marks.

The question was attempted by a total of 13,653 (100%) candidates, out of whom 4,501 (33%) candidates scored from 6.5 to 10 marks, 2,139 (15.6%) candidates' score from 3 to 6 marks and 7,013 (51.4%) scored from 0 to 2.5 marks. Figure 4 summarises the candidates' performance in question 4.

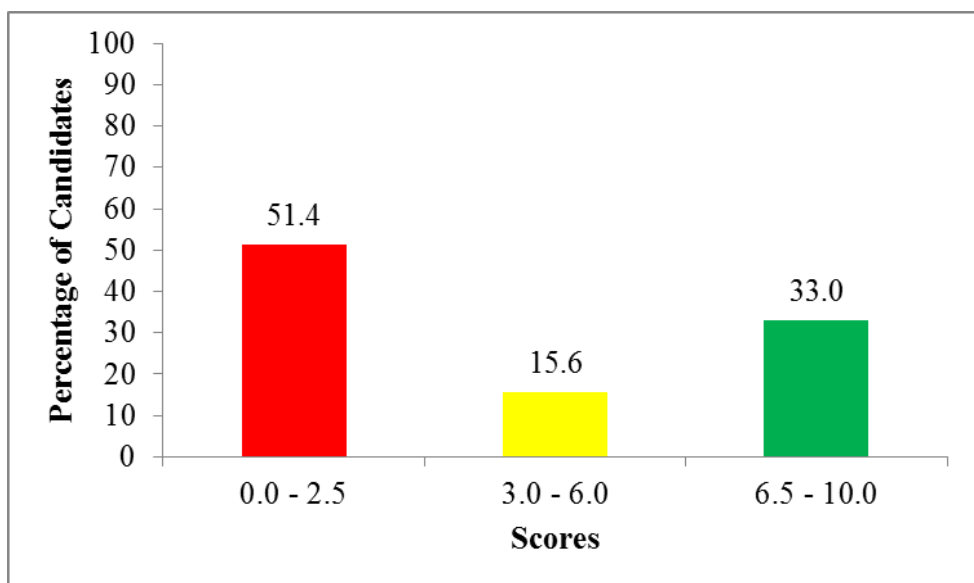


Figure 4: The Percentage of Candidates' Performance in Question 4

The general performance of the candidates in this question was average because 6,152 (48.6 %) candidates scored from 2.5 marks to 10 marks.

The analysis shows that 2,139 candidates (15.6%) who had average scores were able to mention and explain at least two to three correct elements but failed to give correct descriptions on each. Furthermore, the analysis

revealed that some candidates were able to mention all elements correctly but confused the explanations of some of the elements, notably on the message and the feedback. Other candidates explained the two elements correctly but included in their response example of the media as independent points. For example, one of the students' response was *the sender, the receiver, mobile phone, letters and oral communication*. The first two points were correct but from third and fourth points were the examples of communication media and not the element of communication. The last point on oral communication was the form of communication not the element. Regardless of average performance as overall performance of the question, a total of 4,501 (33%) scored high marks that ranged from 6.5 to 10 marks. Most of the candidates with high marks were able to provide brief explanations to all five elements of communication. The variations of the individual scores were due to the varying abilities of the candidates to clarify the elements. Extract 5.1 is the sample of a correct response.

4.	The following are the essential elements of effective communication.	
	Source (sender):- This is the person who has the information and makes up the information that needs to	
	reach somebody else. He or she is the one who usually has the message. For instance, Ram wants to tell Rina that he has her pen. So in this case, Ram will be the	
	Sender	
	The medium. This refers to the choice of channel that the sender will use in order to deliver the intended information to the receiver. The medium can be a telephone, a letter or anything in communication. Suppose from the previous example, Ram had a telephone to deliver the information. In this case, the telephone will be the	
	medium.	

4.	<p>The message. This refers to the piece of information, idea or knowledge that will be passed down from the sender to the receiver through the medium. The message is essential as it is the information that needs to be delivered to the receiver. For example in the case of Ram and Rina, the message will be "I lost have your pen" as it is the information that is available or in other words, as Ram wants to inform Rina about it.</p> <p>Receiver. This refers to the person to whom the message is intended for or the message is aiming for. He or she is the one who gets the information from the sender concerning a certain matter. He or she is the one who replies to the sender after receiving the message. For instance, in the case of Ram and Rina, Rina is the receiver in that case.</p> <p>Feedback. This refers to the reply of the receiver to the sender concerning the message that the sender had sent in the first place. The feedback usually relates to the message so as to avoid any possible misunderstanding to arise. So in the case of Ram and Rina, Rina may reply to the message by saying, "It is okay". That statement is the feedback.</p>	
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Extract 4.1: A sample of a correct response.

Conversely, 7,013 (51.4%) candidates who scored below 3 marks, (0 to 2.5 marks) are categorized as weak performers. Main reasons for low scores to most of the candidates were misconception of the question, lack of English Language proficiency and insufficient knowledge. Some of them mentioned at least two correct elements but failed to explain the points. Others mixed up the elements with the factors to consider when choosing communication media. The other weakness observed in the analysis was repetition of points, especially correct points. 28.3% of the candidates scored zero marks. These candidates provided brief explanations from some business communication elements concepts which were contrary to the demands of the question. The following were the examples of incorrect concepts provided by those candidates: *availability of the media*, *accuracy*, *urgency*, *cost of the media*, *nature of the message*, *nature of the receiver* and *confidentiality*. These were the factors to consider when choosing communication media. Other incorrect points noted in the analysis were:

language barrier, improper media, improper timing, and inadequate knowledge of the message to the receiver or sender which are the barriers to effective communication and not the elements. The response from some candidates was about the factors for choosing transport media instead of the elements of communication such as source, message, medium, receiver and feedback. Extract 4.2 is a sample of incorrect response in question 4.

04	<u>I Television</u>	
	Because the elements of effective communication that was to used to television they are -	
	many student to used watching to television	
	for the at home to get many more to up	
	ent for inmarla de for the people.	
	<u>II Radio</u>	
	Because elements of effective communication -	
	to use radio for people or children to used get	
	information for radio in the bad behaviour for the	
	environmental in the movement.	
	<u>III Telephone</u>	
	Because the element of effective communication	
	for the environmental for used telephone to	
	they are many children or student to get to	
	telephone to give information carriage for the	
	behaviour in the movement for environment	

Extract 4.2: A sample of incorrect response in question 4.

In extract 4.2 the candidates mentioned some communication media instead of the elements of communication. The candidate's explanations were based on the limitation of the mentioned media. The use of English language was also a problem to the candidate.

2.5 Question 5: Marketing

The question had two parts, (a) and (b). In part (a) the candidates were required to give two reasons why it is better for the industry to advertise its product through magazine than newspapers. In part (b) the candidates were required to briefly explain in three points how grading becomes necessary in marketing the products. The question tested the candidates' ability to demonstrate the benefits of using various advertising media to the producer

of a particular product. Each point carried 2 marks, making a total of 10 marks.

