

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



**FORM FOUR PRE – NATIONAL EXAMINATION AUGUST 2025
COMMERCE**

MARKING SCHEME

1.

LIST A	i	ii	Iii	iv	v	vi	Vii	viii	ix	x
LIST B	A	A	D	B	C	D	A	C	B	A

1Mark@= 10 Marks

2

LIST A	I	Ii	Iii	Iv	v	vi
LIST B	F	C	I	G	A	E

1Mark@= 6 Marks

3. i) Market research is an investigative activity which is carried out to establish the consumers' demand for a product

ii) dumping is the act of selling goods outside the country at a price lower than domestic price

iii) marginal cost an additional cost incurred as a result of increasing one more unit of output

iv) invention means establishment of something new such as new products or new ways of doing business activities. It involves the creation of something that has never existed before

v) re-insurance the process whereby one insurance company insures itself to another insurance company .This occurs when an insurance company purchase an insurance policy from another insurance company to insulate itself from the risk of a major claim event

vi) Economic resources are inputs used to produce goods and services. They are also known as factors of production and they include land , labour , capital and entrepreneurship.

1.5Mark@= 9 Marks

4) **Article of association** is a document that contains regulations that governs the internal management and administration of the company while **memorandum of association** is a document that stipulate the relationship between the company and other external parties

ii) **Tax avoidance** is an act of not paying tax by making use of the loophole existing within the tax system while **tax evasion** is an illegal act of not paying tax by not reporting all of the taxable income from employment ,investment ,business and other illegal practices that aim at reducing the amount of tax burden

iii) **Posture** it involves the way a person sits or stands while **gesture** refer to the movement of the body parts such as hands or head to express an idea or meaning

iv) **Demand** is the willingness and ability of a consumer to purchase certain quantities of goods or services in the market at a given price in a specific period of time while **supply** is the willingness and ability of a supplier or seller to offer for sell different quantities of goods or services in the market at a given price in a specific period of time

v) **Warehouse** is a large commercial building made for storing goods such as raw material , semi-finished and finished goods for future use or for sale in future while **warehousing** is a set of activities that involves receiving ,storing and preparing goods for shipment or distribution to traders or customers

vi) **Central bank** is an institution which has been established by the government to control ,guide and assist other financial institutions in the country while **commercial bank** is a financial institution which deals with mobilization of fund and provision of financial services to the general public

1.5Mark@= 9 Marks

5. i) **Opening stock**

$$\begin{aligned}\text{Average stock} &= (\text{opening stock} + \text{closing stock}) \div 2 \\ \text{Opening stock} &= (\text{average stock} \times 2) - \text{closing stock} \\ &= (70,000 \times 2) - 50,000 \\ &= 90,000\end{aligned}$$

$$\begin{aligned}\text{ii) cost of sales} &= \text{opening stock} + \text{purchases} - \text{return on purchases} - \text{closing stock} \\ &= 90,000 + 700,000 - 200,000 - 50,000 \\ &= 540,000\end{aligned}$$

$$\begin{aligned}\text{iii) Stock turn rate} &= \text{cost of sales} \div \text{average stock} \\ &= 540,000 \div 70,000 \\ &= 7.7 \text{ times}\end{aligned}$$

