

Here are 50 multiple-choice interview questions and answers for an Economist II position with the Tanzania Revenue Authority:

1. What is the primary role of the Tanzania Revenue Authority (TRA)?

- A) To monitor the stock market
- B) To collect taxes and enforce tax laws
- C) To regulate financial institutions
- D) To invest in government bonds

Answer: B) To collect taxes and enforce tax laws

2. Which of the following taxes is a direct tax in Tanzania?

- A) VAT
- B) Corporate income tax
- C) Excise duty
- D) Import duty

Answer: B) Corporate income tax

3. What is VAT in Tanzania?

- A) Value Added Tax on goods and services
- B) Variable Additional Tax
- C) Vehicle Acquisition Tax
- D) Voluntary Agricultural Tax

Answer: A) Value Added Tax on goods and services

4. Which department within the TRA is responsible for policy and planning?

- A) Domestic Taxes Department
- B) Customs and Excise Department
- C) Policy, Research and Legal Services
- D) Audit and Investigation Department

Answer: C) Policy, Research and Legal Services

5. The main source of government revenue in Tanzania is:

- A) Donations and loans
- B) Tax revenue
- C) Sale of natural resources
- D) Export earnings

Answer: B) Tax revenue

6. Which of the following taxes is considered an indirect tax in Tanzania?

- A) PAYE
- B) Corporate income tax
- C) VAT
- D) Capital gains tax

Answer: C) VAT

7. What does PAYE stand for in the context of the Tanzanian tax system?

- A) Pay As You Earn
- B) Public Assets Yield Enhancement
- C) Property Assessment Yearly Evaluation
- D) Public Assistance for Youth Employment

Answer: A) Pay As You Earn

8. Which of the following best defines a tax audit?

- A) A process where businesses are allowed to estimate their taxes
- B) A method to assess the efficiency of the tax collection system
- C) A thorough examination of taxpayer records and operations
- D) A review of government spending

Answer: C) A thorough examination of taxpayer records and operations

9. What is the role of an economist in the Tanzania Revenue Authority?

- A) To analyze economic trends and forecast revenue
- B) To collect taxes from individuals and businesses
- C) To design tax collection systems
- D) To manage government investments

Answer: A) To analyze economic trends and forecast revenue

10. Which of the following is an example of an excise tax in Tanzania?

- A) Tax on motor vehicles
- B) Tax on cigarettes and alcohol
- C) Tax on imported goods
- D) Tax on agricultural products

Answer: B) Tax on cigarettes and alcohol

11. What is the purpose of the Economic Partnership Agreements (EPAs) that Tanzania is part of?

- A) To boost domestic production
- B) To regulate foreign currency exchange rates
- C) To promote trade relations between Tanzania and the European Union
- D) To restrict imports from non-EAC countries

Answer: C) To promote trade relations between Tanzania and the European Union

12. How does inflation affect tax revenue in Tanzania?

- A) It leads to a decrease in tax rates
- B) It results in lower tax compliance
- C) It can increase nominal tax revenue despite stagnant real growth
- D) It has no impact on tax revenue

Answer: C) It can increase nominal tax revenue despite stagnant real growth

13. Which of the following is a key challenge facing tax administration in Tanzania?

- A) Low levels of financial literacy
- B) High levels of tax compliance
- C) Efficient tax collection infrastructure
- D) High levels of corporate taxation

Answer: A) Low levels of financial literacy

14. What does the term 'tax base' refer to?

- A) The types of taxes levied by the government
- B) The range of businesses in the country
- C) The total amount of taxable income or property
- D) The overall government budget

Answer: C) The total amount of taxable income or property

15. Which of the following is the current VAT rate in Tanzania (as of 2025)?

- A) 10%
- B) 15%
- C) 18%
- D) 20%

Answer: C) 18%

16. In Tanzania, which of the following entities is responsible for the enforcement of tax laws?

- A) The Central Bank of Tanzania
- B) The Tanzania Revenue Authority
- C) The Ministry of Finance
- D) The Parliament of Tanzania