The question was attempted by 13,654 (100%) candidates out of whom 9,488 (69.5%) scored from 0 to 2.5 marks, 3,384 (24.8) scored from 3 to 6 marks and 872 (5.7%) scored from 6.5 to 10 marks. The overall candidates' performance in the question is summarised in Figure 5.

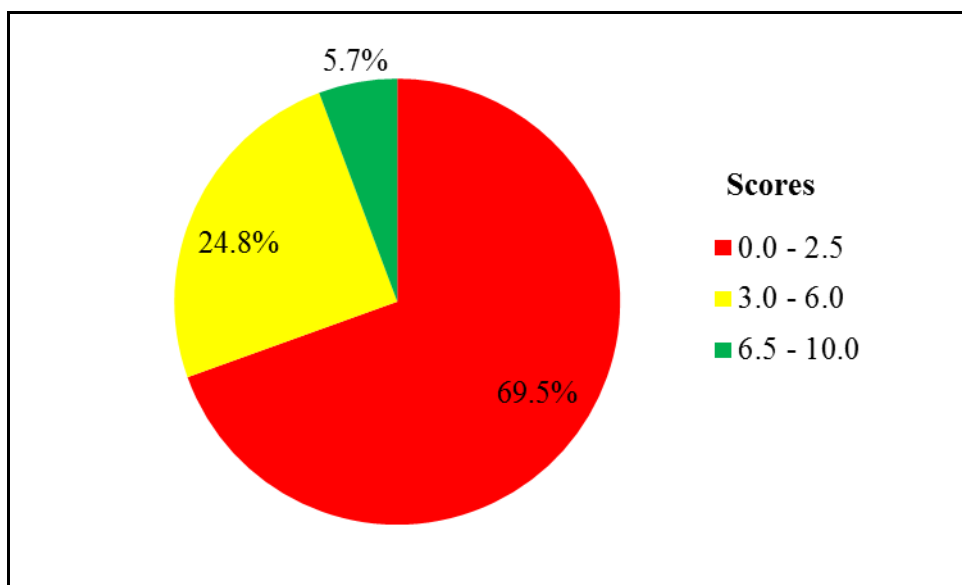


Figure 5: *The Percentage of Candidates' Performance in Question 5.*

Figure 5 shows that 30.5% of the candidates scored from 3 to 10 marks allocated. However, general performance of the question was average.

The analysis indicates that 24.8% of the candidates, who scored 3 to 6 marks, partially answered the question. Some among them in part (a) managed to give correct reasons for the industry advertising its products through magazine instead of newspaper, and mention some points to show how necessary grading is in marketing the products. In part (a), most of the candidates showed that they really knew how magazines and newspapers look like, they pointed out that magazines are more attractive to customers than newspapers so more customers will buy from the industry. Other candidates in this group were able to give other reasons by comparing of the life span of the two media and its impact to the industry. The other correct responses include not only *wide coverage* that is national and international but also magazines can be prepared to *meet the targeted*

market not as general as in newspapers. Further, the analysis of the candidates' responses shows that most of the candidates did not answer part (b) correctly. Some of their responses were on other functions of marketing apart from advertising like: *processing, buying and selling*. They were wrong because the question was about the advertising media. Other candidates were able to mention the correct responses like easy price setting and decrease of market costs but they could not provide satisfactory explanations to each.

Though the candidates' performance was average, a few (5.7%) scored high marks that ranged from 6.5 to 10 marks. These candidates understood the requirements of the question and had sufficient knowledge on the advertising media. They were able to link the knowledge with the media used in the question. However, the scores differed among the candidates due to the correctness of the points given and the number of the correct points from individual candidates. The following were the reasons for mbao industry to use magazines than newspapers in part (a): *Magazines are more attractive, informative and entertaining to customers, they can be used to advertise products in both local and foreign market and therefore, wide coverage, the materials used to prepare magazines are more durable than those of newspapers; so they have long life span which makes people to re-read and persuade them about products but it is possible to advertise to the intended customers only*. In part (b) grading in marketing the products is important in a sense that the goods are categorized according to their *quality*. Therefore, it reduces cost of advertising and ultimately decreases cost of marketing the goods. Extract 5.1 is response of one the candidates who scored high marks in question 5.

5a)	The following are the reasons why it is better for industry to advertise its product through magazine than newspaper.	
i)	It is better to advertise with magazine for it is more attractive. It attracts the customer due to some pictures of furniture hence increase buyers.	
ii)	It is better to advertise with magazine for it show visual images which can also be seen by illiterate people and creates easy awareness to know how the products looks like and covers a large geographical location.	

5b)	The following are reasons to why grading is necessary for marketing the products.	
i)	Grading makes a firm to make price more reasonable. Due to grouping of goods based on their quality and size it creates an easier job to price products according to their grade and quality.	
ii)	Grading is necessary for it assist in quantity certainty. Through grading of goods we are assured with quantity produced based on the gr customers available in market.	
iii)	Also grading is necessary since it assist to increase production and sales of the product especially after advertising. Grading assist to increase production and sale for through advertising people are made aware of what is available.	

Extract 5.1: A response of a candidate who scored high marks in question 5.

On the contrary, the analysis shows that a total of 9,488 (69.5%) scored from 0 to 2.5 marks. Among them 4,837 (35.4%) candidates scored zero. These candidates scored low marks due to lack of knowledge on marketing

and poor understanding of the requirements of the question. From the analysis of the candidates' response it was noted that the candidates who scored from 0.5 to 2.5 got more marks in part (b) than in part (a). In part (a), the candidates failed to interpret the item, so they explained the disadvantages of using magazines over newspaper in advertising. For example, one of the candidates' responses included *very expensive to buy, only for a group of people, not all people can read*. Those were some disadvantages instead of the reasons for using magazines in advertising. Some candidates gave the meaning of magazines and newspapers which did not answer the question. The analysis also shows that some candidates copied alternatives from question 1 (viii) like: *through packages, branding and pricing* which were from the topic of marketing as a solution to part (a).

In part (b), the candidates failed to differentiate grading, packing, advertising and branding. Therefore, their responses could not directly relate to grading. For example, some candidates highlighted some correct points such as *decrease the costs of sales* and *easy to set price* for the goods with explanations that reflected packing of the goods instead of grading. Grading reduce the marketing cost because the cost of advertising the products is reduced as the goods are categorized according to the quality. Such responses prove that they had inadequate knowledge on marketing topic especially on the advertising media and marketing functions.

