

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



FORM FOUR PRE-NATIONAL EXAMINATION, AUGUST 2026

COMMERCE

MARKING SCHEME

SECTION A (16 MARKS)

All questions

1. Multiple choice

- i. D
- ii. D
- iii. D
- iv. E
- v. B
- vi. E
- vii. C
- viii. A
- ix. C
- x. C

2. Matching items

- i. E
- ii. D
- iii. G
- iv. A
- v. F
- vi. H

SECTION B (54 MARKS)

3.(a) Calculations

i. Cost of Goods Sold (COGS)

$$\begin{aligned}\text{COGS} &= \text{Opening Inventory} + \text{Net Purchases} - \text{Closing Inventory} \\ &= 12,000 + 15,000 - 10,000 \\ &= \text{Tshs } 17,000/= \end{aligned}$$

ii. Gross Profit

$$\begin{aligned}\text{Gross Profit} &= \text{Net Sales} - \text{COGS} \\ &= 30,000 - 17,000 \\ &= \text{Tshs } 13,000/= \end{aligned}$$

iii. Gross Profit Margin

$$\begin{aligned}\text{Gross Profit Margin} &= \frac{\text{Gross Profit}}{\text{Net Sales}} \times 100 \\ &= \frac{13,000}{30,000} \times 100 \\ &= 43.3\% \end{aligned}$$

iv. Gross Profit Markup

$$\begin{aligned}\text{Gross Profit Markup} &= \frac{\text{Gross Profit}}{\text{Cost of Goods Sold}} \times 100 \\ &= \frac{13,000}{17,000} \times 100 \\ &= 76.5\% \end{aligned}$$

Any four (4) calculation @1.5-mark Total 06 marks

b) Difference between Stock Administration and Stock Valuation

Stock Administration	Stock Valuation
i. Refers to the management and control of stock in the warehouse.	i. Refers to determining the monetary value of stock.
ii. Involves receiving, storing, recording, and issuing goods.	ii. Involves calculating the worth of inventory using valuation methods.
iii. Ensures stock is available in the right quantity and condition.	iii. Helps in preparing financial statements and determining profit.
iv. Focuses on physical handling and control of inventory.	iv. Focuses on financial measurement of inventory.
v. Example: Keeping stock records and preventing theft.	v. Example: Using FIFO or LIFO methods to value stock.

Any two (2) points with relevant explanation @1.5-mark Total 03 marks

4. The following are five other principles of management apart from promoting unity and cooperation among employees:

- i. **Division of work;** Work should be divided among employees according to their skills and specialization to improve efficiency and productivity.
- ii. **Authority and responsibility;** Managers should have the right to give orders and make decisions, while also being responsible for the outcomes of those decisions.
- iii. **Discipline;** Employees should obey organizational rules, regulations, and instructions to ensure smooth operations.
- iv. **Unity of command;** Each employee should receive instructions from only one supervisor to avoid confusion and conflicts.
- v. **Scalar chain;** There should be a clear line of authority and communication from top management to lower levels in the organization.

Any five (5) points with relevant explanation @1.8-mark Total 09 marks

5. Importance of entrepreneurship to the economic development of Tanzania.

- i. **Creation of Employment Opportunities;** Entrepreneurship helps to create jobs for many people, especially youths. Small and large businesses employ workers directly and indirectly, reducing unemployment in the country.
 - ii. **Increase in Government Revenue;** Entrepreneurs pay taxes, license fees, and other charges to the government. The revenue collected is used to provide social services such as education, health care, roads, and water supply.
 - iii. **Utilization of Local Resources;** Entrepreneurs make use of locally available resources such as land, labor, raw materials, and capital in producing goods and services. This helps to reduce wastage of resources.
 - iv. **Improvement of Living Standards;** Successful entrepreneurship increases people's income through wages and profits. As a result, citizens can afford better food, housing, education, and health services.
 - v. **Promotion of Innovation and Technology;** Entrepreneurs introduce new ideas, products, and modern methods of production. This improves efficiency, increases productivity, and promotes technological development in the country.
 - vi. **Reduction of Poverty;** Entrepreneurship generates income for individuals and families. Through self-employment and business activities, many people are able to meet their basic needs and improve their economic conditions.
 - vii. **Development of Other Sectors;** Entrepreneurial activities support the growth of sectors such as agriculture, transport, trade, and manufacturing through increased demand for goods and services.
- Any six (6) points with relevant explanation @1.5-mark Total 09 marks**

