



# CHRISTIAN SOCIAL SERVICES COMMISSION

An Ecumenical Body of Tanzania Episcopal Conference and Christian Council of Tanzania

P.O. Box 9433, Dar es Salaam, Tanzania

CSSC-SOUTHERN ZONE FORM FOUR JOINT EXAMINATION

061

COMMERCE

AUGUST 2024

## MARKING GUIDE

### SECTION A (16 marks)

#### 1. 10 marks @1

QN	i.	ii.	iii.	iv.	v.	vi.	vii.	viii.	ix.	x.
ANS	D	E	D	B	C	E	E	B	D	D

#### 2. 6 MARKS @ 1

QN	i.	ii.	iii.	iv.	v.	vi.
ANS	D	B	H	F	E	G

### Section B (54 marks)

3. The factors that determine the strength of demand for computers and phones (the question requires the students to give the causes for the changes in demand for computers and phones. **(9 marks @ tick 1.8 marks)**)

- Tastes and preferences of the consumer: Tastes include fashion, habit, customs etc. A good for which consumers tastes and preferences are greater claim higher demand. Thus the demand curve lies at a higher level. With the change in consumer's taste and preference for particular commodity the demand for that commodity declines. If the taste goes up its amount demanded becomes high even at a high price. Those goods which go out of fashion of people no longer remains attractive to them. So the demand for them decreases.
- Income of the people: The demand for goods depends upon the income of the people. There is direct relation between income and demand for immodesties. A rise in income gives rise to greater purchasing power. Thus increase in income has a positive effect for a good. With a rise and fall in income the demand curve shifts upward and downward respectively. But in case of giffen goods the income effect is negative.
- Changes in prices of the related goods: The demand for a commodity is affected by the changes in the prices of other related commodities. The related commodities may be (i)

substitute and (ii) complementary. A commodity is said to be substitute only when it yields the same utility and satisfaction in place of other. Complementary goods are jointly demanded. They are consumed untidily for satisfaction. Tea and coffee are substitute's goods but pen and ink are complementary commodities. When the price of a substitute of a good falls the demand for that good declines and when the price of the substitute rises, the demand for that good increases. In case of complementary goods there is opposite relationship between price of one commodity and the amount demanded for the other. The effect in change in price of related goods on the amount demanded is called as Cross Demand.

- Future expectation: Present demand for a commodity also depends on the future expectation of the change in price. If people expect that the price of a commodity will rise in future, they will buy more even at a high price so as to escape the further rise in price in future. Similarly any expectation of the fall in price in future will dominate demand for a commodity as people expect further fall in price. Similarly if buyers expect their incomes to rise in future, they may increase the present demand.
- Population: Rise of population also gives rise to demand for necessities of life. The composition and size of population affect the demand. With high birth rate demand for milk food, medicines and garments increase. The rise in the proportion of adult, old and woman also shape the nature of demand accordingly.
- Income distribution: Income distribution in the society affects the demand for goods. If the distribution of income is even then the demand for goods is greater. On the other hand if the distribution of income is unequal, the demand for consumer goods will be comparatively less.

4. Benefits of partnership business            1.5 @6 =9

- a) easy to raise capital
- b) expansion of business due to more capital accumulated
- c) More financial reward hence easy to expand
- d) Easy to form due to agreement among partner
- e) collective management ,skill and knowledge
- f) Decision is shared.

5. 
$$RST = \frac{COGS}{\text{Average stock}}$$

$$4 = \frac{\text{cogs}}{900,000}$$

$$\text{Cogs} = 3,600,000$$

$$\text{Markup} = \frac{20}{80}$$

$$\frac{20}{80} = \frac{\text{G.P}}{3,600,000}$$

$$\text{Gp} = 900,000$$

$$\text{Sales} = \text{cogs} + \text{Gp}$$

$$3,600,000 + 900,000$$

$$\text{sales} = 4,500,000$$

$$\text{Total expenses} = 0.5\% \times 4,500,000$$

$$\text{Total expenses} = 22,500$$

$$\text{Net profit} = \text{G. P} - \text{Expeses}$$

$$= 900,000 - 22,500$$

$$\text{Net profit} = 877,500$$

- i. Net profit = 877,500
- ii. Gross profit = 900,000
- iii. Total expenses = 22,500
- iv. Total sales = 4,500,000 (2 $\frac{1}{4}$  maks@=09)

