

**THE NATIONAL EXAMINATIONS COUNCIL OF TANZANIA**



**EXAMINERS' REPORT ON THE PERFORMANCE  
OF CANDIDATES CSEE, 2014**

**061 COMMERCE  
(For School Candidates)**

**THE NATIONAL EXAMINATIONS COUNCIL OF TANZANIA**



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## **FOREWORD**

The Certificate of Secondary Education Examination (CSEE) marks the end of the four years of secondary education. It is a summative evaluation which among other things shows the effectiveness of the education system in general and education delivery system in particular. Essentially, the candidates' responses to the examination questions is a strong indicator of what the education system was able or unable to offer to the candidates in their four years of secondary education.

This Examiners' Report on the Performance of Candidates in Commerce for the CSEE 2014 has been prepared so as to provide feedback to students, teachers, parents, policy makers and the public in general on the performance of the candidates.

The analysis presented in this report is intended to contribute towards the understanding of some of the reasons behind the performance of candidates in Commerce subject. Thus the report highlights some of the factors that made the candidates perform well in some of the questions. Such factors include managing to identify the task of the questions, ability to adhere to the questions demands and enough knowledge and skills on concepts related to the subject. On the other hand, the report highlights the factors that made candidates to score low marks in some of the questions. Such factors include lack of knowledge and skills on the concepts related to the subject, misconceptions, inability to identify the question demand and inability to express themselves in English Language. The feedback provided will enable the educational administrators, school managers, teachers and students to identify proper measures to be taken in order to improve candidates' performance in future examinations administered by the Council.

The National Examinations Council of Tanzania will highly appreciate comments and suggestions from teachers, students and the public in general that can be used for improving future Examiners' Reports.

Finally, the Council would like to thank all the Examination Officers, Examiners and all who participated in the preparation of this report. We would like also to express sincere appreciation to all staff members who participated in analysing the data used in this report.



Dr. Charles E. Msonde

**EXECUTIVE SECRETARY**



## 1.0 INTRODUCTION

This report analyses the candidates' performance in Commerce examination for the candidates who sat for Certificate of Secondary Education Examination (CSEE) in 14<sup>th</sup> November 2014. This paper was attempted by both school and private candidates.

The paper consisted of ten (10) questions categorized into three sections, namely section A, B and C. Section A consisted of 2 (two) questions each carried 10 marks. Section B consisted of four (4) short answer questions each carried 10 marks. Section C consisted of four (4) essay questions each carried 20 marks. Questions in section A and B were compulsory while in section C candidates were required to answer only two questions.

A total of 17,358 candidates sat for this examination. The results show that 5,952 candidates (34.29%) passed with the following grades: grade A 5 (0.03%), grade B<sup>+</sup> 332 (1.9%), grade B 929 (5.4%), grade C 1,666 (9.6%) and grade D 3020 (17.4%). However a total 11,404 (65.7%) candidates failed the examination by obtaining the following grades: grade E 4,683 (27%) and 6,721 (38.7%) obtained grade F. This performance shows an increase of 4.8 percent of the candidates who passed the examination in 2014 as compared to 2013 Examination where 29.49 percent of the candidates who sat for the examination passed and (70.51%) percent failed.

The performance of the candidates in each question is categorized as good, average and weak. The pass rate for each question was 30 percent and above of the marks allocated. The candidates who scored an average of 50 to 100 percent fall under good category, those who scored from 30 to 49 percent fall under an average category while those who scored from 0 to 29 percent fall under weak category. The candidates' performance is summarized in the appendix attached where by green colour represents good performance while yellow and red colours imply average and weak performance respectively.

This analysis presents the requirements of each question, the performance of candidates and the reasons for their performance. Some extracts

obtained from the candidates' examination scripts are inserted to illustrate the reported cases.

## **2.0 Analysis of Performance of Candidates in Each Question**

### **1.1 Question 1: Multiple Choice**

This question consisted of ten (10) multiple choice items which were composed from various topics of the syllabus. The topics involved were; *Marketing, Business Units, Trade document Transportation and Production*. The question had a total of ten (10) marks and each item carried 1 mark.

The question was attempted by 98.1 percent of the candidates of which 4 percent scored a 0 mark, 75.3 percent scored from 1 to 4 marks and 20.7 percent scored from 5 to 9 out of 10 allotted marks. Generally the performance in this question was good.

The items which were well performed by most of the candidates were (i), (iii), (vi), (ix) and (x). This shows that the candidates had adequate knowledge on topics in which they were sat from hence managed to identify the correct responses from the distractors given. Items which were not answered correctly by most of the candidates were (iii), (v) and (viii).

In item (iii), the candidates were required to identify a method used by the government to protect customers from the following five given alternative.

- A Fixing minimum prices*
- B Fixing maximum prices*
- C Fixing minimum profits*
- D Fixing maximum profits*
- E Fixing minimum and maximum prices*

Most of the candidates opted for (A) *Fixing minimum prices* which was not correct response instead of (B) *Fixing maximum prices*. These candidates were attracted by the words minimum prices they failed to differentiate between minimum price and low prices therefore they assumed that customers can be protected when the



prices of the goods and services are low. The low prices did not mean the same as minimum prices. Candidates who opted for (C) *Fixing minimum profits* thought that if goods are sold at minimum profits customers can buy them at low price but goods can be sold at minimum price while its price is too high. Furthermore, candidates chose (D) *Fixing maximum profits* did not know that it is not the task of the government to set the amount of profits the seller can get from selling goods or services. Also those candidates who opted for (E) *Fixing minimum and maximum prices* failed to realise that the government normally fix minimum prices and maximum prices to protect both customers and producers.

In item (v), the candidates were required to identify the best alternative from the given list of alternatives on a document which is used by a buyer to get information from the seller. The question was: *Which one of the following documents is used by a buyer together information from the seller?*

- (A) *An order*
- (B) *An invoice*
- (C) *A statement*
- (D) *A delivery note*
- (E) *An inquiry*

Majority of the candidates opted for a wrong alternative (C) *A statement* instead of (E) *An inquiry*. These candidates failed to differentiate different documents and their functions as used in trade particularly in home trade. Candidates who chose (A) *an order* failed to realize that an order is prepared by the buyer requesting the supplier to deliver a certain goods at their prices indicated therein and it is prepared when the buyer is satisfied with the information obtained from an inquiry. Candidates who opted for (B) *an invoice* failed to recall the meaning of an invoice and compared it with the demand of the question, an invoice act as a notification prepared by a seller and dispatched to the buyer requiring him/her to pay for the goods supplied to him/her. Furthermore, candidates who opted for (D) *a delivery note* confused the uses of an inquiry form that of delivery note. Delivery note is issued to the buyer by the seller to provide her/him with the

details of the goods ordered and the buyer has to sign to show that the goods have been received while an inquiry is issued by the seller to a prospecting buyer to allow him/her to get information on the goods or services he/she intends to buy.

In item (viii), the candidates were required to choose from the given alternatives the function of a debit note. The question was

*A debit note is used to correct*

- (A) *Undercharge on an invoice*
- (B) *Overcharge on an invoice*
- (C) *Undercharge on a statement*
- (D) *Overcharge on a statement*
- (E) *Undercharge on an order*

The correct answer was *A undercharge on an invoice* but most of the candidates chose *B overcharge on an invoice* which is not correct because it defines a credit note. This shows that those candidates who opted for such option were confused by the two terms debit note and credit note with the description given in alternative A and B hence failed to differentiate the definitions of the terms. Candidates who opted for (C) related the response with one of the document used in home trade called statement of account which is sent by the seller to the buyer giving a summary of all transactions that a seller had with a buyer over a specified period of time while those who opted for (D) also had an idea on the documents used in home trade but they failed to realize that, the document is already stated in the stem of the question the task was only on its uses. The candidates who opted for (E) failed to differentiate an order from an invoice. Therefore all who responded wrongly to the question lacked knowledge on the meaning of different documents used in home trade.

## **1.2 Question 2: Matching Items**

The question consisted of ten (10) matching items. These items were drawn from the topics import and export trade. The candidates were required to match the descriptions in column A with the terminologies in Column B by writing the letter of the

correct response besides the item number in the answer booklet provided.

This question was attempted by 98.1 percent of the candidates from which 22.1 percent scored 0 mark, 66.9 percent scored from 1 to 4 marks while 11 percent scored from 5 to 10 allotted marks. The general performance was average. The items which were wrongly answered by most of the candidates were (i), (vi), (vii) and (ix).

