



THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF DEFENCE AND NATIONAL SERVICE
MILITARY SCHOOLS ASSOCIATION



FORM FOUR PRE NATIONAL EXAMINATION

061

COMMERCE

TIME: 3:00 Hours

07th AUGUST 2026

INSTRUCTIONS

- 1 . This paper consists of section A , B and C with total of eleven (11) questions .
- 2 . Answer ALL questions in section A and B and two (2) questions from section C .
- 3 . Section A carries sixteen (16) marks , section B carries fifty four (54) marks and section C carries thirty (30) marks .
- 4 . All writings should be in blue or black ink , except diagrams which must be drawn using pencil .
- 5 . Communication devices and any unauthorized materials are not allowed in the examination room .
- 6 . Write your examination number on every page of your answer booklet .

SECTION A (16 Marks)

- 1 . For each of the following items (i) - (x) choose the correct answers from among given alternatives and write its letters the item number in answer booklet provided .

(i) Suppose you are required to classify goods which one of the following is not among the major class :-

- A . Producer goods and consumer goods
- B . Consumers goods and capital goods
- C . Economics goods and free goods
- D . Capital goods and producer goods

- E . Merit goods and demerit goods .
- (ii) The quantity of goods available in the market always varies inversely proportional to the price which law is being implied here ?
- A . Law of demand
 - B . Law of supply
 - C . Law of demand and supply
 - D . Law of marginal utility
 - E . Law of consumption .
- (iii) Juma engaged in production of goods for and personal use , what type of activity Juma engaged in :-
- A . Private production
 - B . Direct production and personal production
 - C . Direct production and indirect production
 - D . Production
 - E . Multiple .
- (iv) Anything serving as money should pass a number of qualities which of the following is the most essential feature ?
- A . Durability
 - B . Portability
 - C . Acceptability
 - D . Divisibility
 - E . Scarcity .
- (v) Victor's current account shows larger withdrawals than the balance remained in the account . This situation can be described as :-
- A . Bank overdraft
 - B . Bank loss
 - C . Bank charges
 - D . Bank rate
 - E . Bank draft .
- (vi) Which of the following warehouses are located at Seaport , Airport and bus station ?
- A . Bonded warehouse
 - B . Manufacturer warehouse
 - C . Producer warehouse
 - D . Private warehouse
 - E . Public Houses .
- (vii) Moses wants to deliver his products to customer on door to door basis suggest the suitable mode of transport that must be :-
- A . Railway transport

- B . Sea transport
- C . Water transport
- D . Air transport
- E . Road transport .

(viii) Komba is a producer representative to the consumer , what type of middleman is :-

- A . Wholesaler
- B . Broker
- C . Retailer
- D . Agent
- E . Auctioneer .

(ix) Salum sells his goods from one place to another by using his bicycle . What types of retailer is her ?

- A . Peddlers
- B . Tiad shop
- C . Market trader
- D . Roadside saller
- E . Hawker .

(x) Which one of the following is a method used by the government to protect consumers expecially now when there is an increase in price of basic needs ?

- A . Fixing minimum price
- B . Fixing minimum profit
- C . Fixing maximum price
- D . Fixing maximum profit
- E . Fixing minimum and maximum price .

2 . Match the description of the terms in Insurance in list A with the appropriate terms in list B by writing the letter of the correct response beside the corresponding item number in the answer booklet provided .

List A	List B
(i) The close connection between what makes the loss and risk insured .	A . Cover note
(ii) The situation where an insurer takes the risks to another insurance company to cover parts of its risk .	B . Indemnity
(iii) A temporary policy issued before the actual policy has been issued .	C . Surrender value
	D . Fidelity insurance
	E . Re – Insurance

(iv) The insured should be in the same financial position as before the risk occurred .	F . Proximate cause
(v) The amount paid to the insured who no longer wishes to continue with an insurance contract .	G . Insurance
(vi) Compensation to an employer whose money or goods have been stolen by an employee .	H . Utmost good faith

SECTION B (54 Marks)

Answer all questions in this section .

- 3 . Transport act as a central function of all commercial activities operated in the country validate the statement with five (5) points .
- 4 . With specific examples explain five (5) elements of communication as used in Business .
- 5 . Sir Ben is in need of understanding the concepts guiding the Government of Tanzania Revenue Authority while desining and implementing an official taxation system as a form four student . Explain five (5) canons of a good tax system .
- 6 . “ Product differentiation is inevitable among countries ” . Basing on this statement give out five (5) reasons , why contries engage in international trade ?