

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF EDUCATION AND VOCATIONAL TRAINING**



Field Support Programme for Diploma in Secondary education
Second Year Students

**SELF STUDY MODULE ON
COMMERCE**

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Table of Contents

	Page
Acknowledgement	i
Introduction	iii
How to use the module	v
Scope of Commerce.....	01
Production.....	03
Demand and supply	05
Home Trade	07
Warehousing and Stock Administration.....	09
Transportation and Communication	11
Marketing	13
Money and Banking	15
Foreign Trade	17
Taxation and Role of Government in trade;	19
Business Units	21
Insurance.....	23
Management	25

INTRODUCTION

This module has been prepared for student Teacher majoring in commerce subject. However it is hoped that the module might be of particular services to any one who is interested in understanding more about commercial knowledge and skills and apply it in the daily life.

The module basically outlines the topics/sub-topics, the competences which are expected to be developed by the student teacher for each topic or sub-topics and activities which would enable the student teacher to see on whether he/she has attained the competences or not.

Apart from that, at the end of each unit there are self-assessment questions intended to enable student teacher to judge him/herself on whether he/she has reached the goals or not by doing the activities assigned to each topic/subtopic.

This module is not intended, however to replace wider reading on the subject, but rather than it should guide student teacher in incorporating the theoretical and practice aspects while he/she is in the field.

A student teacher is advised to use different available learning materials like text books, newspapers, journals, listening to radio, watching television visiting trade exhibitions and accessing the internet to broaden spectrum of commercial knowledge and skills.

Nevertheless the student teacher is advised to use different learning and teaching strategies and techniques by incorporating students and make use of resource person (s) around the school / community and share their experience..

OBJECTIVES OF THE MODULE

The objectives of this module are to enable the student teacher in field to:

- Revise all academic content taught/ learnt during the first Year courses ready for the final National examination.
- Have self-assessment ability in the field after doing activities provided in the module to teach topic/sub-topics.

- Assess and evaluate learners (students) progress step by step according to the activities provided by the student teacher.
- Improve teaching/learning materials in both theory and practical work.

HOW TO USE THE MODULE:

This module is designed in such way that the student teacher needs to synthesize all aspects of academic and pedagogical experiences in commerce to attain the stated competences. The idea is to make the interaction among the student teacher, learners, teaching materials, teaching methods and the environment more meaningful.

The student teacher has to take enough time in the intensive reading of all the topics as they appear in the commerce syllabus.

The student teacher needs to do all the activities assigned in the module.

The student teacher needs to have means of recording all the activities and/or preserve some pieces of work for further references. In this way you should have any of this:-

- Portfolio
- Diary
- Journal
- Written report as might be directed.

To make the whole process meaningful and effective, the student, teacher have to be honest and sincere when making self – assessment and evaluation in connection to the activities assigned and towards the attainment of specified competences.

TOPIC ONE:

SCOPE OF COMMERCE

Brief Explanation

From primitive societies where production was for subsistence, the increase in wants, diversification of resources and division of labour and specialization led to the emergence of commercial transactions. Commerce covers all activities related to trade and aids to trade. In trade we have home and foreign trade while aids to trade include banking Insurance, transportation, communication are housing and advertising. Commerce therefore covers all activities involved in the distribution and exchange of goods and services. Development of Science and technology contributes a lot of the development in commerce.

Competences:

This topic is intended to give you ability of;

- (1) Preparing scheme of work lesson notes, lesson plan and log books.
- (2) Tracing the development of commerce in Tanzania and explaining the role played by commerce in the modern society.
- (3) Preparing and using commerce flow chart in teaching branches of commerce.
- (4) Finding out the differences between commerce and economic

Activities:

- (1) Prepare scheme of work, lesson notes, lesson plan, and logbook. Keep them in a portfolio.
- (2) In your locality identify different groups of people and list their activities. Find out the problem that would exist in the absence of exchange?
- (3) Prepare a commerce flow chart. Think of how to use it to facilitate students understanding on branches of commerce.
- (4) In your surroundings list all commercial and economic activities; and find out what are their differences?
- (5) Arrange small groups of students and lead the discussion on the following:
 - Commercial transactions, which were carried out before, during and after colonialism in their locality?
 - Significant changes observed to date in commercial activities
 - Importance of commercial transactions in the society.