6. Before opening a business, Tanzanian youths should consider the following business start-up activities:

- i. **Conducting Market Research;** The entrepreneur should investigate the market to identify customer needs, demand for products or services, competitors, and suitable business location. This helps in making proper business decisions and reducing the risk of failure.
- ii. **Preparing a Business Plan;** A business plan outlines the objectives of the business, sources of capital, marketing strategies, expected costs, and projected profits. It acts as a guide for managing and operating the business effectively.
- iii. **Mobilizing Capital and Resources;** The entrepreneur should gather enough capital and necessary resources such as equipment, labor, raw materials, and premises before starting the business. Adequate resources ensure smooth business operations.
- iv. **Registering the Business and Obtaining Licenses;** The business owner should register the business with relevant authorities such as Business Registrations and Licensing Agency (BRELA) and obtain necessary permits and licenses to operate legally.
- v. **Choosing a Suitable Business Location;** Selecting an accessible and strategic location helps to attract customers and reduce transportation and operating costs.
- vi. **Selecting the Type of Business Ownership;** The entrepreneur should decide whether the business will operate as a sole proprietorship, partnership, or company depending on the nature and size of the business.

Any six (6) points with relevant explanation @1.5-mark Total 09 marks

7. The following activities should be carried out to effectively manage goods in a warehouse:

- i. **Receiving goods;** Checking and accepting goods delivered to the warehouse to ensure they match the order and are in good condition.
- ii. **Proper storage of goods;** Arranging and keeping goods safely in suitable places to avoid damage, theft, or spoilage.
- iii. **Stock recording and documentation;** Maintaining accurate records of goods entering and leaving the warehouse for easy tracking and control.
- iv. **Inventory control and stock taking;** Regularly counting and monitoring stock levels to avoid shortages or overstocking.
- v. **Packaging and labeling;** Packing goods properly and labeling them clearly for easy identification and handling.
- vi. **Dispatching and distribution of goods;** Preparing and issuing goods for delivery to customers or other destinations at the right time and in the correct quantities.

Any six (6) points with relevant explanation @1.5-mark Total 09 marks

8. Julias will engage in the following stages of production as he expands his business from cotton farming to making and selling clothes:

Stage of Production	Description of Activities	Type of Industry Involved
1. Extractive Stage	Julias grows and harvests cotton from his farm. This involves obtaining raw materials directly from nature.	Primary industry Involves extraction or production of raw materials from nature, such as farming, fishing, and mining.
2. Manufacturing Stage	The harvested cotton is processed into cloth and later made into clothes through spinning, weaving, cutting, and sewing.	Secondary industry Involves processing raw materials into finished or semi-finished goods.
3. Distribution Stage	Finished clothes are transported and sold to retailers for resale to consumers.	Tertiary industry Involves providing services that support production and distribution, such as transport, trade, and retailing.
4. Retailing Stage	Retailers buy clothes from Julias and sell them to final consumers in small quantities.	Tertiary industry Involves providing services that support production and distribution, such as transport, trade, and retailing.

Any four (4) points with relevant explanation @2.25-mark Total 09 marks

SECTION C(30 MARKS)

Choose any two questions

9. Question no. 2 the student is required to explain briefly about entrepreneurial activities and six reasons how entrepreneurial activities boost economic growth in Tanzania. only six points

Introduction: entrepreneurial activities refers to the process undertaken by the entrepreneur to initiate and operate new business ventures to generate value through new products.

REASONS AS TO WHY ENTREPRENEURIAL ACTIVITIES BOOST ECONOMIC GROWTH IN TANZANIA

- Increase government revenue
- Utilization of local resources
- Improvement in living standards
- Creation of employment opportunities
- Promote technology advancement
- Stimulate trade and investment in the country

Introduction 1.5 Mark,

Main body 2@ only six reasons =12 Marks

Conclusion 1.5 Mark

Total 15 Marks

10. The question requires the student to show six advantages of taxation to the government
Introduction: Taxation is the process of charging and collecting funds from responsible individuals or companies.

ADVANTAGES OF TAXATION TO THE GOVERNMENT

- i. It raises government revenue
- ii. It finances public services e.g. education and health services
- iii. To protect local industries e.g. tax on import
- iv. To create employment opportunities
- v. Income redistribution
- vi. To stabilize the economy

Introduction 1.5 Mark,

Main body 2@ only six advantages =12 Marks

Conclusion 1.5 Mark

Total 15 Marks

11. The question requires students to explain the meaning of visual communication, then in six points students would analyze factors to consider when choosing communication media.

Introduction: Visual communication is the transmission of information and ideas using symbols and imagery.

FACTORS THAT INFLUENCE CHOICE OF COMMUNICATION MEDIA

- i. Speed
- ii. Accuracy
- iii. Safety
- iv. Distance
- v. Record
- vi. Confidentiality

Introduction 1.5 Mark,

Main body 2@ only six factors =12 Marks

Conclusion 1.5 Mark

Total 15 Marks