In item (i), the candidates were required to identify *a document which is used by an importer to request an exporter to supply the listed goods*. Most of the candidates responded incorrectly by matching it with B *letter of inquiry* instead of C *Indent* which was the correct response. They confused the uses of letter of inquiry from the use of indent.

In item (vi), the candidates were required to identify a document sent in advance of the goods being exported to enable the importer to prepare the payment of duty before the arrival of goods. The correct answer was “O” *proforma invoice* but the majority of the candidates matched it with the term “K” *consular invoice*. Such candidates were attracted by the word invoice hence failed to differentiate the terms. Proforma invoice is an ordinary invoice which does not bill the buyer to pay, it only helps the buyer to prepare the payment for the goods while a consular invoice is a document issued by a representative of the consulate of the importing country before goods leave the country of origin. It shows that the price quoted for the goods imported is fair to both parties. Others candidates who opted for “I” *Letter of Credit* were attracted by the word *to pay* which appeared in the meaning of both terms letter of credit and proforma invoice.

In item (vii), the candidates were required to identify the correct response for the sentence *a document from an importer’s bank requesting a bank in a foreign country to pay an exporter on behalf of the importer*. The correct response to be matched with the sentence was “I” *Letter of credit*, but most of the candidates

matched it incorrectly with “F” *Letter of hypothecation*. These candidates failed to differentiate the two terms due insufficient knowledge on documents used in international trade.

In item (ix), the candidates were required to match the statement which read *a document authorizes sale of goods in a foreign country if the payment on bill of exchange could not be obtained from the importer* with a correct response which was “F” *Letter of hypothecation*. Majority of the candidates responded by writing “I” *Letter of credit* which was not correct. These candidates failed to recall the meaning of the term “Letter of hypothecation” hence they confused it with “Letter of credit”.

### 1.3 Question 3: Stock Administration and Business units

The question had two parts (a) and (b). In part (a) candidates were required to complete the given table with correct figures from item (i) to (vi). In part (b) candidates were required to calculate:

- (i) Current ratio (ii) Quick ratio
- (iii) Debtor’s as percentage to sales and (iv) Creditor’s as percentage to purchases from the data given.

This question was attempted by 98.1 percent of the candidates out of which 41.8 percent scored a 0 mark, 47.2 percent scored from 0.5 to 4.5 marks and 11 percent scored from 5 to 10 marks. The general performance in this question was weak.

The candidates who performed poorly in both parts (a) and (b) of the question failed to recall and use correct formula in calculating the required answers due to lack of knowledge. Those who scored 0 mark failed to apply correct formulae and to perform simple mathematics of adding or subtracting numbers for example, some of the candidates presented wrong formulae in all items in part (a) as (i) “*owners equity = current liabilities – liabilities*

$$\begin{aligned} &= 30,000 - 180,000 \\ &= 150,000 \end{aligned}$$

(ii) *Working capital = current assets + owners equity*

(iii) *Fixed Assets = current assets – current liabilities*

(iv) *Current liabilities = owners equity + long term liabilities.”*

This indicated that they totally lacked knowledge and skills on the items tested. Among the candidates who scored a 0 mark, some copied the question without completing the table, others were only able to compute working capital correctly hence scored 1 out of 10 allotted marks. Likewise some candidates managed to show correct formulae but they failed to apply them in calculating the required items.

The problems which have been noted to majority of the candidates who score a 0 mark in part (b) (i) and (ii) were: failure to identify current assets and current liabilities from the information given, application of incorrect formulae, and poor knowledge in simple mathematics. Apart from that, others candidates who scored a 0 mark had skipped the question which was compulsory. Extract 3.1 is a sample of an incorrect answer from one among the candidates who applied incorrect formula in item (i) and (ii) and copied some of the figures from the data given from the question as the answers for item (iii) and (iv).

### Extract 3.1

Q3: (b)(i):	Current ratio = opening stock + purchases.	
	current ratio = 600,000 + 800,000.	
	current ratio = 1400,000	
Q3: (b)(ii):	Quick ratio = creditors + cash at bank	
	Quick ratio = 100,000 + 600,000	
	Quick ratio = 700,000.	
Q3: (b)(iii):	Debtor's as a percentage to sale = 800,000.	
Q3: (b)(iv):	creditors as a percentage to purchases = 200,000	

Extract 3.1 presents a sample of incorrect response from a candidate who scored a 0 mark.



However, the candidates who managed to score at least 2 marks performed well in item (iii) and (iv) in part (b). They had knowledge and skills on how to calculate debtors as percentage to sales as well as creditors as percentage to purchases. In this case the issue was to identify the appropriate formulae since all data were shown in the description of the question. Extract 3.2 presents a sample of one among the candidates who scored low marks because he/she applied wrong formulae both in part (a) and (b) and Extract 3.3 shows a sample of response from a candidate who completed the table with incorrect figures in part (a) and also attempt only one part in part (b) of which he/she failed to apply the correct formula resulting into incorrect answer.

### Extract

#### 3.2

3a) i/	Solution:
	Owners Equity = Total assets
	Owners equity = 300,000 + 60,000
	Owners equity = 360,000.
ii/	Working capital = Total assets - Total liabilities
	Working capital = 360,000 - 210,000
	Working capital = 150,000
iii/	Fixed assets = Working capital - long term liability
	Fixed assets = 75,000 - 90,000
	Fixed assets = (15,000)
iv/	Current liabilities = Owner equity - Current assets
	Current liabilities = 375,000 - 120,000
	Current liabilities = 255,000
v/	Current assets = Fixed assets - Current liability
	Current assets = 480,000 - 195,000
	Current assets = 285,000.

3(a) i/	Solution
	Long term liabilities = Owner equity - Current liabilities
	Long term liabilities = 300,000 - 195,000
	Long term liabilities = 105,000
3(b) i/	Current ratio
	$\frac{600,000}{200,000}$
	Current ratio = 6:2
	ii/ Quick ratio
	$\frac{600,000}{100,000}$
	Quick ratio = 6:1
	iii/ 4,000,000 soln.
	Debtors as percentage to sales = $\frac{4,000,000}{100}$
	Debtors as percentage to sales = 10000
	iv/ Creditors as a percentage to purchases
	$\frac{800,000}{100}$
	Creditors as a percentage to purchases = 8000

Extract 3.2 shows a sample of poor response from one among the candidates who failed to apply appropriate formulae to answer the question in part (a) and (b).

### Extract 3.3

3(a)	Fixed Assets	Current Assets	Long term Liabilities	Current Liabilities	Owner's Equity (Equity)	Working Capital
	300,000	60,000	180,000	30,000	240,000	150,000
	495,000	120,000	90,000	10,000	37,000	7,000
	480,000	180,000	240,000	195,000	300,000	45,000
3(b)	(i) Current ratio					
	Stock - Cash at hand					
	$60,000 - 10,000 = 50,000$					
	Current ratio					

Extract 3.3 represent a responses from one among the candidates who scored a 0 mark. He/she completed the table with incorrect figures and attempted only one item in part (b).

The candidates with an average score in this question were able to compute item (ii), (iv) and (v) in part (a) and (iii) and (iv) in part (b) correctly.

The high scores ranged from 6 to 10 marks. Those who scored 10 out of 10 allotted marks, were able to compute correct responses to be filled in the table in part (a) by providing the correct response from item (i) to (vi) as *shs 150,000, 30,000, 390,000, 45,000, 240,000* and *225,000* respectively. They also managed to calculate ratios and percentage required in part (b) correctly using appropriate formulae. Others who scored from 7 to 8 marks performed well in all items in part (a) with exception of item (i) and (vi) and scored full marks in part (b). Extracts 3.4 and 3.5 illustrate samples of candidates' good responses in part (a) and (b)

#### Extract 3.4

7							
5.							
①	FIXED ASSETS	CURRENT ASSETS	LONG TERM LIABILITIES	CURRENT LIABILITIES	OWNER'S EQUITY	WORKING CAPITAL	
	300,000	60,000	180,000	30,000	150,000	30,000	
				iv			
	390,000	120,000	90,000	45,000	375,000	75,000	
		v	vi				
	480,000	240,000	225,000	195,000	300,000	45,000	

Extract 3.4 illustrates a sample of a good response from one among the candidates who managed to complete the table with the correct figures in part (a).