The candidates (35.4%) who scored zero marks could not provide any correct point. As stated earlier, the candidates with low scores had inadequate knowledge but also failed to interpret the question. The responses from the candidates who scored zero marks had very slight difference from those who scored from 0.5 to 2.5 marks. Some candidates mentioned other advertising media such as radio, television, mobile phones. One of the candidates explained that magazines can be advertised through *radio, television* and in the *smart phones*. Those are other advertising media and not the reasons for using magazines instead of newspapers. The candidates were to answer part (a) as: the reasons for mbao industry to use magazines than newspaper are: *Magazines are more attractive, informative and entertaining to customers, they can be used to advertise products in both local and foreign market; therefore, they have wide coverage. Furthermore, the materials used to prepare magazines are more durable than those of newspapers so they have longer life span which make people*

to re-read and persuade them about products but it is possible to advertise to the intended customers only. In part (b), grading in marketing the products is important in a sense that the goods are categorized according to quality. Therefore it reduces cost of advertising. Others highlighted correct responses in part (b) which included *provision of wide market for the products, helps in future trading for the products, easier setting the price for the goods, helps consumers to realize the quality and price of the products they want to buy, graded products can be easily valued for compensation and others*. Extract 5.2 shows a sample of incorrect response in question 5.

5	a/ Advertise is the art of making goods and services known to the public	
	i/ It create employment opportunities	
	ii/ It leads to living standard.	
	b/ Grading is the process of giving names of a product. the following are necessary in marketing the product.	
5	b/ i/ Size, when the product to take the grade of the size of goods	
	ii/ weight of goods, when to know the weight of goods	
	iii/ Shape of goods, when the grading of market there are know the shape of goods.	

Extract 5.2: A sample of incorrect response in question 5.

Extract 5.2 presented sample of incorrect response where in part (a) the candidate mentioned the importance of advertising in general while in part (b) he/she related it to standardization and packing of the products.

2.6 Question 6: Insurance

The question had two parts, (a) and (b). In part (a), the candidates were required to list four policies that Papaye trader has to be given by the insurer under burglary insurance cover and identify three factors that make life assurance policy come to an end in part (b). Part (a) carried 4 marks and part (b) carried 6 marks, making a total of 10 marks.

The candidates who attempted this question were 13,651 (100%), of whom 9,828 (72%) candidates scored from 0 to 2.5 marks, 3,746 (27.4%)

candidates scored from 3 to 6 marks and 77 (0.6%) scored from 6.5 to 10 marks. Among the candidates who scored from 0 to 2.5 marks, 51.5% scored zero marks. Figure 6 summarises the candidates' performance in question 6.

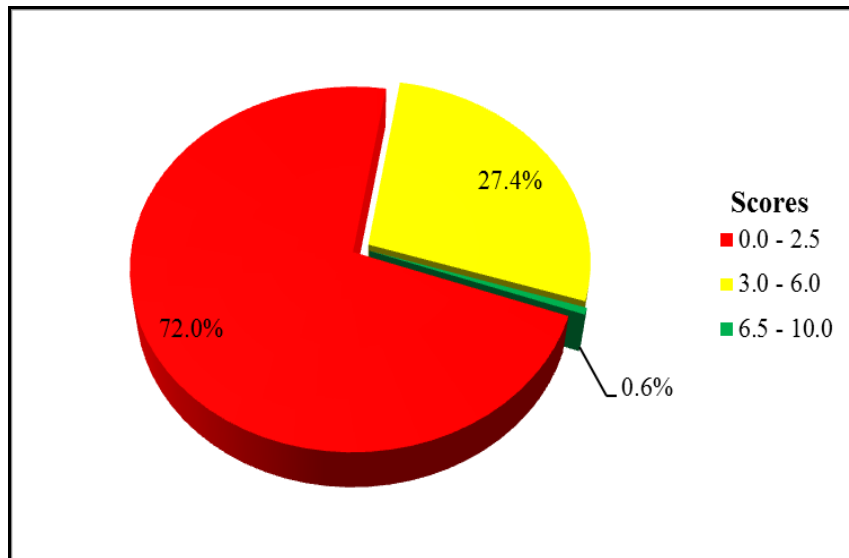


Figure 6: *The Percentage of Candidates' Performance in Question 6*

Figure 6 indicates that the general performance of the candidates in this question was weak as 72% scored low marks and among them 51.5% scored zero. This performance shows that the candidates had inadequate knowledge on insurance.

From the analysis, it was noted that the candidates (72.0%) who scored low marks had poor understanding of property and life insurance. The responses from the candidates (51.5%) who scored zero showed various weaknesses such as misconception of the demands of the question, copying some alternatives from different items in question 1 and attempting only one part of the question. The misconception was highly observed in part (a) which required the candidates to list four policies that Papaye trader has to be given by the insurer under burglary insurance cover. Some candidates failed to identify the types of policy based on the respective insurance department. The insurance departments include *marine*, *fire* and *accident*. Others wrote different insurance terminologies and documents which were contrary to the demands of the question such as *insurance policy*, *cover note*, and *proposal form* which are necessary documents used while joining the insurance and

insured, insurer and premium which are some basic terms in insurance. Some candidates' incorrect responses in this part include: the policies under marine insurance like *voyage policy, time policy, mixed policy and open policy* instead of policies under burglary cover which falls under accident department. Furthermore, the analysis shows that some candidates mistook marine policies for life insurance policies as responses in part (a) For example, one of the candidates mentioned the policies as *water policy, fire policy, life policy and accident policy*, which are marine insurance department. Some other candidates mentioned the procedures for taking up insurance instead of the burglary insurance cover. The candidates were required to mention the points as *cash in transit, goods in transit, house breaking and dishonest of employee, trade and business premises and employee's liability*.

In part (b), candidates also failed not only to grasp the demands of the questions but also were incompetent in life insurance. These candidates gave various incorrect responses to reflect misconception and insufficient knowledge as they failed to explain the mentioned points. Some candidates failed to score marks because they wrote some aids to trade such as *warehousing, banking advertising and transportation* instead of the factors that make life assurance policy come to an end. It is possible that, they assumed other aids to trade apart from insurance. Other misconceptions observed from the candidates' responses included the advantages of insurance, types of life insurance and the principles of insurance. For example, one of the candidates wrote and explained the general benefits such as *source of capital, creation of employment, create confidence to insured*. Some candidates did not attempt this part. To answer this they should have included the following in their explanations *if the insured died, failure to pay the premium in the agreed time and when the contract matured especially for endowment policy*.

On contrary, 20.5% of the candidate out of 72% scored from 0.5 to 2.5 marks. The candidates had insufficient knowledge on the subject matter tested. Most of them scored marks in part (b) by mentioning one correct point namely, *death of the insured*. However, some could not provide relevant explanations as they explained that the death of the insurer causes termination of contract instead of the death of the insured. Extract 6 is a sample of incorrect response from the candidate who had low scores.

6a - Proximate cause.	
- subrogation.	
- insurable interest	
- utmost good faith.	
6b) diseases;	
6b)(i) Age; There are age limitation when you want to take life assurance, people who have old age, are not allowed to take life assurance, and there is the age of cancel assurance policy.	
(ii) Diseases; Diseases that may cost high amount of money to the insurer are not allowed to be taken on an assurance policy in any risk.	
(iii) By naming your next beneficiary; Insurance life company give their customer right to name next beneficiary who will be under life assurance, when he or she decided to make end of an insurance policy.	

Extract 6.1: A sample of incorrect response in question 6.