Answer: B) The Tanzania Revenue Authority

17. What is the main objective of Tanzania's fiscal policy?

- A) To stabilize the national currency
 - B) To reduce unemployment rates
 - C) To generate adequate revenue for government expenditure
 - D) To control inflation
- Answer:** C) To generate adequate revenue for government expenditure

18. Which of the following is an example of progressive taxation?

- A) VAT
 - B) Excise duty
 - C) Income tax
 - D) Import duties
- Answer:** C) Income tax

19. What is the tax treatment of capital gains in Tanzania?

- A) Exempt from taxation
 - B) Taxed at a fixed rate
 - C) Taxed as part of the individual's income
 - D) Taxed only for foreigners
- Answer:** C) Taxed as part of the individual's income

20. Which of the following taxes does Tanzania impose on international trade?

- A) Corporate tax
 - B) Import duties
 - C) PAYE
 - D) Excise duties
- Answer:** B) Import duties

21. Which agency is primarily responsible for auditing tax payers in Tanzania?

- A) Tanzania Revenue Authority
 - B) Bank of Tanzania
 - C) National Audit Office
 - D) Ministry of Finance
- Answer:** A) Tanzania Revenue Authority

22. Which of the following is NOT a form of non-tax revenue for the government of Tanzania?

- A) License fees
 - B) Dividends from state-owned enterprises
 - C) Tax penalties
 - D) VAT revenue
- Answer:** D) VAT revenue

23. What is an example of an indirect tax?

- A) Corporate income tax
- B) VAT
- C) Property tax
- D) Income tax

Answer: B) VAT

24. What is the primary objective of the Economic Commission for Africa (ECA) with regard to Tanzania?

- A) To create tax reforms in Tanzania
- B) To facilitate trade and economic development in Africa
- C) To regulate banking systems in Tanzania
- D) To provide military aid to Tanzania

Answer: B) To facilitate trade and economic development in Africa

25. What is the relationship between inflation and interest rates in Tanzania?

- A) Inflation rises when interest rates are reduced
- B) Inflation falls when interest rates rise
- C) Inflation and interest rates are unrelated
- D) Inflation and interest rates are always in balance

Answer: B) Inflation falls when interest rates rise

26. Which of the following is a primary tool for controlling inflation?

- A) Price controls
- B) Reducing government spending
- C) Raising taxes
- D) Adjusting interest rates

Answer: D) Adjusting interest rates

27. What is the current maximum corporate tax rate in Tanzania?

- A) 10%
- B) 20%
- C) 30%
- D) 35%

Answer: C) 30%

28. What does excise duty apply to in Tanzania?

- A) Income from savings
 - B) Sales of manufactured goods
 - C) Tax on property transactions
 - D) Tax on tobacco, alcohol, and luxury goods
- Answer:** D) Tax on tobacco, alcohol, and luxury goods

29. What does the Tanzania Revenue Authority (TRA) use to improve tax compliance?

- A) Strict punishment for violators
- B) Financial education and awareness campaigns
- C) Tax exemptions for all citizens
- D) Reduced penalties for tax evasion

Answer: B) Financial education and awareness campaigns

30. Which of the following is an example of tax avoidance?

- A) Paying taxes to the government
 - B) Using legal methods to minimize taxable income
 - C) Declaring false income
 - D) Evasion of taxes through hidden income
- Answer:** B) Using legal methods to minimize taxable income

31. What is a tax incentive?

- A) A penalty for delayed tax payments
- B) A tax-free status for new businesses
- C) A tax exemption for agricultural activities
- D) A tax break or exemption offered to promote certain activities

Answer: D) A tax break or exemption offered to promote certain activities

32. Which of the following is an example of a regressive tax system?

- A) Income tax
- B) Excise duty on luxury goods
- C) VAT
- D) Corporate tax

Answer: C) VAT

33. What does the term 'fiscal deficit' mean?

- A) The amount by which government expenditure exceeds its revenue
- B) The tax revenue collected by the government
- C) The national debt
- D) The surplus in the government budget

Answer: A) The amount by which government expenditure exceeds its revenue

34. How does a devaluation of the Tanzanian Shilling impact the economy?

- A) It makes imports more expensive and exports cheaper
- B) It increases foreign investment
- C) It strengthens the purchasing power of Tanzanians
- D) It reduces inflation