### Extract 3.4

3 b) i)	Current Ratio	
	$\frac{\text{Current Assets}}{\text{Current Liability}}$	
	Current Ratio =	
	Current Assets = Stock + Debtors + Cash at Bank	
	$= 600,000 + 200,000 + 100,000$	
	$= 900,000$	
	Current Liabilities = Creditors = 600,000	
	Current Ratio = $\frac{900,000}{600,000}$	
	$= 1.5$	
	<u>∴ Current Ratio = 3:2 or 1.5</u>	
(ii)	Quick Ratio	
	$\frac{\text{Current Assets} - \text{Stock}}{\text{Current Liabilities}}$	
	$= \frac{900,000 - 600,000}{600,000}$	
	$= \frac{300,000}{600,000} = \frac{1}{2} = 0.5$	
	<u>Quick Ratio = 1:2 or 0.5</u>	
b iii)	Debtors as percentage to Sales	
	$= \frac{\text{Debtors}}{\text{Sales}} \times 100$	
	$= \frac{200,000}{1,000,000} \times 100 = 20\%$	
	<u>∴ Debtors as % to Sales = 20%</u>	
b iv)	Creditors as percentage to purchases	
	$= \frac{\text{Creditors}}{\text{Purchases}} \times 100$	
	$= \frac{600,000}{800,000} \times 100 = 75\%$	
	<u>∴ Creditors as % to purchases = 75%</u>	

Extract 3.5 indicates the candidate managed to compute current ratio, quick ratio, debtors as percentage to sale and creditors as percentage to purchases in part (b).

#### 1.4 Question 4: Scope of Commerce and Production

The question had two parts; (a) and (b). In part (a) the candidates were required to enumerate five ways in which the community benefits from learning business studies while in part (b) the

candidates were required to state five differences between direct and indirect production. The question was attempted by 98.1 percent of the candidates whereby, 21.4 percent scored a 0 mark, 67.7 percent scored from 0.5 to 4.5 marks and 10.9 percent scored from 5 to 10 marks. Generally the performance was average.

Candidates who managed to score 5 marks and above were able to enumerate at least two ways in which the community benefits from learning business studies in part (a) and managed to differentiate direct production from indirect production in part (b). However some candidates in this group failed to score full marks due to some weakness such as providing partial answers. Extract 4.1 indicates one of the correct answers in part (a) as drawn from one of the candidates' scripts.

*Five ways in which the community benefit from learning business studies:*

- (i) To understand basic terminologies used in business as well as various contracts which might take place in the business.*
- (ii) To understand and being aware of the role of business in society.*
- (iii) To acquire skills and knowledge that will help to identify and exploit business opportunities in the society.*
- (iv) To acquire skills that is important in business performance evaluation.*

In extract 4.1 the candidate was able to enumerate five ways in which the community benefits from learning business studies correctly.

Other candidates who performed poorly in part (a) misinterpreted the question and responded on the ways which can enable the candidates to perform well in business studies hence provided responses like: "By making revision, by making exercise and by studying books". Others responded on the points which look like the advantages of business to the society hence provided the point: help to increase love, help to visit other country and bring buyer



and seller friends.” Some of the candidates wrote irrelevant responses which did not relate with the question such as: “profoma invoice document, importer’s bank good certificate or origin, it prepared by a diplomat the showing pices”. Extract 4.2 shows a sample of poor response from one of the candidates who answered the question contrary to its demand.

#### Extract 4.2

A	Enumerate five ways in which Community	
	Benefits from learning Business studies	
	By making Revision	
	By making exercise	
	By studying books	

Extract 4.2 indicates a sample of a poor response from a candidate who responded on the ways to improve the performance in business studies instead the ways in which the community benefits from learning business studies.

Furthermore, other candidates had an idea of what was asked but they presented their answers in illogical way in both part (a) and (b). Extract 4.3 represents poor responses from one of the candidate who understood the question but failed to present the answer correctly in part (a)

## Extract 4.2

4.	a/ Enumerate five ways in which the community benefits from learning business studies	
	i/ It supported people in the make higher profit in the business	
	ii/ It can give co-operation in the group of applied in the business	
	iii/ They can increased in the higher wage in the business	
	iv/ It can supported people in the increased in the money	
	v/ They people it can buy and sell in the 'equel'	

Extract 4.2 illustrates poor response from a candidate who failed to presents the answer in good English language though he/she had an idea of the requirement of the question.

In part (b) the candidates were required to differentiate direct production from indirect production. This part was averagely done by most of the candidates. Some candidates managed to provide the correct response as per demands of the question. Their responses were: production in direct production is not for exchange while production in indirect production is for exchange, in direct production goods produced are of low quality compared to that of indirect production, limited use of modern inputs is observed in direct production but in indirect production there is great use of modern inputs, production is usually in small scale in direct production while in indirect production, production is usually in large quantity and specialization is not possible in direct production due to the number of labour involved but specialization and division of labour is possible in indirect production in production process. Extract 4.3 presents a sample of good response from a candidate who had sufficient skills and knowledge about direct and indirect production.

### Extract 4.3

4. (b)	> Direct production aims at benefiting subsistence, while, indirect production aims at selling/trading.	
	> Direct production is done by individual to family level, while indirect involves a good number of worker.	
	> Direct production involves the use of poor tools while indirect production involves use of machines.	
	> Direct production is small scale, while indirect production is large scale.	
	> Direct production involve use of small capital, while, indirect production involves the use of large capital.	

Extract 4.3 depicts one of the correct answers extracted from the script of one the candidate who managed to state clearly the difference between direct from indirect production.

However, some candidates who performed poorly in this part had insufficient skills and knowledge on the sub topic tested. Some of them failed to differentiate production from direct services whereby direct services is a branch of production hence, differentiated production from direct services. They also cited out some auxiliary services which falls under commerce as a branch of production. Such auxiliary services mentioned were insurance, transportation, warehousing and banking of which they counted them as indirect production which was incorrect. Furthermore other candidates pointed out some examples of direct services providers such as doctors, teachers, lawyers and police as direct production. In addition, some candidates stated some features of sole proprietorship and that of partnership. Such candidates did not understand the demands of the question. Extract 4.4 shows a sample of response from a candidate who performed poorly in all parts (a) and (b).

#### Extract 4.4

4	ay 2> Transport	
	iv> Money	
	iv> Marketing	
	iv> Insurance	
	v> International trade	
	b> direct	indirect
	- In encourage specialization	- Safe mode of transport
	- In encourage transfer	- An invoice
	He has limited liability	does not limited liability
	He makes decision	He does not make a decision
	With other co-partner	with other co-partner
	- He business has run	- He did not are business
	limited legal life	has an limited legal life

Extract 4.4 illustrates the response from a candidate who performed poorly by writing different commercial terms in part (a) and irrelevant points in part (b) from which some of them were drawn from a business units topic.

#### 1.5 Question 5: Whole Sale Trade and Production

The question had two parts (a) and (b). In part (a) candidates were required to explain services that are rendered by middlemen to producers in the chain of distribution while in part (b), they were required to mention factors that may inhibit entrepreneurial development in a country.

The question was attempted by 98.1 percent of the candidates of which 44.6 percent scored 0 mark, 51.5 percent scored from 0.5 to 4.5 marks and 3.9 percent score from 5 to 8 marks out of 10 allotted marks.

Candidates who scored a 0 mark failed to understand the question in part (a) hence related the word services from the question with different services that can be offered to the public. This made such candidates to explain the services such as “protection and security, education, equal rights, doctors who treat people and engineers who construct buildings.” Others drew a channel of distribution

chart and mentioned the parties that are involved in the distribution channel such as manufacturer/producer, wholesaler, manufacturers' shops, large scale retailer and the final consumer of which were incorrect. Majority of the candidates in this category explained the services rendered by retailers to the final consumers. Extract 5.1 is a sample of poor response from a candidate who had a negative conception on the question.

### Extract 5.1

5(a)	(1) Protection and Security; This in the chain of distribution it is shown by when there is policeman and military. So in this case there is protection and security to the producers.	
	(2) Education where as it is given out in Schools but even the producers are given out the rightfull education.	
	(3) Equal rights; This is shown to the presence of lawyer who make sure that no one is above the law thats why everybody is equal.	
	(4) Doctors who Seens their Medical treatment. The doctors are there so that they can treat who ever in the chain of distribution is ill or Sick.	
	(5) Engineers; These People construct or build up certain buildings in the chain of distribution. So these People give out engeneering Services.	

Extract 5.1 is a sample of poor response from one among the candidates who perceived the word "services" in different way as used in the question. He/she mentioned the direct services providers.