In extract 6, the candidate listed the principles of insurance in part (a) instead of the policies to be given to the insured for burglary insurance cover. The candidate also explained the factors that insurer has to consider before entering into life assurance contract with insured in part (b).

Conversely, 28% of the candidates scored average and above marks. These students were able to list at least two policies in part (a). They explained the reasons for terminating the life insurance policy, though the explanations were insufficient. Some candidates mentioned incorrect policies in part (a) but were able to explain the reasons for termination of life insurance contract in part (b). Only 3 candidates scored all 10 allocated marks. These candidates were correctly mentioned four policies under burglary insurance cover in part (a) and explained the factors that make life insurance policy come to an end in part b). Extract 6:2 is a sample of a relatively correct response.

Ob	<p>(a) The following are the policy that passage has to be given by insurer under burglary insurance cover :-</p> <p>(i) <u>Goods in transit policy</u> This can may cover for the risk of theft of goods when in transportation</p> <p>(ii) <u>Cash in transit policy</u> This covers for the theft of money (cash) when in transportation process.</p> <p>(iii) <u>Fidelity guarantee policy</u> This covers for the dishonest employees in the firm.</p> <p>(iv) <u>Employee liability policy</u> This may cover for burglary of employees properties.</p>	
	<p>(b) Factors that may cause termination of life insurance:</p> <p>(i) <u>Death of the insured person</u> When the insured person dies, the policy is terminated, and the sum insured is payable to his/her beneficiaries.</p> <p>(ii) <u>Failure to pay the premiums by the insured</u> pay When the insured person fail to pay the timely /adequately pay the premiums, the insurer may decide to terminate the policy.</p>	
	<p>(iii) <u>When the time of insurance cover reach to an end in case of a temporary policy</u> Temporary insurance policies such as endowment policy, the policy can come to an end after the ending of the period for the agreed time of insurance cover.</p>	

Extract 6.2: A sample of a correct response in question 6.

2.7 Question 7: Production

The question consisted of two parts, (a) and (b). In part (a), the candidates were required to describe two main features of indirect production. Each feature was awarded 2 marks making a total of 4 marks. In part (b), they were required to briefly explain three levels of production. Each level was awarded 2 marks, making a total of 6 marks. This question intended to test candidates' ability to differentiate the types of production and levels of production.

A total of 13,651 (100%) attempted the question of whom 5,883 (42.9 %) candidates scored from 0 to 2.5 marks, 5,486 (40.2%) scored from 3 to 6 marks and 2,302 (16.9%) candidates scored from 6.5 to 10 marks. Figure7 summarises the candidates' performance in question 7.

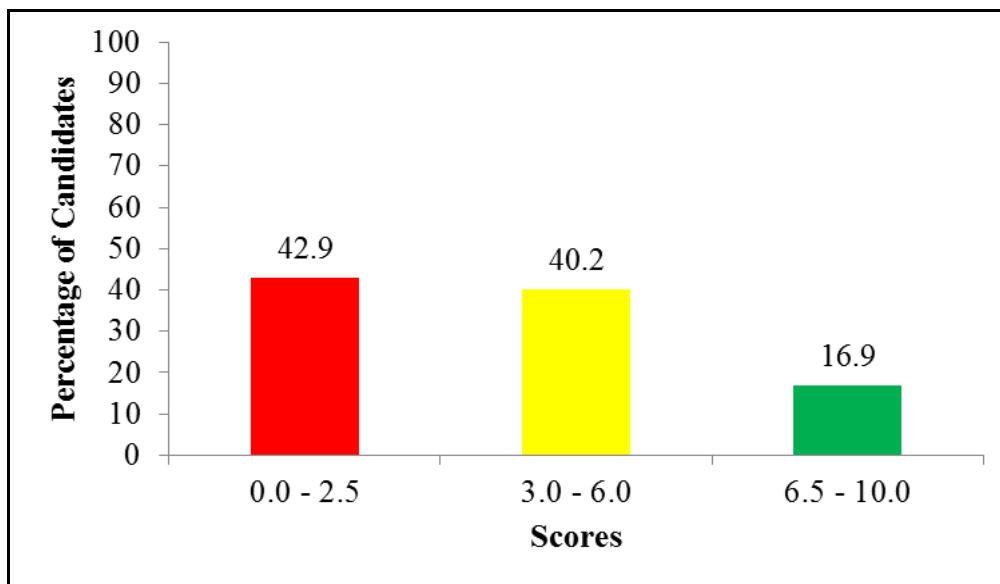


Figure 7: *The Percentage of Candidates' Performance in Question 7*

The candidates' performance in this question was average as shown in Figure 7 whereby, 57.1% of all candidates scored average and above marks.

The candidates (40.2%) with average scores that ranged from 3 to 6 marks were able to answer the question but not exhaustively as required by the question. The analysis from the candidates' responses revealed that some candidates were able to answer correctly part (a) and partially part (b). Others failed to answer part (a) and partially answered part (b) with two correct points. The weakness noted in the responses of these candidates includes interchanging explanations of *direct* and *indirect production* in part (a). In part (b), some candidates were able to identify the levels of production but the explanations to some of the levels were either unsatisfactory or incorrect. They failed to differentiate secondary level from tertiary level. The secondary level was involved with transforming of products from primary production to finished goods while tertiary production deals with provision of services.

On the other hand, 16.9% of the candidates scored high marks ranging from 6.5 to 10. These candidates had knowledge on levels of production and the types of production. Some candidates scored marks in both parts while others did correctly in one part especially part (b). The levels which were correctly written by most of the candidates were primary and secondary levels. The tertiary level was correctly explained by few candidates. The candidates who scored full (10) marks were able to describe the features of direct and indirect production and give brief explanations on the levels of production. The candidates who included in their responses the points like specialization, high level of output, and competence technology were also correct. Other candidates' scores varied depending on individual ability to explain the points and sufficiency of the points as required. Extract 7.1 is a sample of a correct response of a candidate who managed to correctly explain the types and the levels of production.

7 a) i)	Under indirect production, the goods are produced for sale and not for personal consumption, that is why it is termed as indirect production because it does not bear satisfaction of personal needs.
ii)	In indirect production, the production process is of high quality and even technology, this is done because these goods are made not for consumption but for sale with the aim of getting many customers and obtain high profit.
7 b) i)	Primary production - This is the first level of production in which deals with extraction of resources directly from the earth's surface. It includes the extraction of raw materials like minerals, or fish or agricultural products. Example of activities under this is Mining, lumbering, fishing, etc.
ii)	Secondary production - This is the second level of production in which those raw materials obtained from primary production are processed into finished goods. For example, changing of minerals to ornaments or raw cotton to clothes.
iii)	Tertiary production - This is the last level of production which involves the activities that help in bringing those manufactured goods to market, for example, Transportation, Standardizing, financing etc. Also under this level it may involve some aids to trade like insurance, banking and warehousing.

Extract 7.1: A sample of a correct response in question 7.

