

**CHRISTIAN SOCIAL SERVICES COMMISSION (CSSC)
NORTHERN ZONE JOINT EXAMINATIONS SYNDICATE (NZ-JES)**



**FORM SIX PRE-NATIONAL EXAMINATION- 2023
COMMERCE 1
MARKING SCHEME**

152/1

1. Introduction(1 mark)

Banking refers to all activities involved in accepting deposits, safeguarding of funds, offering credit facilities, withdrawal, money transfer done by banks or any other financial institution. Modern trends in banking industry in Tanzania are (3 marks each; point 1 mark, good explanation 1 mark and example 1 mark):

- i. The use of debit and credit cards
- ii. Currency exchange e.g US Dollar against Tshs
- iii. Electronic money transfer e.g through M-PESA, Tigo Pesa
- iv. E-Banking(Online banking) e.g receiving and paying money on-line
- v. Standing orders
- vi. Credit transfers
- vii. Bank balance checking through mobile phone

Conclusion 1 mark

2. Introduction(1 mark)

Premium refers to the regular payment by an insured to the insurer for the subject matter insured. Example monthly premiums.

NB: Each student must explain the points basing on **NEW HOUSE FIRE** policy.

Considerations/factors to guide actuaries in determining the premium to be paid(3 marks for each point: 1 mark for the point, 1 mark for good explanation and 1 mark for example or connecting point with scenario of the question)

- i. Value of the property(type of policy)
- ii. Nature of the property e.g for the case of house, premiums will be low because it is not complicated like nuclear plants, fragile goods or petrol stations
- iii. Level of precaution: whether or not the insured is going to use precaution measures e.g fire extinguishers
- iv. Age of the property: because the house is NEW then premiums will be lower than it would be for old houses
- v. Statistical records(how often the insured risks are happening or turn into loss for the moment). If they happen often then premiums will be higher than when they are rare
- vi. Number of applicants: more people, lower premiums and vice versa

Conclusion 1 mark

3. Introduction(1 mark)

Advertising agencies are the persons or institutions linking the advertisers and the media ensuring the successful advertisements are produced.

Functions/roles/responsibilities of advertising agencies are(3 marks for each point: 1 mark for the point, 1 mark for good explanation and 1 mark for example or connecting point with scenario of the question):

- i. Providing advice to both advertisers and media
- ii. Market research
- iii. Producing/designing advertisements
- iv. Applying creativity and innovation techniques by considering available modern technologies
- v. Helping an advertiser in preparing advertising budget
- vi. Public relations e.g linking clients(advertisers) and consumers
- vii. Attracting advertisers

Conclusion (1 mark)

4. Introduction(1 mark)

Business documents are all files, books, reports, forms, letters related to business. E.g receipts, invoice, business licenses, cheques, bank slips, debit notes, credit notes etc

Importance of documents to business(3 marks for each point: 1 mark for the point, 1 mark for good explanation and 1 mark for example or connecting point with scenario of the question):

- i. Act as a proof/evidence of transactions e.g receipts
- ii. Help an accountant in preparing financial statements e.g invoice for preparing trial balance, income statements
- iii. Give confidence/protection to business to conduct trade e.g business licenses
- iv. Attract new opportunities e.g article of association
- v. Compliance: fitting in the government's requirements.
- vi. Project/show business performance and growth over the months or years e.g income statements, financial position statements.
- vii. Helping business adjustments and rectification in case of errors or any defaults e.g trial balance

Conclusion: 1 mark

5. Introduction(1 mark)

Entrepreneur is a person who organizes other factors of production to bring about profit (to maximize profit). 0.5 mark

Production is creation of goods and rendering of services to satisfy human wants. 0.5 mark

Contribution of an entrepreneur in production process(3 marks for each point: 1 mark for the point, 1 mark for good explanation and 1 mark for example or connecting point with scenario of the question):

- i. To organize other factors of production e.g land. Labour etc
- ii. To reward factors of production e.g rent for land, interest for capital etc
- iii. To take risk of establishing production activities e.g industries
- iv. To distribute goods to the final consumers e.g retailers
- v. To transport goods to the areas of scarcity hence leading to increased production
- vi. Advertising goods hence creating demand

Conclusion 1 mark

6. Introduction

Specialization of labour is concentrating on a single work over a long period of time (0.5 mark)

Division of labour is splitting of work into smaller portion to a number of people to get all the work done in a short period of time (0.5)

Assigning 100 workers= specialization

Benefits of specialization to Bakhresa

- i. Leads to efficiency
- ii. Low costs of supervision due to developed expertise
- iii. Gain of creativity from workers

Assigning 30 workers=Division of labour

- i. Saves time due to divided/split work
- ii. Increased productivity because labourers are not too tired
- iii. Lower unit cost which leads to reduced price of commodities that will automatically lead to increase in sales.

(3 marks for each point: 1 mark for the point, 1 mark for good explanation and 1 mark for example or connecting point with scenario of the question)

Conclusion 1 mark

7. Introduction

Share quotation refers to setting of price of shares in the stock exchange. (1 mark)

Ways in which shares are quoted at stock exchange are:

- i. Ex-div/ex-int: It doesn't include dividend or interest hence price of shares will be low
- ii. Cum-div/cum-int: it includes dividend/interest so price of shares will be high
- iii. Ex-right: without rights attached to shares so price of shares will be low
- iv. Cum-right: with rights attached to shares so price of shares will be high
- v. Ex-cap: it doesn't involve bonus shares so price of shares will be low
- vi. Cum-cap: it involves bonus share so price of shares will be high

(3 marks for each point: 1 mark for the point, 1 mark for good explanation and 1 mark for example or connecting point with scenario of the question)

Conclusion 1 mark