

**THE UNITED REPUBLIC OF TANZANIA
NATIONAL EXAMINATIONS COUNCIL
ADVANCED CERTIFICATE OF SECONDARY EDUCATION
EXAMINATION**

151/1

ECONOMICS 1

(For Both School and Private Candidates)

Time: 3 Hours

Wednesday, 07th May 2014 a.m.

Instructions

1. This paper consists of **eight (8)** questions in sections A and B.
2. Answer **five (5)** questions choosing at least **two (2)** questions from each section.
3. Each question carries **twenty (20)** marks.
4. Non programmable calculators may be used.
5. Cellular phones are **not** allowed in the examination room.
6. Write your **Examination Number** on every page of your answer booklet(s).



SECTION A

Answer at least **two (2)** questions from this section.

1.
 - (a) Describe six features of human wants.
 - (b) Analyse four factors which determine scale of production.
2.
 - (a) How Privatization process relates with the improvements in the standard of life in Tanzania? (Provide six points).
 - (b) Explain four measures which can be used to control private sectors in Tanzania.
3.
 - (a) Examine five factors which determine population change.
 - (b) Outline five main determinants which lead to high population density.
4.
 - (a) Describe four problems of compiling the price index.
 - (b) Why is the rate of interest differing among different borrowers? (Give six points).

SECTION B

Answer at least **two (2)** questions from this section.

5.
 - (a) Explain six features of Oligopoly market structure.
 - (b) Analyse four strategies to be taken to avoid market failure.
6.
 - (a) What is trade cycle?
 - (b) Explain four features of a trade cycle.
 - (c) Outline five factors which lead to the emergence of trade cycles.
7.
 - (a) With clear labelled diagram, distinguish between equilibrium price and equilibrium quantity.
 - (b) Explain eight factors which determine the level of demand for any commodity.

8.
 - (a) Given;
$$TC = 20q^2 + 4q + 2000$$
$$TR = 1000q + 8$$

Where;

TC = Total cost

TR = Total revenue

q = Quantity of output.

Calculate:

- (i) Total variable cost
 - (ii) Total fixed cost
 - (iii) Marginal cost function
 - (iv) Level of output which firm maximizes profit.
- (b) Explain six elements of monopolistic competition.