TANZANIA HEADS OF ISLAMIC SCHOOLS COUNCIL

FORM SIX INTER ISLAMIC MOCK EXAMINATION

COMMERCE 2

(For Both School and Private Candidates)

152/2 **MARKING SCHEME**

1. The following are reasons why international trade:

   a) Differences in climatic condition
   Some countries have a climatic condition which makes them better in the production of certain commodities. For example, sisal in Tanzania and tea in Malaysia. Through international trade, other countries can get what they cannot produce.

   b) Difference in natural resources
   Some countries possess natural resources which are not available in other countries. For example, Tanzanite in Tanzania. Therefore, those who need them must engage in international trade.

   c) Difference in skills and equipment
   Some countries have skilled workers who are capable of producing advanced equipment like cars, weapons, aeroplane, etc. these products are required by other countries and can be obtained through international trade.

   d) Surplus production
   Some countries produce goods in surplus. Countries export surplus products to other countries and import other products which are needed within the country.

   e) Law of comparative advantage
   Countries specialize in the production of goods and services which they are more suited to produce and buy from other countries those goods and services they cannot produce.

   Introduction 03 marks

   Main body 15marks

   Conclusion 02 marks

2. The Tanzania Ports Authority (TPA) is a government agency responsible for managing and operating the port sector in Tanzania. Its main roles include:

   a) **Port Management and Operations**
   TPA oversees the administration, maintenance, and development of all sea and lake ports in Tanzania. This includes managing infrastructure, port facilities, and cargo handling operations.

   b) **Regulation and Oversight**
   The authority regulates port activities to ensure compliance with national and international standards, promoting safety and efficiency.

c) **Facilitation of Trade**
TPA plays a major role in facilitating both import and export activities, acting as a gateway for goods entering and leaving Tanzania and its neighboring landlocked countries.

d) **Revenue Collection**
It collects port fees, tariffs, and other charges associated with port services.

e) **Development of Port Infrastructure**
TPA is responsible for planning, constructing, and upgrading port facilities to meet growing demand and technological advancements.

f) **Promotion of Investment**
The authority encourages investment in the port sector through public-private partnerships and other initiatives.

g) **Environmental Protection**
TPA ensures that port operations comply with environmental regulations to minimize negative impacts on the marine and surrounding environment.

h) **Provision of Ancillary Services**
These include pilotage, towing, mooring, storage, and other logistics and support services necessary for efficient port operations.

Introduction 03 marks

Main body 15 marks

Conclusion 02 marks

3. **Export procedures**

a) **Enquiry and Order Placement**

The potential foreign buyer sends an enquiry to the Tanzanian exporter about goods, prices, and terms. The exporter responds with a quotation. If satisfied, the buyer places an official order (indent) specifying product details, quantity, and other requirements.

b) **Export Contract and Confirmation**

After negotiations, both the exporter and importer sign a contract outlining all terms: product specifications, price, payment, delivery method, and timelines. The exporter confirms the order and prepares for the next steps.

c) **Obtaining Export License and Permits**

The exporter applies for and obtains an export license from relevant Tanzanian authorities (such as the Tanzania Revenue Authority and sector-specific boards like the Tanzania Coffee Board, if required). This step ensures compliance with regulations and addresses any export restrictions on certain goods.

d) **Preparation of Goods and Documentation**

Goods are manufactured, sorted, packed, and labeled as per international standards. The exporter prepares all necessary documents.

e) Customs Clearance

The exporter submits export documents to the Tanzania Revenue Authority (TRA) for customs clearance. Customs officials inspect the goods and documents, ensuring everything is in order and that export duties (if any) are paid.

f) Shipment and Payment

Once cleared, the goods are handed over to the shipping company or airline for export. The exporter sends shipping documents to the importer (often through a bank if using documentary credit). The importer pays through the agreed method (e.g., letter of credit, advance payment, or open account). The exporter receives payment and the export process is complete.