Self assessment:

- (1) What have you learnt on commercial transaction made before, during and after colonialism?
- (2) Comment on the use of prepared commerce flow chart in teaching the branches of commerce.
- (3) How does commercial activities differ from economic activities?
- (4) Give brief explanation on usefulness of using group discussion to arrive at the importance of commerce in the society.
- (5) Are the requirements to prepare lesson notes, lesson plan, and scheme of work and log books met?

TOPIC TWO: PRODUCTION

Brief Explanation

Production is directed at creating utility, which is the ability of the product to satisfy human needs. Production includes industry, commerce and direct services. So any activity directed towards producing goods/services with ability to satisfy human needs is production activity.

Production process is accomplished at different levels from primary level where gifts of nature are handled, secondary level where raw-materials are transformed into more useful products to tertiary level which ensures that produced goods reach consumers in time with good quality.

For production to take place we need resources to be combined together to achieve this goal. These resources are called factors of production such as land, labour, capital and entrepreneurship/organization Production also involves variable and fixed costs incurred in the process of producing goods and provision of services.

Resource endowment, varying skills etc has resulted in division of labour and specialization at different levels.

Competences:

Your are expected to develop ability in: -

- (1) Analyzing different factors of production and their rewards?
- (2) Explaining production and its branches.
- (3) Using participatory learning /teaching approach to establish the concept of specialization and division of labours

Activities:

- (1) Survey your local area studying the different people and their activities. Classify their activities according to production flow chart.
- (2) Think of engaging in farming
 - (a) What are the important things needed? Classify them into factors of production.
 - (b) What are the costs that will be involved? Classify them into fixed and variable costs.
- (3) Visit a Tailoring shop and study the activities carried in making a shirt. Explain how specialization and division of labour can be implemented

Self assessment:

- (1) List important things needed for someone to carry on any economic activity?
Give a short list.
- (2) Give brief explanation on production and its branches?
- (3) Did the students fully participated in questions and answer strategy to arrive at what specialization and division of labour is? Give your observation.

TOPIC THREE: DEMAND AND SUPPLY

Brief explanation

The government or its agents can determine price in the controlled economy. In the market economy, the market forces (demand and supply) determine the price. In this case price is determined at the point where demand and supply are equal to each other. Something to be noted is that, a change in price may lead to a change in supply or demand, and in that situation some one can calculate the elasticity of demand and elasticity of supply.

Competences.

You are expected to develop the following competences:

- (1) Explaining to students on how price is determined.
- (2) Organizing students in groups to brainstorm and lead discussion on the factors, which determine changes in demand and supply.
- (3) Calculating elasticity of demand and elasticity of supply.
- (4) Linking subject to actual society settings.

Activities:

- (1) Select some commodities from Agricultural and industrial goods in a near by market.

With different traders explain how prices are set for those commodities.

- (2) Survey any open market found in your locality in the morning, afternoon and evening.

Note and compare the price ruling for vegetables and fruits. Consider the variation of prices in terms of supply and demand mechanism.

- (3) Arrange students in small groups and lead the groups to arrive on the factors, which determines changes in demand and supply.
- (4) Prepare questions on elasticity of demand and elasticity of supply and guide the students in calculating elasticity

Self assessment

- (1) What have you learnt on price determination?
- (2) How was the effectiveness of using group discussion to arrive at factors that determine changes in demand and supply?
- (3) Are the students now able to apply formulas in calculating the elasticity of demand and elasticity of supply? Confirm.

TOPIC FOUR: HOME TRADE

Brief Explanation

Trade is of great importance to producers and consumers. Goods produced need to reach consumers to satisfy their needs, this is achieved through channel members that is, Wholesalers and retailers. Therefore home trade is made up of retail and wholesale trade.

Retailer may be classified into small scale and large-scale retailers. The two groups are further subdivided into many kinds of retail outlet. The two groups are further subdivided, into many kinds of retail outlet.

Retailers and wholesalers perform various services and they do provide a very useful link in the channel of distribution to ensure goods flows from manufacturers to consumers.