Candidates who scored from 1 to 3 out of 5 allotted marks failed to explain the services correctly and others were able only to mention the services without giving explanations. Those who scored 4 marks managed to explain four points correctly as reducing the number of risks, act as a source of information, provide transport



facilities and offer storage facilities but they failed to explain other services such as offer advice to producers, looking for the market for the products and branding the goods. Extract 5.2 present a sample of relatively good answer from one of the candidates.

### Extract 5.2

5a	Services which are rendered by the middlemen / wholeseller to producers are:
	• Preparation of local market. The middlemen prepare the market to the manufacturer in the chain of distribution.
	• Market survey. The middlemen carries market survey that is mostly on behalf of the manufacturers.
	• Reducing the risks. The manufacture is reduced his risk where by the middlemen buy at large and reduce the risk of goods to become out of date.
	• Storage facilities. The wholeseller can store a huge variety of goods that make the manufacture to have no need of such a huge ware house.
	• Advice to the manufacturer / producers. The middlemen provides advice to the producers on the goods needed, quality and type after carrying market survey.

Extract 5.2 presents a sample of relatively good response from a candidate who managed to explain briefly four services out of five such as storage facilities, source of information, offer transport facility and reducing him from number of risks.

On the other hand, some candidates who scored a 0 mark in part (b) mentioned some of the characteristics of an entrepreneur such as a decision maker, independent, hard-working, and a risk taker instead of mentioning factors that may inhibit entrepreneurial development in a country. Others candidates mentioned the functions of an entrepreneur as *to start business, to employ other factors of production such as land, labour and capital, to look after production, to sell the goods, to pay other factors of production*

*and to be responsible in profits and losses* instead of mentioning factors that may inhibit entrepreneurial development in a country. Similarly, other candidates responded on the factors of production such as *land, labour, capital and entrepreneur* while some candidates misinterpreted the question and responded on some factors that facilitate general development in a country such as *by stopping corruption in a country, opening business companies to create employment, government ensure availability of different services for example transportation and communication and government to supply work.*

Candidates who scored low marks managed to mention at least two factors that inhibit entrepreneurial development in a country. Majority of the candidates in this group mentioned lack of skills and knowledge and poor government support. These points attracted these candidates because it was easy to associate them with the reality. Most of the citizens lack entrepreneurial skills due to low level of education.. Extract 5.3 illustrate a sample of a candidate who provided poor response in part (b) due to misinterpretation of the question.

### Extract 5.3

i	To start business	
ii	To employ land, labour and capital	
iii	To pay the rewards to the land, labour and capital	
iv	To work after the production	
v	To sell goods in the market	

Extract 5.3 is a sample of responses from a candidate who wrote some functions of entrepreneur instead of the factors that inhibit entrepreneurial development in a country.

## 1.6 Question 6: Insurance and Production

The question had two parts; (a) and (b). In part (a) candidates were required to outline five factors which may determine the amount of premium paid by an insured and in part (b) candidates were required to give five ways in which land is useful as a factor of production.

The percentage of candidates who attempted this question were 98.1 of which 34.7 percent scored a 0 mark, 62.1 percent scored from 0.5 to 4.5 marks, and 3.2 scored from 5 to 8 marks which was the highest marks in this question. This question was generally poorly performed since 82.3 percent of the candidates scored below 3 out of 10 allotted marks.

Part (a) of this question was skipped by most of the candidates and few who attempted it scored a 0 mark because they responded by mentioning some of the documents used in insurance such as policy, cover note and certificate of insurance instead of outlining the factors used to determine the amount of premium to be paid by an insured. These candidates either did not understand the question or lacked knowledge or both.

In addition some candidates outlined the procedures to be undertaken by a customer who wish to take insurance a contract with insurance company. This shows that such candidates didn't understand the question therefore they decided to write from their own perceptions. Likewise, some candidates mentioned the principles of insurance

There were also some candidates who managed to outline at least two out of five factors required. Some of these factors include *the value or sum of the property insured the place where the property is located, and the age of the property*. Other factors to consider were: *the statistical records, level of precaution and the type of risk to be insured*. Those factors were outlined by majority of the candidates who attempted this part. Extract 6.1 demonstrates a sample of a poor response presented by one of the candidates who performed poorly in part (a).

### Extract 6.1

6. a) - Actuary. By examining and calculate after	
the insured pool the premium in a special	
fund paid by the specialist called actuary	
- Cover note	
- Insurance certificate	
- Policy in the insurance as an agreement betw	
ween insured and insurer	

Extract 6.1 is a sample of responses from a candidate who failed to outline the factors used to determine the amount of premium to be paid instead he/she mentioned some documents used in insurance.

Despite of poor performance in part (a) some candidates managed to score at least 3 out of 5 marks allotted in this part. Some managed to mention five factors correctly but failed to provide correct explanations to some of such factors. Moreover, others outlined only three factors with correct explanations. Extract 6.2 present a sample of a candidate with relatively correct answer.

## Extract 6.2

6	(a) i/ Age of the person.	
	If a person has its well matured then the rate of accidents will be low also the premium will be low, but for young people will have high premium because of high rate of accident.	
	ii/ Level of precaution.	
	If there is well precaution facilities then the rate of premium will be low, and if not then the rate will be high.	
	iii/ Value of the property /subject matter.	
	If the subject matter has a high value then the premium to be paid will be high compared to low valued properties.	
	iv/ Geographical location.	
	If a person is living in urban areas then the change chance of accident will be high and he will pay more premium than those in rural area.	
	v/ Statistical data.	
	If a person has bad st history of accidents then he will pay more premium than the other with good historical data.	

Extract 6.2 indicates the responses one of the candidate who managed to mention all factors correctly though some explanations were incorrect to some of the points.

Part (b) was attempted by majority of the candidates but their performance was poor too because they failed either to understand the task on the question or they did not have sufficient knowledge on what the question demanded them to do. Most of the candidates thought that they were required to list other factors of production apart from land therefore they mentioned labour, capital and entrepreneur and give the reward on each factor such as wage, interest and profit respectively. Similarly some candidates who misinterpreted the question mentioned the ways in which land can be made fertile for crop production.

Nevertheless, some of the candidates outlined the feature of land as *it is a gift from God, immovable asset and its value always increases*. Extract 6.3 shows a sample of incorrect response from one of the candidates who misinterpreted the question.

### Extract 6.3

6		
6a	To outline five factors which may determine the amount of premium paid by an insured	
(i)	Taxation	
(ii)	Capital	
(iii)	Income	
(iv)	Government revenue	
(v)	Entrepreneur	
6b	Five ways in which land is useful as a factor of production	
(i)	To use good area	
(ii)	To use good crops	
(iii)	To leave the land after two years in order to get many crops	
(iv)	To use Mungu in order the crops to be very well?	
(v)	To find the good area of growing that crops	

Extract 6.3 shows a sample of poor answer from one of the candidates who outlined points on how land can be made fertile for crop production instead of mentioning the ways in which land is can be used as a factor of production.

On the other hand, some candidates who scored from 3 to 5 allotted marks in part (b) were able to provide at least not less than three ways required in the question correctly. Some of the answers provided include provision of space on which production takes place, raw materials, water for production and all major source of energy. Extract 6.4 a shows relatively good responses of candidates who managed to meet the requirement of the question.

#### Extract 6.4

6.	(b)	i, Land provides a space on which we construct industries, factories and manufacturers to produce goods	
		ii, Land provides basic raw materials to be used in constructive and manufacturing industries in their works / process.	
		iii, Land provides a space on which infrastructures like roads for transportation of goods and services from one place to another are constructed.	
		iv, Land provides source of power to be used in industries and factories such as hydro electric power energy.	
		v, Land as a factor of production provides a space on which agricultural practices take place and production of agriculture takes place.	

In extract 6.4 the candidate managed to give relatively correct response to the question, this shows that, a candidate had sufficient knowledge on the factors of production particularly land.

#### 1.7 Question 7: Marketing and Management and Organization

The question had two parts, (a) and (b). In part (a) the candidates were required to discuss by giving five relevant points to support the roles played by sales promotion in commerce while in part (b) the candidates were required to describe six possible ways which a manager can use to motivate his employees to work hard and create business for the hotel.

The question was attempted by 67.4 percent of the candidates out of which 22.1 percent scored 0 mark, 71 percent scored from 0.5 to 5 marks, 6.7 percent scored from 5.5 to 10 marks and only 0.2 percent scored from 10.5 to 12 out of 20 allotted marks. The

highest score in this question was 12 marks. This was among the least opted question.