Answer: A) It makes imports more expensive and exports cheaper

35. What is an example of a tax credit in Tanzania?

- A) A reduction in the VAT rate for businesses
- B) A refund on overpaid income taxes
- C) A reduction in property taxes for homeowners
- D) A refund for tax paid on imports

Answer: B) A refund on overpaid income taxes

36. Which of the following measures could the government use to reduce tax evasion?

- A) Lowering tax rates
- B) Increasing penalties for non-compliance
- C) Reducing the number of tax offices
- D) Encouraging international trade

Answer: B) Increasing penalties for non-compliance

37. What is the main purpose of the Tanzania Revenue Authority's strategic plan?

- A) To increase tax rates
- B) To improve tax administration and compliance
- C) To reduce government spending
- D) To create new taxes

Answer: B) To improve tax administration and compliance

38. What does the acronym EAC stand for?

- A) East African Council
- B) East African Currency
- C) East African Community
- D) Eastern Agricultural Committee

Answer: C) East African Community

39. What is the impact of a tax on a product with inelastic demand?

- A) Consumers bear most of the tax burden
- B) The tax is paid equally by consumers and producers
- C) Producers bear most of the tax burden
- D) There is no effect on the market

Answer: A) Consumers bear most of the tax burden

40. Which of the following is NOT a function of the Tanzania Revenue Authority?

- A) Collection of taxes
- B) Implementation of monetary policy
- C) Enforcement of tax laws
- D) Monitoring of tax compliance

Answer: B) Implementation of monetary policy

41. What does the Tanzania Revenue Authority use to ensure tax fairness?

- A) A system of tax exemptions
- B) A progressive taxation structure
- C) Flat-rate taxes for all taxpayers
- D) Increased tax rates for lower-income earners

Answer: B) A progressive taxation structure

42. Which of the following best defines 'tax evasion'?

- A) Using legal loopholes to avoid paying taxes
- B) Deliberately avoiding the payment of taxes through illegal means
- C) Using tax incentives to reduce tax liability
- D) Avoiding the payment of tax on savings

Answer: B) Deliberately avoiding the payment of taxes through illegal means

43. What is the major goal of public debt management in Tanzania?

- A) To increase government borrowing
- B) To ensure sustainable borrowing and avoid excessive debt
- C) To eliminate public debt
- D) To provide loans to businesses

Answer: B) To ensure sustainable borrowing and avoid excessive debt

44. Which of the following is the most significant factor in determining tax policy?

- A) The political party in power
- B) The country's inflation rate
- C) The nation's economic performance

D) The level of public spending

Answer: C) The nation's economic performance

45. Which type of tax is primarily based on the value of goods and services sold in Tanzania?

A) Property tax

B) Sales tax

C) Income tax

D) Excise tax

Answer: B) Sales tax

46. What is the purpose of tax credits for businesses in Tanzania?

A) To reduce the cost of imports

B) To encourage investment and business growth

C) To increase tax rates for businesses

D) To lower the income tax rate

Answer: B) To encourage investment and business growth

47. What does 'tax compliance' mean?

A) Paying taxes at the lowest rate

B) Adhering to tax regulations and paying taxes on time

C) Avoiding tax payments

D) Filing tax returns every year

Answer: B) Adhering to tax regulations and paying taxes on time

48. How does the Tanzania Revenue Authority deal with tax disputes?

A) Through negotiation and arbitration

B) Through forceful collection methods

C) By raising tax rates

D) By eliminating certain taxes

Answer: A) Through negotiation and arbitration

49. What is the purpose of economic reforms in the tax system of Tanzania?

A) To increase taxes for all businesses

B) To simplify tax laws and increase efficiency

C) To eliminate income tax

D) To encourage foreign loans

Answer: B) To simplify tax laws and increase efficiency

50. Which of the following is the main focus of Tanzania's tax policy in recent years?

- A) To reduce the overall tax burden on businesses
- B) To increase the tax burden on foreign companies
- C) To improve tax administration and compliance
- D) To eliminate all taxes on agricultural exports

Answer: C) To improve tax administration and compliance

These questions should give a comprehensive overview of the key economic and tax-related issues in Tanzania.

AJIRACHAP.COM