6. A student is required to explain four essential levels of stock which should be maintained in a food store (9 marks @ tick 2.25 marks)

- Minimum stock: refers to the level of stock which should always be available to safe guard sales against unforeseen delay in delivery. Minimum stock is also known as safety stock. Minimum stock = order point – (normal consumption x lead time)
- Maximum stock level: Refers to the stock level which is reached immediately after receiving a new order.
- Average stock: refers to the average amount of stock which is available in business at a particular period usually a year. It is calculated by adding up opening and closing stock then divide by two.
- Order point: refers to the level of stock at which placing of a new order must be made. Order point is calculated by using the following formula:-

$$\text{Order point} = (\text{daily sales} \times \text{delivery time}) + \text{minimum stock}$$

7. Students are required to explain five business opportunities that may be created because of the need for marriage. (9 marks @ tick 1.8 marks)

- Bridal makeup artist.(saloon)
- Tent and chair rental provider
- Venue (halls for rent)
- Personalized favor designer.
- Photo booth Rental Company.
- Honeymoon planner.
- Shoes making
- florists, jewelers
- DJs and Music systems
- Catering services
- MCs
- Selling clothes
- Tailoring

8. The students were required to explain the possible reasons for the trade restrictions. **(9 marks @ tick 1.8 marks)**

- To protect infant industries; infant industries are firms which have just started operating and therefore have low output levels and limited markets. Such industries need to be protected from competition caused by the foreign goods until they reach the stage of maturity.
- To raise revenue for the government; government revenue is raised through charging high import duties. The government can also raise revenue by taxing the activities of local producers. The revenue can be used to finance developmental projects like construction of roads, meeting government expenditure, etc.
- To prevent dumping; dumping is the selling of surplus commodities to other countries at a price which is lower than that in the home market. Dumping undermines the domestic industries and if allowed in the country, it can discourage the growth of local industries. To prevent dumping, a total ban is used.
- To control or check imported inflation; inflation refers to the general persistence increase in price level of commodities in a given period of time. Therefore if a country is experiencing inflation, there is a need of other countries to stop importing goods from this country. This is done to reduce the volume of imported goods.
- To improve the balance of payment position; imports must be reduced if the country is to enjoy favorable balance of payment. When imports are checked, expenditures by the government are reduced and if exports are higher, the government experiences favorable balance of payment.
- To discourage importation of dangerous goods; (to protect the local people from consuming dangerous products). The government controls the importation of certain goods which are likely to have undesirable effects on people's health and moral e.g. importation of alcoholic drinks, marijuana, etc.

#### **Section c (30 marks)**

9. Roles of business communication

- Promotes efficiency
- Motivate staff
- Improve coordination
- Helps to establish good reputation **(Introduction= 1.5 marks)**
- Enable permanent record to be made **(Main body= 6points 2marks@=12)**
- Facilitate expansion of the market **(Conclusion= 1.5marks)**

10. a. A student is required to explain four innovations by Tanzanian entrepreneurs in the recent years. Innovation is the act or process of introducing new ideas, devices or methods in the field of entrepreneurship. In Tanzania there are many things which have been created or designed

**15 marks (body @ tick 2.5, introduction 1.5 and conclusion 1mark)**

- Introduction of EFDs machine in trading activities
- Introduction of digital taxi service which a person can hire a private driver to pick you up and take you to your destination with the tap of a button on any smart phone device. i.e. Bolt services
- Introduction of white boards in schools, where teachers are using mark pens instead of chalks
- Introduction and use of rapid transit (mwendo kasi), now people of Dar es salaam are enjoying this type of transport
- Introduction of online television e.g. ayo tv, sam misago tv, mubashara online tv etc which help people to access urgent information without waiting to watch news on television
- Introduction of finger print readers especially in work place to determine late comers.

11. Problems facing TRA in tax collection

- Remoteness of some areas
- Corruption
- High rate of tax evasion and avoidance **(Introduction= 1.5 marks)**
- High rate of smuggling **(Main body=6points 2marks@=12)**
- Inadequate record keeping **(Conclusion= 1.5marks)**