Some candidates who attempted this question failed to either understand its requirements or lacked skills and knowledge on the subtopics examined or both. Party (a) was highly skipped by a good number of candidates.

Some candidates who scored a zero mark discussed some of the points which relate with disadvantages of sales promotion such as reduction of the quality of goods and increase the price. In addition, other candidates discussed some of the points which are related to the advantages of sales promotion to sellers of the commodities such as to get: income and capital which were incorrect.

Moreover, candidates who scored low marks were able to provide partial explain on labour and taxation which were correct responses but failed to give clear explanations on such points. This can be attributed to poor understanding of the question and incompetence on the subtopic of advertisement together with poor use of English Language. Extract 7.1 describes a response from a candidate whose explanations based on the importance of commerce.



### Extract 7.1

7a)	<p>Commerce is the study of the way a man organises the distribution and exchange of goods and services to satisfy human want. They are two type of Commerce which are Trade and Aid to trade. The Following which follows are Important of Commerce.</p> <p>Commerce help people to get money. Its true through Commerce help people to get money in distribution and exchange of goods and services in a nation or country.</p> <p>Commerce help our country to get money. Commerce as we have seen distribution of goods and exchange make our country to get money through tax which are collected in the marketing.</p> <p>Commerce bring development. These Commerce bring development in our country or nation through goods and services which are found in the market and development means is the change of back world or lower stage to better or advanced stage in a different aspect of human life.</p> <p>Commerce spread technology. These Commerce spread technology in the sale promotion of goods and services to the whole countries by using their technology or their mental ability.</p>
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Extract 7.1 indicates a poor response from one of the candidates who misinterpreted the question by responding to the importance of commerce instead of the important roles played by sales promotion in commerce.

Some candidates who fall under the category of poor performers in this part listed down the importance of commerce because they were attracted by the words “important roles in commerce” from the question hence instead of giving roles played by sales promotion they provided roles of commerce. Furthermore, other candidates wrote meaningless sentences which were also presented in poor English Language as extract 7.2 below illustrates.

## Extract 7.2

7.	Sales promotion : This in the trade it can be app	
(a)	<p>               Layed in the another place in this area they trade it                can applied in the promotion it can move into another                good in the short in the money they can move in the                people in the good in the trade in the big good in this                place : They importance in the sales promotion in the                Commerce in this applied in the business .                It can supported in the moves higher number                in the good : This in the supported in this good it can                moves in the higher number in this people it can be                make in the higher profit in this place it can make                in the another good in the trade .                It can supported in the increased big money                in the short period of time : In this process they can                buy in the good in the promotion it can be supported                in the increased in the higher big number in the trade                A money in the supported in the another problems in                this people it can make in the business in this place                It can motivates people : This it can be support                ted in the people it can make in the higher number                in this place it can make in the another good in this                they people it can set in the low money in the                buyer it can move in this place in the buyer                in this this in the supported in the increased in the                money in this group of people it can be applied                in the business in the promotion .                They can not choose in the people : This process                it can be supported in the another people it can                make in the another good in this they people it                can not money in this they can giving the good                in the promotion in this people it can be enjoyed in                the another like this in the supported in the people             </p>	

Extract 7.2 illustrates the poor response from one of the candidates who wrote irrelevant sentences.

However, there were some candidates who manage to discuss three points correctly among the following: *revenue to the government, lowers price and creation of employment*. They managed to discuss the points correctly because it is to relate the high sales caused by sales promotion with paying tax to the government from such sales. Also it was easy for the candidates to discuss the point of lower price because probably the experienced from different advertisement/ market that when goods are sold at promotion are sold at price below their normal selling price. Other correct responses which were not discussed by most of the candidates were: *high quality of the product, price stability and affordable prices*. Extract 7.3 shows a candidate who mentioned at least three points correctly even though some of the descriptions were not correct.

#### Extract 7.3

7	Sales promotion plays important role in commerce. To discuss by giving five relevant points.	
	Sales promotion is the process of buy good or sell goods in low quantities. For say you sell plates plate to 2000 and not the fifty you will be sell for 4 thousands according to your sell promotion it help many people because they buy go many good for few money.	
	Relevant points	
	To get income: When you sell goods by promotion you will get income because many people they come and to buy that commodities for few quantities.	
	Also To get capital income: When we sell the goods we get many capital income to the government because many people they buy that commodity.	
	To get labour: Also when we sell commodity you will get a labour because there are so many people come to buy.	

Also Government revenue: When we are sell commodity to promotion the government revenue will be large because of many people come to buy because was a promotion.	
Also Taxation: Also to sell goods like a promotion you should pay the taxation because taxation is very important to the country.	
By concluding: We see that this all are important roles of commerce when you sell promotion and it very important because people or the seller will get many money by selling a commodity.	

Extract 7.3 shows a sample of answer from a candidate who managed to respond on the question by mentioning 3 points out of 5 required correctly but failed to provide correct descriptions. The points mentioned were; taxation, government revenue and labour.

In part (b), some candidates misunderstood the question. Instead of describing possible ways which the manager can use to motivate his employees to work hard and create business for the hotel they explained the functions of management such as *co-coordinating, planning, directing, staffing, controlling and organizing*. Furthermore, other candidates explained the qualities of a good manager as he must be cooperative and trustworthy. Others explained on how a manager looks like in appearance. In addition to that some candidates explained on the factors which encourage managers in performing their business as “*peace, harmony, respect, cooperation, love, and rules and regulation*”. Extract 7.4 shows a sample of a poor response from one of the candidates who responded on management functions instead of the possible ways in which a hotel manager can motivate his employees.

## Extract 7.4

Q7.4		use only
	<p>Manager, this is the person who are responsible in planning the managerial function. In order the employees to be motivated to work hard and create business for the hotel. Manager must follow the following possible ways:</p>	
	<p>Planning, First of all Manager must have planning in what way he can conduct the hotel business, and where it can be a good location for that business.</p>	
	<p>Organizing, Second must look out and Organizing the employees in order to do the staffing and know every employees and his specialist.</p>	
	<p>Staffing, third Manager must grouping the employees to groups/department that can help him to check and must grouping according to their specialized.</p>	
	<p>Directing, After staffing/grouping must show all the department how to work hard and give out the rules of every department.</p>	
	<p>Controlling, After directing all employees in their department must check up how work done and check if rules and regulation are followed by each employees to ensure they work hard in the hotel.</p>	
	<p>Coordinating, lastly the Manager must create workers cooperation by create different parts in the hotel that can help all workers to know each other and create good cooperation and unit among themselves.</p>	

Extract 7.4 indicates a poor response from a candidate who explained the functions of management such as planning, controlling, staffing, directing and coordinating instead of explaining ways of motivating workers working in a hotel.

Candidates who performed relatively well managed to describe ways through which managers can motivate his/her employees. Some of these ways include opportunities for promotion and

further training, increase in wages, provision of social services, further training, increase in wages, well defined schedule detailing the working shift of the staff and overtime hours together with recognition. Extract 7.5 illustrates a sample of relatively good answer from a candidate who tried to explain the ways in which a hotel manager can motivate his employees.

### Extract 7.5

7	b) Mawazo the manager can do the following to increase motivate his employees.	
	i)	
	i) Awarding the best worker.	
	In our society people work hard and so he can motivate other worker by giving awards to the best hard working. This will make other employee to work as hard as his fellow so as they can get the award too.	
	ii) By Taking some for further course.	
	By taking some of the employee for short courses this will enable him the worker to get more experience and when they work they will use the knowledge they get to increase the rate of their hard working.	
	iii) By advising his worker on the best method that will enable them produce more and so improve their hard working. When Mawazo advise them for example that they should serve for the guest and they should be very quick by doing this he motivate his employees to hard work and by so doing create business.	
	iv) By Increasing their salaries.	
	By Mr Mawazo Mema decision to increase his employees salaries This will make his his worker employees to in a very conclusive way since they employees will know that they are paid at a good price so it will	

Extract 7.5 illustrates relatively good response presented by one of the candidate who describing the ways in which hotel manager can motivate his employees.

### 1.8 Question 8: Production and Business Units

The question had two parts; (a) and (b). In part (a) the candidates were required to describe five factors that should be considered before establishing new industries while in part (b) the candidates were required to explain five benefits enjoyed by the public.

