

Suggested activity

Business Environment in Tanzania

Tests and exercises

Indicative study duration: 60 min

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Teacher instructions and answer key

Objective

This section provides teachers with guidance on how to use the tests and exercises, as well as the correct answers. Teachers can use these activities to assess understanding, stimulate discussion, and provide feedback. The following exercises are designed for students.

The answer key is included for reference.

Exercise 1: Company types matching

Match the company type with its correct description.

Answer key:

- a) Private Limited Company (Ltd) – Most common type, limited liability, cannot sell shares to the public
- b) Public Limited Company (Plc) – Can offer shares to the public, must have at least 7 shareholders
- c) Sole Proprietorship – Owned and managed by one-person, unlimited liability
- d) Partnership – Owned by two or more people sharing profits and liabilities

Exercise 2: License and permit identification

Answer key:

1. Business Registration and Licensing Agency (BRELA)
2. Health Clearance/Inspection Certificate
3. Fire Safety Certificate
4. Work Permit

Exercise 3: True or false

Answer key:

1. A sole proprietorship is a separate legal entity from its owner. – False
2. The Tanzania Revenue Authority (TRA) issues business licenses. – False
3. Value Added Tax (VAT) registration is mandatory if turnover is over 100 million TZS per year. – True
4. Employers must provide written contracts only if the employee works for more than 6 days. – True
5. Fire and safety certificates are issued by the National Environment Management Council. – False

Exercise 4: Short answer

Suggested answers:

1. To legally identify the business for tax purposes and ensure tax compliance.

2. Private Limited Company (Ltd) and Public Limited Company (Plc).
3. Provide written contracts and pay statutory contributions (e.g., NSSF, PAYE).
4. To avoid fines, penalties, and legal issues; to operate legally and sustainably.
5. Business Registration and Licensing Agency (BRELA).

Exercise 5: Case study discussion

Suggested answers:

1. Compliance issues: Business not registered; no business license; no contracts for workers; no social security or tax registration; no VAT registration.
2. Risks: Fines, penalties, business closure, legal action, loss of reputation, financial losses.
3. Solutions: Register the business, obtain a license, formalize employee contracts, register employees for social security and tax, register for VAT.

Mini Quiz: Business environment in Tanzania

Answer key:

1. BRELA – Business Registration and Licensing Agency
2. Annual returns
3. 7 shareholders
4. Tanzania Revenue Authority (TRA)
5. 18%
6. 28 days
7. 4%
8. Depends on business sector (e.g., tourism license)
9. Fire & Rescue Force
10. 45 hours

Implementation

Distribute exercises and tests as handouts for individual or group work. Each task should be completed with reference to class materials and discussions.

Guidelines for conducting the tests

Time management:

- Select 1–2 exercises for a short classroom check.
- Use the full set (including the mini quiz) for a longer review session or test.

Working formats:

- Individual work: Best for short-answer or true/false questions to check each student's understanding.
- Pair or group work: Suitable for case studies (Asha or Juma) to encourage communication and problem-solving.
- Class quiz: The mini quiz works well as a team competition to keep the atmosphere active.

Use of materials:

- Provide students only with the Handouts section.
- Keep the answer key and teacher notes for yourself to guide discussion and feedback.

Assessment suggestions:

Scoring system:

- Multiple choice, matching, true/false = 1 point per correct answer.
- Short answers = 2–3 points, depending on completeness.
- Case studies and discussion tasks = 5–10 points, evaluated on whether students identified the problems, suggested realistic solutions, and justified their reasoning.

Soft skills:

- Include communication and teamwork criteria in grading (for example, based on the peer evaluation form).
- Assess how well students listened, discussed, and presented their ideas.

Feedback:

- Use group discussion to explain why an answer is correct or incorrect, rather than only giving scores.
- Emphasize the practical importance of compliance (e.g., “this permit is required to avoid sudden business closure”).

Teacher Tips

- Always start with easier tasks (true/false, matching) to build confidence.
- Connect exercises with local business examples to make the content more relatable.
- Use the mini quiz for review before a bigger test.
- Motivate students to think about how they would act as entrepreneurs in similar situations.

Tests and exercises

Exercise 1: Company types matching

Match the company type with its correct description. Fill in the blanks.

Company Type	Description
a) Private Limited Company (Ltd)	1. Most common type, limited liability, cannot sell shares to the public
b) Public Limited Company (Plc)	2. Can offer shares to the public, must have at least 7 shareholders
c) Sole Proprietorship	3. Owned and managed by one person, unlimited liability
d) Partnership	Owned by two or more people sharing profits and liabilities

Answer: a - ____, b - ____, c - ____, d - ____

Exercise 2: License and permit identification

Fill in the blanks with the correct license or permit needed in the following situations.

1. To legally register your company and business name, you must apply at _____.
2. If your business involves food or hospitality, you need a _____ certificate from the local health department.
3. To operate safely and meet fire regulations, your premises must have a _____ certificate.
4. Foreign employees require a _____ to work legally in Tanzania.

Exercise 3: True or false

Write 'True' or 'False' next to each statement.

Statement	True / False
A sole proprietorship is a separate legal entity from its owner.	
The Tanzania Revenue Authority (TRA) issues business licenses.	
Value Added Tax (VAT) registration is mandatory if your turnover is over 100 million Tanzanian shillings per year.	
Employers must provide written contracts only if the employee works for more than 6 days.	
Fire and safety certificates are issued by the National Environment Management Council.	

Exercise 4: Short answer

Answer the following questions in one or two sentences.

1. What is the purpose of obtaining a Taxpayer Identification Number (TIN)?
2. Name two types of companies that have limited liability.
3. What are two key employer obligations under Tanzanian employment law?
4. Why is compliance with business regulations important for a company?
5. What government agency is responsible for business registration in Tanzania?

Exercise 5: Case study discussion

Read the case below and answer the questions.

Case: Asha runs a small bakery business in Tanzania. She never registered her business with BRELA or obtained a business license. She hires three part-time workers but does not provide written contracts or register them for social security. Her annual turnover has recently passed 120 million TZS, but she has not registered for VAT.

Questions:

1. What are the main compliance issues in Asha's business?
2. What risks might Asha face if she continues operating without proper registration and licenses?
3. Suggest three steps Asha should take to make her business compliant.

Mini quiz: Business environment in Tanzania (10 questions)

1. What does BRELA stand for?
2. What document must companies file annually to remain compliant?
3. What is the minimum number of shareholders required for a public limited company?
4. Which agency issues the Taxpayer Identification Number (TIN)?
5. What is the current VAT rate in Tanzania?
6. How many days of annual leave is an employee entitled to?
7. What percentage of gross salary is the Skills Development Levy?
8. Name one sector-specific license that may be required.
9. Who issues fire safety certificates?
10. What is the maximum number of working hours per week excluding overtime?

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