$$\text{Gross profit} = \text{Sales} - \text{cost of sale}$$

iv) 750,000 – 540,000

210,000

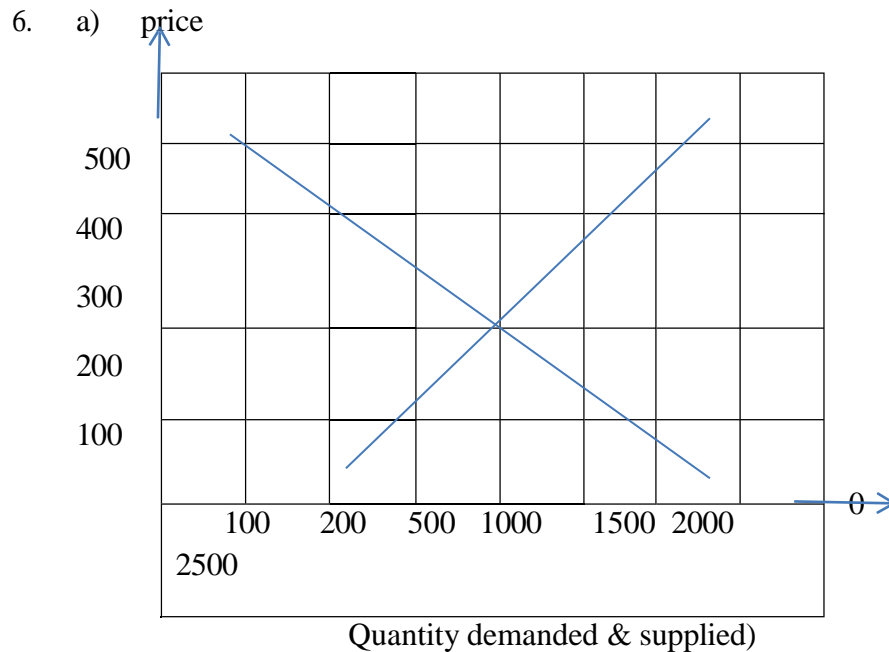
V) **Daily sales**

Order point = (daily sales × delivery time) + minimum stock

Daily sales = (Order point – minimum stock) ÷ delivery time
(530kg – 130kg) ÷ 5

80kgs

1.5Mark@= 9 Mark



Equilibrium quantity 1000kg

Equilibrium price Tsh 200

Equilibrium point (1000kg, Tsh 200)

b) $PES = \frac{(Q_{Sn} - Q_{So}) \times P_o}{(P_n - P_o) \times Q_{So}}$

$\frac{(2000 - 1500) \times 300}{(400 - 300) \times 1500}$

$15/15 = 1$

P.E.S is unitary because equal change in price leads to an equal change in quantity supplied

1.5Mark@= 9 Marks

7. a) Reasons for dissolution of a company

- i) By voluntary action of the shareholders
- ii) dissolution by creditors
- iii) by court order
- iv) failure to commence the business within a specified period
- v) Bankruptcy

b) Problems facing cooperative societies

- i) financial problems
- ii) poor management
- iii) possibility of conflicts among members
- iv) misuse of fund

1.5Mark@= 9 Marks

8. Reasons for dishonored cheque

- i) insufficient fund
- ii) if a cheque is stale
- iii) if a cheque is postdated
- iv) if the amount in words and figure differ
- v) When the drawer's account has been suspended
- vi) instructions from the account holder
- vii) Wrong sign
- viii) death of account holder
- ix) when the cheque is not signed

1.5Mark@= 9 Marks

9. Introduction

- Meaning of international trade (1mark)
 - Main body explain the Advantages of International Trade
 - Optimal use of natural resource
 - Acquiring products which can't be produced within the country
 - Provide room for disposal of our surplus
 - Transfer of technologies
 - Promotion of international relationship
 - Building ability to face nature natural calamities
 - Promote wide choice of goods and services.
 - Stability in prices and increase in production efficiency
- $2\frac{1}{4} @ 6 \text{ PTS}$
- $= 13\frac{1}{2}$
- Conclusion $\frac{1}{2}$
- ∴ Total 15 marks

10. Introduction

Define the term Taxation (2Marks)

Main body: Explain six principles of taxation

-Certainty

-Equity

-Economy

-Convenience (2Marks@)

-Elasticity

-Productivity

-Ability to pay

-Simplicity

- Conclusion (1Mark)

11. Introduction

- Describe the meaning of money and its forms/functions (1mark)
 - Main body explains the qualities of good money/attribute of money.
 - Portability
 - Durability
 - Recognisability
 - Stability
 - Scarcity
 - Homogeneity
 - Acceptability General acceptable
 - Divisibility
- $2\frac{1}{4} @ 6 \text{ PTS} = 13\frac{1}{2}$
- Conclusion $\frac{1}{2}$
- ∴ Total 15 marks