Moreover, the analysis revealed that the candidates (2,302) who scored low marks had different weakness in responding to the question. Some candidates attempted only one part of the question but the answer was not correct. For example, in part (a), one of the candidates described the features for direct production instead of indirect production. Similarly, other candidates mentioned incorrect responses such as *perishable goods* and *durable goods*, which stand for the types of goods and not types of production. Furthermore, the analysis shows other candidates' incorrect responses including *basic needs* and *luxury need, trade, aids to trade, foreign trade* and *home trade*. All such responses are found in production but they failed to understand exactly the demand of the question. However, some of the candidates gave partial explanations to at least one point of the correct point. The candidates were supposed to include any of the two features in their responses as: high level of output, specialization, the use of technology, high quality of goods and services produced and production for sale in part (a).

In part (b), some candidates mentioned one or two correct levels without explanations or with incorrect explanations. The correct levels mentioned by some of these candidates were primary and secondary levels. The other level (tertiary level) was omitted. The candidates who failed to answer this part accordingly, listed the points like commerce, warehousing, transportation and buying of goods. The mentioned items are part of production but could not answer the question. For example, *transportation* is an example of auxiliary services but it was stated as an independent point instead of primary production, secondary production and tertiary production that were the correct levels. Extract 7.2 is a sample incorrect response.

7	b) Production is the process of act of creating utility in goods and service so as to satisfy human needs and wants. The following are levels of production.
	1/ Commerce is the branch of production which deal with the distribution of goods and service so as to satisfy human needs and wants.
	2/ Industry is the branch of production where by make goods in sem finished good.
	3/ direct service, is the process where by people take the employment. Example Teaching, doctor, barber and lawyer and other of direct service.
	a) Production is the process of act of creating utility in goods and service so as to satisfy human needs and wants. The following are features used to categorize production as indirect production.
	1/ Capital is the money who start the business.
	2/ Land, is the features of production which are the provide the production.

Extract 7.2: A sample of incorrect response in question 7.

In extract 7.2, the candidates wrote the factors of production instead of the features of indirect production in part (a) and branches of production instead of the levels of production in part (b).

2.8 Question 8: Domestic Trade

This question was set from Domestic trade topic. The question was: *Nash is a retail who believes that business location and capital are the basic qualities for a successful retailer. Prove that Nash's belief was wrong by providing six justifiable qualities of a successful retailer.* The question was aimed at testing the qualities of a successful retailer. The total marks allocated for this question was 15 marks.

This was an optional question which was attempted by 12,115 (88.7%) candidates. Among them 6,126 (50.6%) candidates scored from 0 to 4 marks, 4,979 (41.1%) candidates scored from 4.5 to 9.5 marks and 1,010 (8.3%) scored from 10 to 15 marks. The overall candidates' performance in the question is summarised in Figure 8.

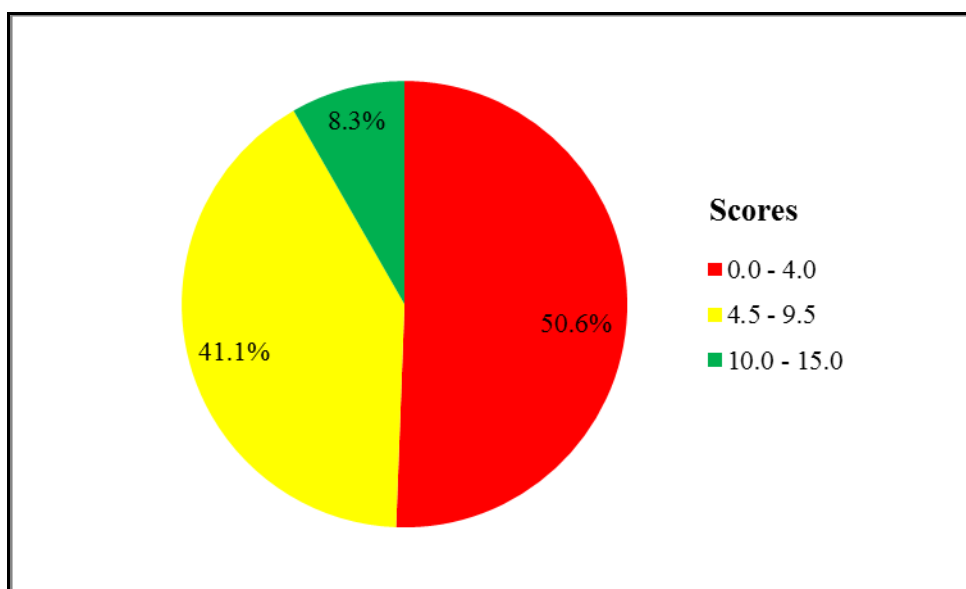


Figure 8: *The Percentage of Candidates' Performance in Question 8*

The candidates' performance in this question was average as shown in Figure 8. A total of 5,989 (49.4%) candidates scored from 4.5 to 15 marks. The candidates with good performance were 1010 (8.3%). They were able to justify that Nash was wrong by explaining the qualities that justifies a good retailer. The analysis on the candidates' response demonstrated that the candidates had sufficient knowledge. They were able to give the explanations which were suitable for the required qualities. However, only one candidate scored all 15 allocated marks. This student responded that capital and business locations are the factors that may lead to the success of retailer and not the qualities. The qualities include: being pleasant to customers, honest to customers, good administrator, good buyer and cooperative with other traders and makes sure he/she clears the business debts with the suppliers. Other candidates in this group were able to convince Nash by providing the qualities of a good retailer though slight discrepancies were observed in their responses. The degree of deviation of the individual scores depended on the quality of the content of the candidate's response in respect of the requirement of the question.

8.	<p>Retail trader is the type of trade in which dealing with buying goods and services in large quantities from wholesale and selling them in small quantities to the final consumer. In this type of retail has two types which are small scale retail and large scale retail. In the example of these retailing are hyper market, super market, departmental store and others.</p> <p>The following are the qualities of good retailer.</p> <p>Good retailer should be polite. This means that a good retailer should communicate with the customer by using polite language such as welcome, please and others so as the business to be liked and having more customers.</p> <p>Should be honest. This means that a good retailer should be honest when the visitor or customer enters his or her business house. Should talk and with them and be honest to them.</p> <p>Should be good buyer and seller. This means that a good retailer should be a good buyer and seller since a customer is interested with their business hence their qualities of good retail in business activities.</p> <p>Should be cooperative. This means that a good retailer should cooperate with his or her customer during the process of buying and selling of goods and services hence their good type of good retailer.</p> <p>Should be pro-activer. This means that a good retailer should have vision when he or she manage or control his or her business.</p>	
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08	Retailer should be a good administrator. This means that a good retailer should put and regulate and rule within her the manage and control his/her business here the qualities of good retailers.
	Generally, retailer is a person who buying goods and services from wholesaler in large quantities and selling them in small quantities to the final consumer. These above are qualities of good retailers also. A good retailer has the functions such as sales promotion, R&D bearing, financing and transportation.

Extract 8.1: A sample of a correct response in question 8.