The question was attempted by candidates 61.2 percent of the candidates of which 9.1 percent scored a 0 mark, 56 percent scored from 0.5 to 5 marks, 29.8 percent score from 5.5 to 10 marks. 4.7 percent scored from 10.5 to 15 marks and only 0.4 percent scored from 15.5 to 19.5 out of 20 allotted marks. This question was poorly done since 92.9 percent scored below 10 of out 20 allotted marks.

Majority of the candidates (92.9%) failed to score half of the marks allotted. In part (a) most of the candidates lacked skills and knowledge on the question and hence deviated from the requirements of the question by explaining the factors of production such as *land, labour, capital and entrepreneur*. Some mentioned different type of goods produced from different industries while others explained on types of industries such as extractive, constructive and manufacturing industry because they failed to identify the task and the word industries which found in the question attracted them to respond on the types of industries. In addition some candidates who scored a 0 mark in this part explained on the points which relate to some of the steps necessary to be observed before establishing new industries such as: *registration, insurance, viable environment, management and security* which did not answer the question. Some candidates also went astray by mentioning the factors to be considered when choosing means of transport. Extract 8.1 reveals one of the incorrect responses from one of the candidate and Extract 8.2 presents a poor response from a candidate who explained some steps follow before establishing new industries.

## Extract 8.1

8.0	<p>Industries. Are the movement of people from one place to another place. The following are the factors that should be considered before establishing new industries, which are the distance, speed and urgency, Accuracy, and cost of production.</p> <p>Cost of production, These are the issued by the ship-owner to an exporter acknowledging receipts of goods that are the current fair that in a foreign country if the payment on the bill of exchange cannot be obtained from the importer.</p> <p>Distance, These are the one factors that should be considered before establishing new industries which he can use to motivate his employees to work hard and create business for circumstance the distance will dishonour a cheque uneven if the drawer has enough money in his account.</p> <p>Speed and Urgency, These are the factors that should be considered before establishing new industries which are the issued by the ship-owner to an exporter acknowledging receipts of goods that are the current fair that in a foreign country if the payment on the bill of exchange can not be obtained from the importer of the industries.</p> <p>Accuracy, These are the one factors that should be considered before establishing new industries which he can use to motivate his employees to work hard and create business for circumstance the distance will dishonour a cheque uneven if the drawer has enough money in his account.</p> <p>Therefore, industries are the movement of people from one place to another place. So these are the factors that should be considered before establishing new industries of the country already mentioned.</p>
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Extract 8.1 is a sample of a poor response from a candidate who mentioned some factors to be considered before choosing means of transport such as distance, speed/urgency and accuracy on which he/she copied some of the sentences from question 2 and 9 (b).



## Extract 8.2

[8A]	Industries in the place where manufactured goods may take place before the time of selling. There are some factors that must be followed before establishing new industries and this is as follows:-	
	To know the place where the industries may go to be established this is among of the factor that may be considered the place of establishing the industries must be very far from the place where people live.	
	To make sure that there is a stable management before to establish the industries must know the management of that industry are stable so that to reduce conflict between employer and employee if the industries going to suffer for the loss.	
	To get enough security before establishing the industries must make sure that there have enough security to protect employees and the machine to be taken by theft.	
[8A]	To make sure have been register by the government before the industries being established must make sure that the industries have been registered in a government so that to perform his activities.	
	To get the insurance before to establishing the industries the management of that industries must get the insurance from the insurance company so that may compensate when they are suffer loss.	
	If this factor are well followed before to establish the industries the development may come very rapid to individual and national level.	

Extract 8.2 illustrates a sample of a poor response from a candidate who explained some steps to be followed before establishment of new industries instead of the factors.

On the other hand, most of the candidates who score from 5 to 9 out of 10 marks allotted in this part were able to describe at least that three factors are to be considered before establishing new industries such factors include *availability of raw materials, cheap labour, good infrastructure, presence of market, power supply* while others were explained more than three points correctly. These factors were explained by majority because they are key factors to be taken into account before establishing an industry. The correct points which were not described by majority of the candidates were: *room for expansion, government policy and cost of land*.

In part (b) the candidates who scored a 0 mark lacked knowledge on public companies. They responded to the question wrongly by explaining different type of companies and documents necessary for the formation of the companies. Furthermore, others explained on the advantages of non-governmental organization and governmental organization to the public. Extract 8.3 shows a sample of the response from a candidate who failed to meet the requirements of the question.

### Extract 8.3

8	① public companies are the companies which are set aside by the government.	
	The following are the benefits from public companies:	
	public companies used to provide services in low cost to the consumer and this ensure constant availability of the services to the whole society even poor people	
	public companies used to carry out services which are too risky to be carried by private sectors like military activities.	
	public companies also carry out some services which are more essential to the public and private sector cannot carry since it is in high cost like water services and railway services.	
	public companies did not aimed to make profit this made them to provide services in very low cost and therefore to ensure constant supply of services even to the poor people.	
	Also public companies ensure availability of basic services to the people who	

Extract 8.3 is a sample of a poor response from a candidate who responded on non-profit making organization instead of the benefits enjoyed by the public companies.

The candidates who performed well in part (b) managed to explain the benefits enjoyed by the public companies such as *limited liability, economies of scale, issuing several types of shares, large capital base, continuity, free transfer of shares and management by directors*. Extract 8.4 illustrates a relatively good response from a candidate who managed to explain four benefits out of the required five.

## Extract 8.4

8(a)	<p><u>Benefits of public companies</u></p> <p>public companies are those companies under registered companies that are based on the number of members. These members are of minimum of seven and have no maximum number such that</p>	
8(b)	<p>they obtain their capital through issuing of shares. This public companies enjoys the following benefits:</p> <p>Large capital hence expansion. Due to capital obtained from shares these companies can expand from region level to national level, such that it enable them to commence a meaningful business and gets high profits hence they continue on expanding.</p> <p>Continuity. This companies can continue and exist for many years such that these companies are not affected by the death of the share holder as share holders have no direct control over the affairs of the company especially those with preference shares.</p> <p>Limited liability. A lot of these public companies members enjoys limited liability due to their personal properties are not liable for the companies debts hence free from any form of losses from the company.</p> <p>Economies of scale. There is the situation where by during economies in buying resulting to reduction of price or discounts hence low production cost. There is due to capital contributed which enable these companies to buy on large quantities hence enjoys handsome discounts. This maximize the profit to company and the members.</p>	

8(b)	Efficiency due to skilled labours. This companies employ skilled labours such as financial managers, chief accountants, directors, distribution, purchasing and sales managers hence there is knowledgeable labours who works on efficiency hence the companies goals are achieved through high production hence maximizing profit due to these members obtain better and higher dividends.	
	However, This public companies face and enjoys a lot, there are also problems facing the company such as discourage the directors as well as members, such that the directors may have benefited themselves due to members does not have direct control over the affairs of the company hence can lead to inefficiency of the company hence collapses.	

Extract 8.4 demonstrate a sample of good answer from one of the candidates who managed to explain the benefits enjoyed by public companies correctly.

### 1.9 Question 9: Wholesale Trade and Banking

This question had two parts (a) and (b). In part (a) candidates were required to justify the existence of wholesaler in a commercial system such as that existing in Tanzania and in part (b) they were required to describe circumstances that a bank will dishonor a cheque even if the drawer has enough money in his account.

This question was attempted by 66.3 percent of the candidates out of which 10.2 percent scored a 0 mark, 33.1 percent scored from 0.5 to 5 marks, 39.5 percent scored from 5.5 to 10 marks, 16 percent scored from 10.5 to 15 marks and only 1.2 percent scored from 15.5 to 19.5 out of 20 allotted marks. Generally the performance in this question was good.

The candidates with high scores in this question had sufficient skills and knowledge on the subtopic. In part (a) the candidate who performed well managed to identify the task and responded on it accordingly by explaining the reasons for the existence of

wholesaler in a business. Some candidates managed to explain the reasons such as source of information, provide financial help to both manufacturers and retailers, storage facility, provide transport facilities and the existence of small scale retailers. However some of them failed to explain some of the reasons correctly and therefore failed to score full marks. Similarly, other candidates explained only two points out of five and mentioned the rest without explanations. Extract 9.1 presents good answer from one of the candidates who performed well in part (a).