Competences

This unit intends to improve your ability in:

- (1) Distinguishing different forms of Retailers and wholesale operations.
- (2) Describing to students the importance of home trade.
- (3) Using local resources to teach home trade topic
- (4) Constructing a test.

Activities:

1. List various forms of retail business found in your surrounding and discuss how they carry on their operations.
2. Select one food retailer and one clothing or furniture retailers. Describe their supply sources and benefits they provide to suppliers and consumers.
3. When you are preparing to teach home trade topic collect resources that are available in your environment that can help you in teaching.
4. Prepare a test for topics covered and file it together with the results in your portfolio.

Self assessment:

- (1) Have you identified any problems facing Retailers and wholesalers found in your locality? What can be done to help these traders?
- (2) Does your community need the services provided by retailers and wholesalers? What are those services?
- (3) How the resources you collected helped you in teaching home trade topic?
- (4) Are students performed well in the test provided? What new skills have you identified?

TOPIC FIVE:

WAREHOUSING AND STOCK ADMINISTRATION

Brief explanation

Once goods are produced or imported need to be kept somewhere waiting customers or improving their quality. Warehousing takes three forms namely public, private and bonded warehouses.

Stock held in warehouse may reach different levels such as minimum level, maximum level and re-order point at different time.

Goods in the warehouse need care and proper control to avoid damage or being lost. The warehouse to keep these stocks should have required equipments and possess certain qualities.

Competences:

You are expected to develop ability of:

- (1) Pointing out the functions and importance of warehousing and stock administration to the society.
- (2) Analyzing warehouses into different types basing on different criteria.
- (3) calculating different stock levels.
- (4) Applying knowledge and skills on stock Administration to real life situation and classroom setting.

Activities:

- (1) Make a personal study of some warehouses in your locality; classify them into their appropriate types.
- (2) From a school, village storekeepers obtain and write down activities carried out by him or her.
- (3) (a) Using prepared questions guide students to calculate different stock levels.
(b) Give prepared exercise questions to students

(4) Using the knowledge you have acquired on stock administration, describe how will you will facilitate this knowledge to students.

Self assessment:

- (1) Explain the need of warehouse and management of stock to society in general?
- (2) Explain how can you make students able to apply formulas in determining various stock levels? Explain

TOPIC SIX: TRANSPORT AND COMMUNICATION

Brief explanation

In order for a trade to go smoothly some services such as transport and communication are needed. Transport and communication creates utility of place, time and information provision.

While transport means the movement of people and goods from one point to another, communication mean the transmission of information from sender to receiver.

Goods produced in one place need to move to another place where they are required for consumption. Before they move, information is important about their availability in the market.

We have several modes of transport such as water, air transport etc. Communication can either be formal or informal.

Competences

You are expected to develop ability to;-

- (1) Identify and relate the interdependence between transportation and communication.
- (2) Describe different modes of transportation and communication and forms of documents used in each of the modes of transport.
- (3) Prepare a map showing major transport lines and use it in teaching.

Activities:

1. In your view, is transportation possible without communication or communication without transport? Share your view with your colleagues.
2. Make inquiries from each type of transport services to determine which to select for:-
 - (a) Small parcel needed urgently.
 - (b) Heavy and bulk loads.
 - (c) Vegetables and fruits.
 - (d) Urgent commodities from abroad.
3. Consult any transporter or any other source in your area, aiming at searching information on:
 - Forms of transport available
 - Type of communication mostly used
 - Transportation and communication problems in the area.
4. Collect various documents used in transport and draw a sketch map showing line of transport for using them in teaching the topic.

Self assessment:

- (1) Are you now able to give explanation on different modes of transportation and various forms of communication?
- (2) How many types of documents used in transport and communication, you know? Can you explain in short how are they used?
- (5) Are students able to give the interdependence between transport and communication and identify major lines of transport in Tanzania?

TOPIC SEVEN: MARKETING

Brief explanation

The set of human activities directed to facilitate exchange marketing activities. This set embrace product development, packaging, labelling, pricing, distribution, promotions and market research.