Introduction 01 marks

Main body 18 marks

Conclusion 01 marks

4. Here are the main procedures for registering a public company in Tanzania:
   a) **Name Reservation:**
   Submit an application to the Business Registration and Licensing Agency (BRELA) to reserve the proposed company name.
   b) **Prepare Incorporation Documents:**
   Prepare the Memorandum and Articles of Association, ensuring they are tailored for a public company and include provisions for share capital and the minimum number of directors.
   c) **Complete Registration Forms:**
   Complete all required company registration forms, including Form 14b, Form 14a, and any additional forms provided by BRELA.
   d) **Pay Registration Fees:**
   Remit the prescribed registration and stamp duty fees to BRELA.
   e) **Submit Application to BRELA:**
   Submit the following documents to BRELA:
      - Reserved name certificate
      - Memorandum and Articles of Association
      - Completed registration forms
      - Details of directors and company secretary. A public company must have at least
      - two directors and a qualified company secretary.
      - Statement of nominal capital
      - Proof of payment of required fees
   f) **Certificate of Incorporation:**
   Following approval, BRELA will issue a Certificate of Incorporation, which confirms the legal existence of the public company.

g) **Apply for Tax Identification Number (TIN):**
Register the company and its directors for a Tax Identification Number (TIN) with the Tanzania Revenue Authority (TRA).

h) **Register for Value Added Tax (VAT) (if applicable):**
If the company is expected to exceed the Value Added Tax (VAT) registration threshold, register for VAT with the Tanzania Revenue Authority (TRA).

i) **Obtain Relevant Business Licenses:**
Obtain business licenses from the relevant authorities based on the company's industry and business location.

j) **Register for Social Security and Workers' Compensation:**
Register employees with a social security fund and ensure registration for Workers' Compensation Fund contributions.

k) **Comply with Capital & Share Requirements:**
Comply with minimum share capital requirements and either issue a prospectus or file a statement in lieu of prospectus, as required for public companies.

l) **Register with the Capital Markets and Securities Authority (CMSA) (if listing shares):**
If the company intends to offer shares to the public or list on the Dar es Salaam Stock Exchange, it must register with and comply with the requirements of the Capital Markets and Securities Authority (CMSA).
Any ten points @ 02 marks = 10 marks

5. Six key differences between organization and management:

a) **Definition**
Organization refers to the structured arrangement of individuals, resources, and tasks designed to achieve specific objectives.
Management is the process of planning, organizing, directing, and controlling resources to accomplish organizational goals.

b) **Nature**
Organization is generally static in nature, serving as an established framework or structure.
Management is dynamic in nature, involving ongoing activities and processes.

c) **Function**
Organization establishes roles, responsibilities, and relationships within an entity.
Management utilizes the organizational structure to achieve objectives through effective leadership and decision-making.

d) **Focus**
Organization focuses on determining what tasks need to be completed and by whom.
Management focuses on how tasks should be accomplished to achieve goals efficiently.

e) **Formation**
Organization is typically established once, although modifications may occur as necessary.
Management is a continuous process that occurs daily as situations evolve.

f) **Scope**

Organization is concerned with establishing the structure, including departments, hierarchy, and reporting lines.

Introduction 01 marks

Main body 18 marks

Conclusion 01 marks

6. **Conditions Governing Offer and Acceptance:**
   a) **Definite and Clear Offer:**
   An offer made by either the seller or the buyer must be clear, definite, and complete in its terms. Ambiguity regarding the subject of the offer should be avoided.
   b) **Communication of Offer:**
   The offer must be communicated to the other party, as acceptance is not possible if the offeree is unaware of the offer.
   c) **Unconditional Acceptance:**
   Acceptance must be absolute and unconditional. If the offeree attaches any changes or conditions, this constitutes a counter-offer rather than acceptance.
   d) **Communication of Acceptance:**
   Acceptance must be communicated to the offeror. Generally, silence does not constitute acceptance unless otherwise agreed.
   e) **Acceptance in Prescribed Manner:**
   If the offeror specifies a particular mode of acceptance, it must be followed. In the absence of such specification, acceptance should occur in a reasonable manner.
   f) **Time of Offer and Acceptance:**
   Offers must be accepted within the specified time frame or, if no time is indicated, within a reasonable period.
   g) **Revocation:**
   Offers may be revoked at any point prior to the communication of acceptance, but not thereafter.

   Introduction 03 marks

   Main body 15 marks

   Conclusion 02 marks

7. Ways in which marketing boards assist farmers
   a) provision of fertilization, pesticides and farming tools at reduced price
   b) provision of best quality seeds at low price
   c) provision of bags and packing materials at low cost
   d) provision of advances and loans for farmers to buy agricultural equipment to improve their production
   e) loans to cooperative society to develop roads, cattle dips etc.
   f) free protection against crops diseases by routine spraying.

   Introduction 01 marks

   Main body 18 marks

   Conclusion 01 marks