However, the analysis shows that 41.1% of the candidates had an average performance which ranged from 6 to 9.5 marks. They included in their responses some functions of retailers and the qualities of retailers. This indicates that to some extent they failed to differentiate some retailer's functions with the qualities of successful retailers. For example, some candidates included the functions like *transporting goods, selling on credit to customers*. Furthermore, some candidates included the two points from Nash's beliefs which were *capital* and *location*. They were wrong since those points are some of the factors to be considered when establishing a business not the qualities of a good retailer. The candidates' scores varied according to the level of discrepancies from each individual.

Furthermore, a total of 6,126 (50.6%) candidates scored low marks. These candidates had weak performance because of incorrect interpretation of the question and inadequate knowledge on the subject matter tested. Insufficient number of correct points, unrelated explanations and lack of English language proficiency were observed from the analysis of the candidate's responses. Their scores varied from each individual on the basis of clarity of the contents and the number of correct points included. For example, one of the candidates explained about the factor to consider when locating a business such as *availability of power, raw materials, easily accessibility* and *availability of commercial services*. From the analysis it was also noted that some candidates wrote the factors of production as response to qualities of a good retailer. They included neither

introduction nor conclusion in their responses. These candidates lacked essay writing skills. Extract 8.2 shows a sample of incorrect response from one of the candidates,

8	Retailer; Is the person which conduct goods and services. The following are the quality for a successful retailer.	
	Buying goods; This means that in our quality of retail trade in basic particular areas retailer its buying goods to the final consumer from one areas to another.	
	Selling goods; Was the true that the selling goods was one of the quality of retailer to the people in country and can save life of many people in community.	
	Transfer of item; This means that in our daily life of people about their business in one areas to another the transfer of item are the quality of retailer so in your life retailer was very.	
	measure of value; This means that in our community their quality of retailer can measure the value from one areas in our country to another so is very.	
	Store of value; Was the true that store of value was the quality of retailer because in maintain goods and services from one areas to another in the society	
	Generally; The quality of retailer was very importance in the society because buying goods, selling goods, transfer of item and measure of value	

Extract 8.2: A sample of incorrect response in question 8.

In extract 8.2, the candidate scored low marks because he/she mentioned some functions of retailer in paragraph 1 to 3 while in paragraph 4 and 5 were the functions of money instead of the qualities of a successful retailer. The sentences in all paragraphs were meaningless.

2.9 Question 9: Business Units

This question was derived from Business units. The question was: *The trend of winding up private limited company is increasing day after day. Justify this statement by giving the reasons for winding up private limited company.* It was set to test the candidates' ability to differentiate the form of business companies but also to show the reasons for winding up those companies particularly private limited companies.

This question was attempted by 6,173 (45.2%) candidates, out of whom 90.4 percent scored from 0 to 4 marks. Further, 424 (6.9%) candidates scored from 4.5 to 9.5 marks and 168 (2.7%) candidates scored from 10 to 15 marks. It was an optional question. This performance is summarised in Figure 9.

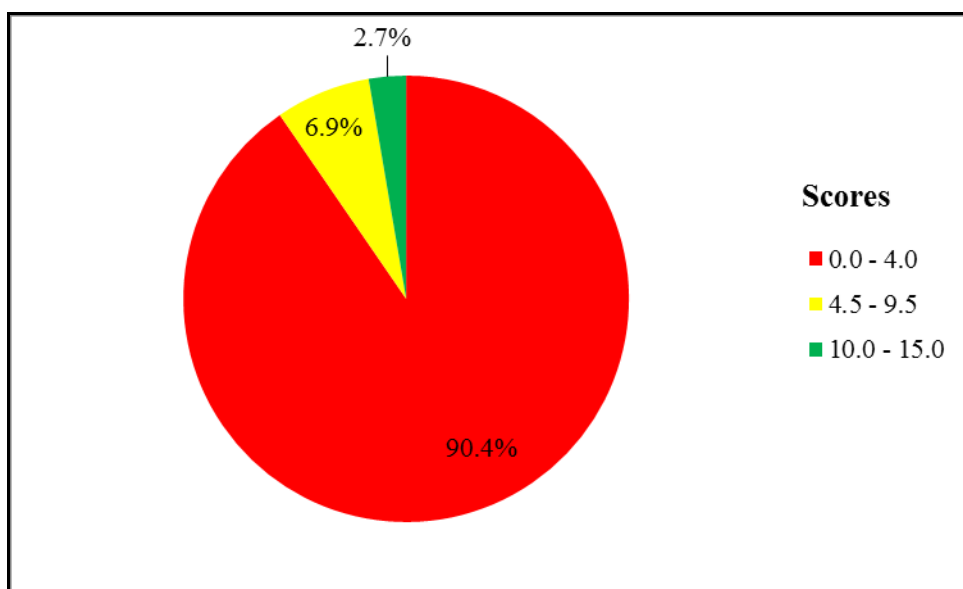


Figure 9: *The Percentage of Candidates' Performance in Question 9*

Figure 9 shows that the general performance in this question was weak because 90.4% of the candidates scored below 4.5 marks. Among them 61.8% scored zero marks. The analysis shows that weak performance had been attributed to a number of factors like insufficient number of correct points with unsatisfactory explanations, copying some sentences from other questions and poor understanding on the demands of the question. This shows incompetency in the tested concept and also poor essay writing skills. Some candidates responded on the advantages companies and some of their

responses were *specialization, large amount of capital, transfer of shares, business continuity, large amount of profits, sharing of loss, and proper decision making*. These candidates failed to understand the term *winding up* and so they considered it as benefits. Moreover, some candidates explained the advantages of sole proprietorship in comparison with companies based on capital, profit or loss sharing, confidentiality and liabilities.

Furthermore, there were some candidates who wrote the points on the reasons for the dissolution of partnership instead of winding up of private limited companies. For example, one of the candidates wrote *death of the partner, bankrupt of a partner, instant of a partner and expiry of time* which are the limitation of partnership. Further the observation shows some candidates explained the challenges facing companies in their formation. Those students who gave the mentioned points scored zero marks. Apart from that, some candidates were able to give few correct points like *membership decision* and *inability to pay for the debts*. Some other candidates explained the points on the basis of partnership. The candidates were required to use the following points in answering this question: *Inability to pay debts, increase or decrease in number of members beyond the required by law, failure to submit statutory report within the agreed time, expiry of period of operation, delay to commence the business and by special resolution*. Extract 9.1 is a sample of incorrect response from one of the candidates.