Marketing activities play a very significant role in ensuring that goods are produced do reach consumers at right place, right time, with right quality and right quantity. In the world of competition and scientific evolutions issue like market research, sales promotion, publicity and advertising are very important activities in marketing.

Organizations approach customers through a set of controllable variables to influence their buying decision. There are termed as marketing mix and comprises product, place, price and promotion. (4Ps)

Competence

You are expected to develop ability of:

- (1) Identifying different marketing institutions found in Tanzania and their functions.
- (2) Explaining the functions of marketing to students.
- (3) Organizing small groups of students and lead them in brainstorming on advertising media.
- (4) Exploring students knowledge and incorporate it in teaching/learning process.

Activities

- (1) Pay a visit to a local farmer growing cash crops. Find out how the commodities are marketed and what role the marketing board plays in the final sale of the crops.
- (2) Obtain a brochure of any marketing board. Identify activities of the marketing board detailed therein.
- (3) Have a look around your local area. Ascertain the nature and types of advertising applicable to that area.
- (4) Organize students into small discussion groups and guide them to arrive at the types of advertising and factors that leads to the choice of advertising media.

- (5) List different product and identify their customer target group.
Point out what media is suitable in adverting those products?

Self assessment:

- (1) With reference to this unit, are you now able to: -
- Differentiate between marketing and market?
 - Give explanation on functions of marketing?
 - List marketing institution found in Tanzania?
 - Point out various forms of advertisement open to a business organization.
- (2) Through discussion, were the students able to give types of advertising and explain why different media are chosen? Explain.
- (3) What improvement is needed in exploring student's knowledge for incorporating in teaching?

TOPIC EIGHT:

MONEY AND BANKING

Brief explanation

Money and Banking play significant role in the development of commerce. Among aids to trade Banking is one of the key aids. In order for the people to trade in volumes of transactions and make investment, they need financial assistance and safe keeping of their money. Money facilitates exchange by determining the value of commodities to be exchanged.

Money used in the process of exchange as medium of exchange, should have qualities agreed and acceptable by all users.

Different means are used to effect payments such as bills of exchange cheques, currency notes, coins, promissory notes, Telegraphic money order, etc.

We have different types of Banks, including central Bank, Commercial Banks, Saving Banks, Merchant Bank, specialized bank etc. In any country central Bank is the controller and last resort of other Banks.

Competences

You should develop ability to:

- (1) Trace the historical background of money and banking and types of banks with activities carried by them.
- (2) Apply knowledge and skills on functions of banks and money in teaching.
- (3) Differentiate main means of payments and documents used in payments.
- (4) Analyze clearly the importance of financial institution in the economy.
- (5) Organize and conduct study tour.

Activities:

- (1) Through information search trace the history on the establishment of banks in Tanzania. Summarize your conclusions on their nature and similarities.
2. Obtain brochures of different banks as many as you can. List down details of activities carried and accounts operated by those banks.
3. Prepare a wall chart to show different documents used in effecting payments.
4. Organize simulation game on the function of money in your class session.
5. Organize a study tour to any banking institution. File the proceedings and findings in your portfolio.

Self assessment

- (1) Ask yourself; can I attempt these questions correctly?
 - (a) How many types of Banks are found in Tanzania.
 - (b) What are the activities carried out by those banks?
- (2) Can you give the advantages and disadvantages of barter trade?
- (3) How money helps us in our daily life?
- (4) Was the simulation game handled well for the students to arrive at pointing out functions of money? What other strategies can you use?
- (5) What are the challenges faced in organizing a study tour and what do you suggest to be the solutions?

TOPIC NINE: FOREIGN TRADE

Brief explanation

International trade is about importation and exportation of goods an/or services. This rest on the resource endowment where by through export and import, countries can dispose their surplus and obtain what they don't have.

International trade involves visible and or invisible trade, which in turn brings a balance of trade and balance of payments.

Different institutions are involved in facilitating international trade varying from those established by government to those formed by importers and exports.

Firms and individual persons involved in international trade are required to follow the laid down procedures and formalities together with filling and furnishing documents in the process of importing and exporting.

Competences.