### Extract 9.1

9	<p>a) A wholesaler is a trader who buy goods in large quantity direct from the producers and sell them in small quantity to the retailers. The commercial system that existing in Tanzania a wholeseller cannot be eliminated due to the following reasons.</p> <p>The wholeseller provides a ready market to the manufacturer. That the wholeseller is able to carry out the market research and provide the information to the manufacture on the needs of goods in the market.</p> <p>They have good storage facilities. The wholesalers are having a good storage facilities compared to the retailers that can store a huge amount of goods for a long time that it is hard to eliminate them.</p> <p>They financing the retailers. The wholesalers finances the retailers by offering them credits in buying of good from them. That improves the financial situation of the retailers. So it is hard to eliminate them.</p> <p>They are able to carry out market research. The financial position of the wholesellers allows him to carry out market research. This promotes information to the manufactures on the demand of good where by retailers can not do so.</p> <p>They offer varied of choices to the retailers. The wholeseller are able to store variety of goods from different manufacturers. That the retailers are supplied with variety of goods. That they can not be eliminated.</p> <p>Lack of growth of large scale retailers. The lack of growth of large scale retailers who can buy direct from the manufacturers hinder</p>
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	the wholesalers a chance to be eliminated from the chain of distribution.	
	Lack of manufacturer's retail outlets that can supply goods direct to the retailers. This also make the wholeseller impossible to be eliminated from the chain of distribution.	
	Lack of formation of retailer cooperatives that can buy direct from the manufacturer. This also provides the way that the wholeseller can not be eliminated from the chain of distribution.	
	And those are the circumstances under which a wholeseller cannot be eliminated from the chain of distribution in Tanzania.	

Extract 9.1 demonstrates a good response extracted from the script of a candidate who managed to justify why wholesalers cannot be eliminated.

The candidates who performed poorly in part (a) did not understand the requirements of the question. This made some candidates to list the parts which are normally involved in channel of distribution such as *producer, wholesaler, large scale retailer, small scale retailer and final consumer*. Moreover, others responded negatively by explaining why wholesaler can be eliminated. Some of the incorrect responses provided by those candidates were: *if the manufacturer sells directly to retailers, if retailers have large capital to operate their business and if goods of manufacture are branded and standardized*. Other candidates skipped this part and answered part (b) only.

## Extract 9.2

9 a.	<p>Wholesaler :- Is a person or an organization which buys good in bulky from producer or manufacturers and sell them in relative small quantity to retailers. Wholesaler performs different functions such as financing, Price stabilizing, Pre-packing, Storage, transportation etc. Wholesaler helps to bridge up the gap between retailers and Manufacture to complete distribution channel. Although it is argued, a wholesaler cannot be eliminated But he can be eliminated through different ways.</p> <p>The following are the ways in which can eliminate the wholesaler from distribution channels.</p> <p>Presence of large scale retailers :- These are the retailers who buy goods from producers in large quantities and sell them to in small quantities to small scale retailers. Large scale retailers perform all the functions such as wholesaler. then a wholesaler can be eliminated by introducing large scale retail without affecting the channel of distribution.</p> <p>Producers performing the function of wholesaler :- Another way in which wholesaler can be eliminated without affecting the channel of distribution is through producers performing the function of wholesaler such as financing retailers, Storage, transportation etc. Through this wholesaler may be replaced by producers and led to their elimination.</p> <p>Manufacturing selling directly to retailers :- Also a wholesaler may be eliminated if manufacturers can pack goods in small quantities and sell them directly to retailers in small quantities and there would be no need of wholesaler in the channel of distribution. Hence the wholesaler will be eliminated from channel of distribution.</p> <p>Producers or Manufacturers to sell directly to the final consumer. Wholesaler may also be eliminated if Manufacturer themselves sell their product in small quantities directly to the final consumer without passing through the wholesaler it can contribute to the elimination of wholesaler in the distribution channel.</p> <p>By Concluding :- Wholesaler can easily be eliminated from the channel of distribution through the above ways mentioned without affect the channel of distribution.</p>
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Extract 9.2 shows a sample of a response from a candidate who responded on the reasons for eliminating wholesaler instead of justifying the reasons for the existence of wholesaler.



However, majority of the candidates who performed well in part (b) managed to describe circumstances under which a bank will dishonor a cheque even if a drawer has enough money in his account. Such circumstances are if: *a drawer instructed the drawee (bank) not to honour the cheque, the cheque has an error on it, the cheque is a stale, cheque is posted-dated and the cheque is not signed by the drawer or if the signature differs from the specimen held by the bank.* Extract 9.3 is a sample of a good response from a candidate who performed well.

Extract 9.3

9.b	Dishonoured cheque refer	
	to the cheque which the	
	Bank refused to pay the	
	payments against it due to	
	various reasons or Circumstances	
	as follows:	
	Error in a cheque, If there	
	is error in a cheque a Bank may	
	refuse to pay the payment example	
	if the amount in figure differ	
	with the amount in words this	
	may lead the Bank to dishonour	
	a cheque.	

9. b.	<p>If the drawer orders the Bank to refuse to pay the money to any payee, the Bank may dishonour a cheque to any body presenting it across the counter and can not be payable to anyone except the drawer.</p> <p>If it is postdated cheque means that it shows the later date, the Bank may dishonour a cheque if it is presented before its date on a cheque, thus postdated cheque can not be paid to any one across the counter.</p> <p>If it is stale cheque means that if it is being presented after six months than date on it, the Bank can not make the payment on such circumstance so that the cheque may be dishonoured.</p> <p>If problem in signature may lead the Bank to dishonour a cheque especially where the signature of drawer has problems the Bank can not make the payment against it and it may be dishonoured cheque.</p> <p>Death of the drawer, may lead the Bank to dishonour the cheque, hence after the death of the drawer no body can be the owner of the cheque.</p>	
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9.1	than the drawer who is dead	
	thus may leads Bank to dishonour	
	a cheque.	
	Actually the cheque is the	
	means of payment which draws	
	on a bank and payable on demand	
	It is mostly used to transfer money	
	from one person to another especially	
	in current account.	

Extract 9.3 is a sample of a good response provided by the candidate who managed to describe the circumstances under which a cheque can be dishonoured even if the drawer has enough money in his account.

On other hand, candidates who performed poorly in part (b) did not understand the question and also had insufficient knowledge on banking topic. Some of them related the question with parties of cheque, hence responded by explaining on *drawer*, *drawee* and *payee* which were incorrect responses. Moreover, some candidates understood the question but they had explained only one point as different points, the point was, if the cheque has an error on it. They described it as three points: *when there is: different name, different amount and different in shillings*. The other problem noted was poor mastery of English language, for example one candidate intended to write if a cheque had been lost but wrote it as *when the cheque is kupotea*.

Other candidates with low marks described the quality of good money due to poor interpretation of the question. Probably they were attracted by the word money from the question. The responses provided were: acceptability, portability, divisibility, scarcity and durability. Extract 9.4 displays a sample of incorrect response provided by one of the candidates whose responses based on the qualities of good money but provided incorrect descriptions.

### Extract 9.4

a.		
b.	Money is anything which is accepted by society to be used as a medium of exchange and payments of debts.	
	The following which are circumstances bank will dishonour a cheque even if the drawer has enough money in his bank account.	
	Acceptability this due to presence in the society it help people improve living for development to increase world income with in the country and keep that account and help infrastructure in area which are surrounding in the community.	
	Portability this due to presence people in the society it help themselves to increase income that need to spend on living, it also it help the industrial for work in improvement in come we have themselves also that the source of increase.	
	Divisibility this due to presence in the society to help help people that themselves we have rise in income which it should provision money for them which are programmes and group.	
	Security this due to presence in the community to happen that community there it happens bank to it feel to keep for safety money and distribution that with others are get profit which is for development.	
	Durability this due to presence that society to happen that people will	

Extract 9.4 is a sample of a poor response given by one of the candidates who performed poorly by mentioning qualities of good money with incorrect descriptions.

### 1.10 Question 10: International Trade and Business Units

The question had two parts (a) and (b). In part (a) the candidates were required to explain methods used by a country to control imports and in part (b) candidates were required to critically analyse the disadvantages associated with sole proprietor ships.

The question was attempted by 55.6 percent of the candidates of which 13.8 percent scored 0 marks, 41.9 percent scored from 0.5 to 5 marks, 27.2 percent scored from 5.5 to 10 marks, 14.3 percent scored from 10.5 to 15 marks and 2.8 percent scored from 15.5 to 20 allotted marks. Generally the performance was average.

The candidates who scored high marks in part (a) were able to explain the methods used to control imports. Majority of them explained correctly at least three or more methods. The methods which were explained by most of the candidates were: *total ban, fixing import quotas, imposing heavy import duties and exchange control*.