9.	private limited companies are companies owned by private individuals. the private limited companies are controlled and supervised by private individuals. the following are the reasons for winding up of private limited companies.	
	private limited companies are more profitable; a person who establishes a private limited company tends to enjoy much more profit than the people with public limited companies. the private limited companies can be example schools, colleges, malls, supermarkets and etc.	
	Private companies increase employment opportunities; most of the private limited companies tend to employ several people in order to work in their companies. people working in private limited companies to get paid very high salaries compared to the ones working in public limited companies.	
	Private companies increase National Income. the country tend to charge tax to the limited companies where by the income of the country tends to increase and develop. the more the private companies pay the taxes the more the income of the country tends to increase. the private limited companies pay high tax than the public limited companies.	
	private companies help to increase international relations between countries. the private companies can get in contact with other limited companies which will help to increase international relationship with companies of other countries. example the mining companies of other countries can get into contact of Tanzania's mining companies. this help to develop the country's income.	
	private limited companies leads to foreign exchange and foreign currency. most of the private limited companies tend to trade with foreigners which helps to develop foreign exchange and foreign currency from other countries. this helps to develop amount of foreign money in the country.	

Extract 9.1: A sample of incorrect response in question 9.

In extract 9.1, the candidate explained some benefits of companies instead of reasons of winding up of private limited companies.

However, in this question, 9.6% of the candidates scored from 4.5 to 15 marks. The candidates were able to score some marks on introduction part with some other correct point. The points which were explained by many candidates were decrease in number of members and inability to pay for the debts. They managed to explain the points because they are related to partnership, so it was easy to recall them. Other candidates were able to mention more than two correct points but could not provide satisfactory explanations to the points. However, the analysis revealed that there were few candidates (10) who scored all 15 marks. The variation of the candidates' scores was caused candidates' ability to justify the correct points. Extract 9.2 is a sample of a correct response.

9.	Private limited companies are artificial persons registered under the law of the parliament formed to operate in order to produce profit. Such companies always bear the word "Ltd" at the end of the firm's name. Also Private Limited Companies have their common seal as they operate for a long life and they require to be formed by a minimum number of members of 2 and a maximum of 50 members. In the process of formation of such companies the documents of Memorandum of Association and Articles of Association must be formed. It is true that the trend of winding up private limited companies is increasing day after day and this can be due to the reasons as follows below;
	Firstly, when the company is operating on loss basis. The main purpose of opening and running any form of business is in order to generate profit but when these private limited companies begin to operate on loss basis due to reasons such as too much credit facilities to its customers the members of the company may end up winding up the company as their capital will be decreased due to incurring loss instead of profit. Also due to the company incurring loss there will be no money to be used for other administration costs and therefore will lead to the need of the business to liquidate and wind up.
	Secondly, when the number of members of the company is below two (2) members. A private limited company normally requires a minimum of two (2) members and maximum of 50 members thus when there is only 1 member willing to run the private limited company he/she will be forced to liquidate the company and wind it up due to insufficient number of members required to run the company.

9.	<p>Thirdly, when the private limited company becomes bankrupt. The winding up of a company can be caused by the financial position of the company itself. If the company becomes bankrupt in one way or another it will need the company to close as it will be unable to operate and function perfectly. Therefore a private limited company may wind up due to the unreliable financial position of the company at a particular time.</p> <p>Fourthly, when the members of the private limited company decide voluntarily to wind the company. A private limited company can wind up when the members of the company willingly discuss and decide to close the company because of many reasons which may be personal or group reasons to wind up the business. Members might decide to do that because the goals they had set had already been fulfilled and the economic matters they wanted to achieve had already been achieved or due to many conflicts among the members that they can no longer work together.</p> <p>Fifthly, when the court decides to wind up the company itself. Since a private limited company operates under the law, the court may at any time decide for the private limited company to be closed and wind up due to it going against the rules and regulations as stated in the Parliament Act. For instance, the court may decide for the company to be wound up when it has raised more capital than that stated in the capital clause in the Memorandum of Association or when it operates on illegal activities which are against the country's laws thus will end up winding up.</p>
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9.	lastly, when the company can not pay its debts. The winding up of a private limited company can be caused then when even the unlimited shareholders in the company fail to pay the company debts thus the business will have more liabilities than its assets and operate on insolvency mode this will push the members of the private limited company to wind up the company due to having more debts from outsiders than the value of assets it will have.	
	To conclude, private limited companies prove to be very essential to any developing country like Tanzania as they increase employment opportunities which lead to a rise in the living standards of the people and the nation at large due to the generation of government revenue.	

Extract 9.2: A sample of a correct response in question 9.

2.10 Question 10: Entrepreneurship

The question required the candidates to advise Mr. Kashinde on the ways to discover business opportunity to invest as an entrepreneurship provided that he has sufficient capital. The question was intended to test the candidates on the business opportunity from the topic of entrepreneurship. This question was worth 15 marks.

The question was attempted by 7,576 (55.5%) candidates, out of whom 6,164 (81.4%) candidates scored from 0 to 4 marks, 1,251 (16.5%) candidates scored from 4.5 to 9.5 marks. Furthermore, 161 (2.1%) candidates scored from 10 to 15 marks. Out of 84.1% of the students who scored low marks 32.6% scored zero. The observation from the data shows that the question had weak performance. The summary of this performance is presented in Figure 10.

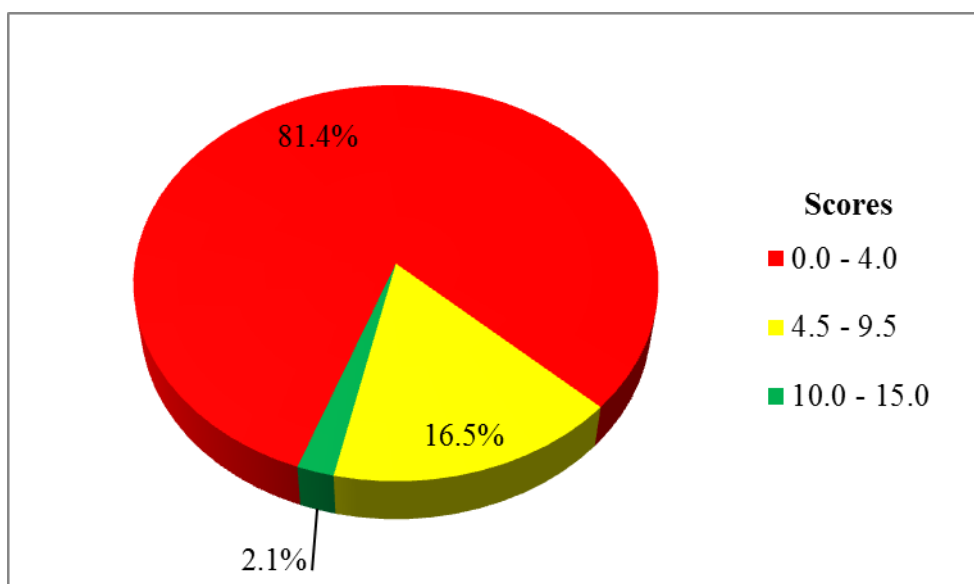


Figure 10: *The Percentage of Candidates' Performance in Question 10*

Figure 10 indicates that only 18.6% of the candidates scored from 4.5 to 15 marks allocated. It justifies that the candidates' performance in this question was weak.