This topic intends to help you develop ability of; -

- (1) Describing to students the procedures and formalities in importation and exportation of goods.
- (2) Pointing out the role played by board of External Trade (BET) and Board of internal Trade (BIT) in foreign trade.
- (3) Staging a debate in the classroom on advantages and disadvantages of international trade.
- (4) Using participatory lecture to arrive at differentiating between balance of trade and balance of payments.

Activities:

1. Get in touch with an import and export agent and ask for details of their work and commodities handled. List documents applicable in their activities.
2. Obtain details of Board of External Trade and Board of Internal Trade. Find out how their activities differ?
4. Obtain a Journal giving details of Tanzanian economic trend. Note on the balance of trade and balance of payment. Comment on that trend?
5. Organize a debate for the students to discuss the advantages and disadvantages of International trade.
6. Prepare a guideline questions to participate students in explaining the import and export procedures and formalities.

Self assessment

- (1) What have you learnt about international trade?
- (2) Describe the procedures and formalities for importing and exporting goods.
- (3) Explain the advantages and disadvantages of international trade.

TOPIC TEN:
TAXATION AND ROLE OF GOVERNMENT IN TRADE

Brief explanation

Taxation forms a main source of government revenue. Also it can be used as an instrument to control the economy.

Countries have different taxation systems adopted in their economy. Taxation is divided into two major groups, direct and indirect taxes. You should be aware also, that taxation has its own principles.

Purchasing power, prices, investments etc can be encouraged or discouraged by using tax system. The government has a key role to play in the development of trade through policies formulation, standards setting, various government departments and ministries and authorities.

Individual customers are in a weak position to cross check the quality of each product/service. Also consumers have weak bargaining power over producers. Most of the consumers particularly in developing countries have little knowledge about standards of goods and services hence the government has to stand on their behalf and control the standards of goods

Competences to be developed: -

- (1) Ability of identifying main principles of taxation and explain types of taxes and use these skills in teaching/learning process.

- (2) Using of knowledge and skills for arranging invitation of a guest speaker to lead discussion on advantages and disadvantages of different systems of taxation.

Activities

1. Prepare a list of all taxes levied in Tanzania, and classify them into different types of taxes.
2. Organize students into small discussion group and guide the discussion on principles of taxation and advantages and disadvantages of taxation.
2. Find the functions and importance of the following as far as consumer protection is concerned:
 - (i) Tanzania Food and Drug Authority (TFDA)
 - (ii) Tanzania Bureau of Standards (TBS)
 - (iii) Ministry of trade and Industry.
3. Invite a guest speaker from TRA or local government authority for leading the discussion on different taxation issues.

Self assessment

- (1) Are you now able to explain the main principles of taxation and give types of taxes with their pros and cons?
- (2) Explain how the use of a guest speaker was useful in teaching different of taxation issues.
- (3) Do you think the country like Tanzania needs to spend much resource to support quality control agencies?

TOPIC ELEVEN: BUSINESS UNITS

Brief explanation

Business units are of diversified nature from point of view of ownership, size and control. Business can be owned privately or publicly; may be small or large etc. It includes sole proprietor, partnership, companies, parastatal bodies etc. As person business start, grow and die (collapse).

Business organizations owned privately are mainly aiming at profit for owners. For those under control of the government are non-profit oriented operating in public interest and financed by the government though they can make profit out of their operations.

Some business organizations like joint stock companies require more capital and their management is complex than others like sole proprietorship. In current business environment joint stock companies are forming significant contribution to country's development.

In this unit several areas are expected to be covered including sole proprietorship, partnership, Joint Stock Company, public corporation, stock exchange and cooperatives.

Competences

You are expected to develop ability to: -

- (1) Identify various types of business enterprises and the role they do play in the economy and community daily life in general.
- (2) Use questions and discussion to elicit from students their general Knowledge about various issues. In this case on credit societies (SACCOS).
- (3) Comment on involvement of government in business.
- (4) Develop skills in lesson proceedings by involving student's knowledge.
- (5) Develop skills to students in doing test.