Candidates who scored all 10 allotted marks managed to explain other methods like devaluation, government protection and provision of subsidies for home producers. Others who failed to score full marks interchanged the explanation on fixing import quotas with that of total ban. Extract 10.1 demonstrates a sample of goods answers as presented by one of the candidates with high scores.

### Extract 10.1

10 as Any countries protect his balance of payment to the outside countries, and this is by controlling imports that is the purchases from outside countries. Methods used by a country to control imports are.

Tariffs. These are the taxes that are charged on the imports. The country increases the tariffs so as to control the importation of goods from the outside countries.

Fixing import quotas. The country sometimes fixes the amount of a commodity to be imported from the outside country so as to control imports.

Devaluation. This is an act where by the country decreases the value of its currency in order to control imports, this is by discouraging the importer to buy from the outside countries.

Total ban. This is the state that the country totally banned some of the commodities to be imported from the outside country in order to control imports.

Exchange control. This is the state that the country controls the movement of its foreign currency to the outside country in order to control imports.

And these are the ways used by the country to control the amount of imports from outside countries.

Extract 10.1 represents a sample of goods response from a candidate who managed to explain the methods used to control import such as exchange control, total ban, devaluation, fixing import quota and tariffs.

Despite good performance in this part, some candidates performed poorly because they had poor knowledge on import trade. Also some of them failed to understand the question and therefore explained on the documents used in import trade like bill of lading, certificate of origin, consular invoice, and other commercial terms like an order point and invoice which were not the correct responses to the question.

Other candidates understood the question but they failed to present their responses correctly. Extract 10.2 depicts a sample of poor response from a candidate who failed to identify the task on the question and also lacked skills on the topics tested in both part (a) and (b). In part (b) (i) the candidate's explanations were about company while the question was about sole proprietorship and point number (ii) the candidate had an idea but failed to present it correctly. The point was supposed to be sole proprietor suffered business losses by him/herself.

### Extract 10.2

10:	(a) of an commodity like; cars, motor vans, motor vehicles and lorries or trucks.	
	Bill of exchange, this refer to the document that signed by a shipper to to the importer. many business activities goes with this kind of document so that their goods could go at the good process.	
	Invoice, this is the kind of document signed by the importer of a country so that to be delivery its goods.	
	An order point, this refers to the document that give order at exported country so that can be prepared its good immediately.	
10:	(b) Disadvantages of associated sole trader are:-	
	It is very expensive, the company owned by one person, it is very expensive because every thing could be on your own basis no one can help because even the decision-making makes by a one man.	
	Due to the factor of getting loss one individual included, this involve of some one to get fall is economically and the business could run into a big loss.	

In extract 10.2 the candidate explained the documents used in home and foreign trade such as bill of lading, invoice and an order point in part (a) moreover, the information provided by the candidate in part (b) was also wrong.

In part (b), majority of candidates managed to respond to the question accordingly. This was probably caused by the fact that sole proprietorships are performed by many people in their environment and candidates have enough experience on the weaknesses associated with sole proprietorships. The candidates who performed well managed to analyse the disadvantages as: *unlimited liability, legally no distinction between the owner and the business, difficult to raise capital, overworked and lack of managerial skills*. Extract 10.3 below provides a sample of a candidate's good response in part (b) of the question.

### Extract 10.3

10	<p><b>DISADVANTAGES OF SOLE PROPRIETORSHIP:</b></p> <p>A sole proprietor is a person who controls the business and runs his own business. It is the easiest form of business unit in terms of formation and dissolution. The disadvantages of sole proprietorship are:-</p> <p>Overloaded by duties A sole proprietor has a disadvantage of being overworked by all duties such as purchasing, stock and stock administration thus being monotonous.</p> <p>Supplier all the losses A sole proprietor suffers all the losses by himself thus leading to bankruptcy.</p> <p>Thus partnerships are better than sole proprietorship.</p> <p>Has unlimited liability. This means that in case of any debts that the business has and there are sufficient funds in the business, individual properties of the proprietor will be sold for the payment of debts.</p> <p>Poor decision making One person can not always be right in the decision making process thus poor decisions may lead to destruction of the business.</p> <p>Insufficient funds. The sources which enable the proprietor to get capital are few and do not provide much funds thus being a detriment of establishing a sole proprietorship business.</p> <p>Conclusively, sole proprietors also enjoy some advantage of privacy and profits thus making people to prefer under taking sole proprietorship business.</p>
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Extract 10.3 shows a sample of a good response from one of the candidates who managed to analyse the disadvantages associated with sole proprietorship.



The candidates who scored a 0 mark explained the points which were contrary to the demands of the question due to either poor knowledge, misconception of the concepts or both. Some candidates demonstrated their weaknesses by explaining some of the advantages of sole proprietorships instead of the disadvantages. Their responses were: *enjoying all business profits, easy to make decision and small amount of capital which is required to start a business*. Moreover, other candidates responded on disadvantages of partnership and their responses were: *profit is shared by all, decision made with other co-partners, and the business has unlimited liabilities*. Extract 10.4 is a sample of poor response from a candidate who mixed the advantages of partnership with advantages of sole proprietor ship.

### Extract 10.4

10.	Critically analyse five disadvantages associated with sole proprietorship. The following are the disadvantages associated sole proprietorship.
	The business have unlimited liability they are having their <del>lim</del> unlimited in business because of their low business they are doing by the same associated by their own business.
	He make decision with other co-partner they make business with only one person does not cooperate with another country. This make them not having the improvement.
	He enjoys all the profit and suffer all the losses. Does not get enough profit he always getting small loss and profit because does not doing the enough business.
	Over Charges Statement They are overcharge in their business they are lot of charges they are not paying enough transaction because they are not doing enough business to them and they are not cooperate to gether.
	Create employee for the number of people they are having the large number of people which can not get enough money to pay them because of the large number of people in the business.
	Generally they should cooperate together in order for their benefit not for their allows of their transaction of their profit and loss how much he got on his business for another possible of new industry of the business for their partnership and the other member this will be more than one people in the transaction of the business policy of the associated companies is existed.

Extract 10.4 illustrates poor response from a candidate who mixed disadvantages of partnership with advantages of sole proprietorships.

### **3.0 CONCLUSION**

The analysis of the candidates' performance in the CSEE 2014 Commerce subject indicates that the general performance of this examination was average.

The analysis indicates that the candidates performed well in the questions which were composed from the topics of *Wholesale Trade, Banking and Transportation*. Their good performance was contributed by their ability to identify the task of the questions, sufficient skills and knowledge demonstrated by the candidates on the commercial concepts.

Moreover, the topics with an average performance were: *Import and Export Trade, Production, Business Units and The Scope of Commerce*. The candidates had partial knowledge on these topics tested. However, the performance of the questions from the topics of *Stock Administration, Insurance, Marketing and Management and Organisation* was poor. The reasons for poor performance in those topics were inability to identify the tasks of the questions, poor knowledge and skills on the concepts, incompetency on simple calculations, misconception on the concepts and misinterpretation of the questions. The candidates' performance in each topic is summarised in the attached Appendix.

It is expected that the feedback provided in this report will enable the education stakeholders to take appropriate measures to improve the performance of Commerce subject in the future.

### **4.0 RECOMMENDATIONS**

In order to improve candidates' performance in future the following are recommended:

- (a) Candidates should carefully read the examination questions so as to identify their requirements.
- (b) Teachers should guide students on how to identify and respond on the questions.

- (c) Some candidates have shown poor mastery of English Language, basing on this fact; candidates and teachers are advised to initiate/develop various programmes which will help to improve students' English Language skills.
- (d) Candidates should be encouraged to read various commercial textbooks and reference books to broaden their knowledge.

## Appendix

### Analysis of candidates' performance question wise

S/N	Topics	Question Number	Percentage of candidates who scored an average of 30 % or above	Remarks
1	Marketing, Business Units, Trade, Transportation and Production.	1	61.1	Good
2	Wholesale Trade and Banking	9	53.2	Good
3	Import trade and Business Units	10	41.6	Average
4	The Scope of Commerce and Production	4	32.9	Average
5	Import and Export Trade.	2	31.7	Average
6	Stock administration and Business Units	3	23.5	Weak
7	Production and Business Units	8	23.2	Weak
8	Wholesale trade and Production	5	22.7	Weak
9	Insurance and production	6	17.7	Weak
10	Marketing and Management and Organization	7	4.5	Weak