The analysis shows that 81.4% of the candidates who opted for this question scored low marks. The candidates' responses indicated that those who did not score zero in this category were either able to define the concepts like entrepreneurship or business opportunity or give some correct points. In addition, it was also observed that there were some candidates who mentioned some correct points but could not provide relevant explanation in relation to the points. For example, one of the candidates mentioned the point of market research but explained it as *Kashinde* has to *open big market to meet the customers' needs*. The candidate was supposed to explain it as the way through which entrepreneur collect information useful for understanding the real needs and wants of the customers before deciding on what to invest. The other point was *to know the competitors* the explanations of which were *to arrange meeting with competitors to discuss about the products to invest*. The point should have been helping *Kashinde* to discover what will make customers go to others sellers who sell the product similar to the one he is expecting to sell. On the other hand, they included incorrect response which reflected inadequate knowledge, among being a few qualities of entrepreneurs and repetition of points.

In addition, the analysis shows that misinterpretation of the demands of the question contributed to the candidates scoring zero marks. Several misinterpretations had been noted from the analysis. For example, some candidates wrote the factors one has to consider before establishing industry such as *availability of raw materials, transport facilities, labour, and storage facilities*. Likewise, other candidates of the same nature explained the importance of entrepreneurship instead of the ways to discover business opportunity. For example, these were the responses from one of the candidates: *source of employment, source of government revenue, promotion of economic growth and reduce idleness*. Qualities of entrepreneurs and of retailers were also written by many candidates though not relevant to the answer. One of the candidates in this category explained different projects that Kashinje can invest on such as *maize milling machine, tailoring, shop, agriculture and street vending*. This candidate failed to realise that the question was on the ways to discover business opportunity. In order for the candidates to score high marks they were supposed to advice Mr. Kashinde to: *look at industry trend insight, prepare customer questionnaires, use personal observation and creativity, tendency of listening to potential clients and past leads, look on government commercial policies and look on his competitors*. Extract 10.1 is a sample of incorrect response from one of the candidates.

10	Business; is the any activity which is done by a person in order to achieve his/her goals. ways that can we in order to discover business opportunity to invest in the market these are;	
	By taking loan from the bank; in order kashinde to discover various business opportunities for investment it may take loan from the bank so that can developed well in his/her business opportunity.	
	By selling his personal products; in order to get business opportunities he may selling his personal product to the customer so that can developed well in the business opportunity.	
	By having savings; in order to be developed well in the business opportunity he should have savings so that can developed well in his/her business opportunity and this help him to developed well.	

	By receiving profit from the customer; the business	
	man should receiving profit from the customer so that he/she	
	can develop well in the business	
	By invest his money to the bank; the business	
	opportunity can be discovered when you can invest money	
	to the bank in order to get business opportunity and	
	this can bring more employment.	
	By having balance of shares; In order to discover	
	business opportunity should have balance of shares so	
	that the business opportunity can be discovered in the business	
	that you wanted.	
	By borrowing money from the bank; the way	
	that can help tend to discover business opportunity he	
	must take money from the bank so that can develop	
	well.	
	Finally; the various ways we to discover business opportunity	
	to invest in the market is by selling person products, by share	
	savings	

Extract 10.1: A sample of incorrect response in question 10.

In extract 10.1, the candidate explained the sources of capital that an entrepreneur can use to acquire capital. The candidate did not realize that Mr. Kashinde had capital already.

On the contrary, the candidates who scored an average and above marks were able to advise Kashinde on the ways to discover business opportunity. Most of these candidates managed to explain at least two correct points with correct introduction part. Further, the analysis shows that some of the candidates were able to mention more than four points but could not give satisfactory explanations. Despite such discrepancies some candidates scored high marks as they were able to provide correct advice to Kashinde. Most of their points had relatively correct explanations.

3.0 ANALYSIS OF CANDIDATES' PERFORMANCE PER TOPIC

The performance of the candidates in topic wise was categorized as average and weak. The analysis shows that the topics which were averagely performed were: *Production* (57.1%) tested in question 7 and *Warehousing Management* (55.8%) tested in question 3. Furthermore, all various topics examined in question 1, which was *multiple choice items* (55.5%) also had average performance. The same goes for *Domestic Trade* (49.4%) in question 8, *Business Communication* in question 4 (48.6%), *Taxation* (42.6%) in question 2, and *Marketing* (30.5%) in question 5.

However, three (3) topics had weak performance. The topics were: *Insurance* (28.0%) tested in question 6, *Entrepreneurship* (18.6%) tested in question 10 and *Business Units* (9.6%) tested in question 9. The weak performance in the three topics was the outcome of poor English Language proficiency, insufficient knowledge on the mentioned topics, and misinterpretation of the questions and repetition of the responses in a question. The summary of the performance per topic is shown in the appendix.

4.0 CONCLUSION

The analysis shows that the overall candidates' performance in Commerce subject CSEE 2020 was 54.95% which shows an increase of 3.38% when compared to 2019 performance which was 51.57%. Although the performance has improved, still the subject has average performance. Three topics; namely, *Business Units* (9.6%), *Entrepreneurship* (18.6%) and *Insurance* (28%) had weak performance in 2020. The reasons for weak performance in those topics were caused by some factors like misinterpretation of the questions, inadequate knowledge of the topics and poor English language proficiency. None of the topics had good performance. The reasons for average performance in commerce subject was caused by some reasons as indicated in the analysis in previous sections.

5.0 RECOMMENDATIONS

For the better performance of candidates in this subject in future, it is recommended that:

- (a) Teachers should guide students on how to identify and analyse forms of insurance. They should formulate groups in the class and assign each group with a task for presentation on the topic of insurance. This will

encourage students to study hard using different sources like internet, books, resulting into increased competence.

- (b) Teachers should guide students on how to identify different business opportunities by arranging class excursion to nearby entrepreneurs to learn on ways they identified their business opportunity. Finally, teachers can ask students to interview any on the entrepreneur to whom they think can be role model and write the report of the findings.
- (c) Students should be guided on how to identify the requirement of the questions so as to avoid the problem of misinterpretation, which leads to low scores.
- (d) Students should be advised to form group discussions under the guidance of teachers who will provide the groups with question for discussion from different topics like Business units, Marketing and Insurance so as to improve the students' performance.
- (e) Student should be careful in the use of formulae in any business calculation because incorrect formulae lead to incorrect responses.

Appendix

Summary of the Candidates' Performance by Topic in the 2020 CSEE

S/n	Topic	No. of Questions	Percentage of Candidates who Scored 30% Marks or Above	Remarks
1	Production	7	57.1	Average
2	Warehousing Management	3	55.8	Average
3	Transportation, Domestic Trade, Insurance, Business Management and organization, Business Units, Production, International Trade, Warehousing Management, Taxation, Entrepreneurship, Economics Basics, Finance, Business Communication and Marketing	1	55.5	Average
4	Domestic Trade	8	49.4	Average
5	Business Communication	4	48.6	Average
6	Taxation	2	42.6	Average
7	Marketing	5	30.5	Average
8	Insurance	6	28	Weak
9	Entrepreneurship	10	18.6	Weak
10	Business Units	9	9.6	Weak