Activities

- (1) In your area, list business undertakings available then, classify them accordingly and explain their role to your community and Nation
- (2) Conduct a Library search and identify the reasons for the government involvement in business in the country.
- (3) Using prepared guide questions. Conduct a general class discussion to show students knowledge on co-operative movement in Tanzania and the importance of SACCOS in our society.
- (4) Plan a lesson and try to explore what students know about it.
- (5) Think back to your test and examination performance. List factors that contributed to your high or low performance, and then apply your experience to help students in doing test and examination.

Self assessment

1. Ask yourself, am I able to; -
 - List and explain different forms of business?
 - Explain the roles played by cooperative societies and stock exchange in the Tanzania economy?
 - Mention sources of capital of different business firms?
 - Give factors that may lead to someone engaging in a certain form of business?
 - Analyze how and why different businesses come to an end.
2. From the discussion carried out through prepared questions, outline the knowledge of cooperative societies shown by students. How can you conclude on the importance of SACCOS in our society?
3. Was the involvement of student helpful in lesson proceedings

TOPIC TWELVE: INSURANCE

Brief explanation

Insurance is another important aid to trade. Its presence encourages volumes of transactions and people involving in huge and costly investment etc.

People insure against loss resulting from occurrence or non-occurrence of an event that they fear. Insurance is taken out under various policies, and it is classified under marine, fire, life, and accident insurance.

Insurance is guided by different fundamental principle, which guides the insurance contract between the insured and insurer.

What we can ask ourselves is, how do insurance companies make profit while there persist occurrence of events insured against? And what consideration is made before compensations? In studying this unit risk, loss and compensation are cornerstone of the discussion.

Competences

This topic intends to improve your ability to: -

1. Structure role – play in teaching the importance of insurance and other topics.
2. Explain to students the procedures for taking insurance.
3. Point out principles of insurance together with types of insurance and risks.
4. Construct a test.

Activities:

1. In your family circle:

- Study different activities carried by them.
- Identify main risks associated with those activities and describe how insurance can help to overcome these risks.

2. Identify an insurance agent. Talk to him/her about:
 - Principles of insurance
 - Process of taking insurance
3. Juma and Bakari are friends. Juma is very interested in Bakari's house and is planning to take comprehensive insurance against it.

With reference to the above case explain how you will use the small group discussion strategy to teach insurable interest principles.

4. Lead students in a role-play on consequences of fire, accident and life events and importance of insurance. Comment on this strategy.
5. Construct a test from the topics covered. A test should contain following test items.
 - Multiple choice items
 - True and false items
 - Matching items
 - Essay questions.

Self assessment

- (1) How does the Insurance differ from gambling?
- (2) After studying this unit are you now able to give principles of insurance together with the types of insurance?
- (3) Was the case given in activity 3 above useful to enhance understanding of insurable interest principles? What else can you use in teaching insurance insurable interest principle?
- (4) (a) What improvements are needed in test constructions?

(b) How your experience on test and examinations helped students to do the test.

TOPIC THIRTEEN: MANAGEMENT

Brief explanation

In order for the working group to perform certain activities there should be another group to plan, organize and control the process. This is due to the fact that human being by nature needs some sort of supervision.

Management in all spheres i.e. (government, trading and non – trading organizations) tries to co-ordinate all efforts of the organization towards one common goal of the organization.

Management principles help managers in performing their duties successfully. Organizational structure provided framework within which people act.

In different kinds of offices different machines of varying nature are used. Managers do try to their level best keep documents in files. The system adopted depends on various factors. All of these efforts are directed towards quality of work and efficiency.

Competences:

In this topic you should develop ability to: -

1. Identify types and principles of organization
2. Analyze the importance and functions of management.
2. Organize a discussion for the students to identify different types of office equipments and their uses in modern office.

Activities:

1. Select any office found in your locality. Talk to any staff on how he/she manage his office and what principles he/she applies in managing the office.
2. Survey you surrounding, and note all organizations found in that area. List down their activities and classify them accordingly.
3. With students in your class list and discuss various machines and other equipments found in any office of your choice. Summarize the points from the discussion.

Self assessment:

- (1) What advantages and disadvantages of using machines were brainstormed by students in the discussion carried in your class?
- (2) How many organizations were found in each type of organization from the survey carried by you.
- (6) How many types of office equipments were identified in the discussion conducted with your students? What are the uses of those equipments?