

**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

Tuesday, 08th May 2018 p.m.

Instructions

1. This paper consists of sections A and B with a total of **eight (08)** questions.
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 and any unauthorized materials 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) Give the meaning of the following terms as used in Economics:
 - (i) Economic laws
 - (ii) Technological efficiency
 - (iii) Productivity.(b) Explain seven roles of capital in the economy.

2. (a) You are given the data in the following table:

Price of Product X (shs per unit)	Quantity of Product Y bought (units)	Quantity of product G bought (units)
50	5	10
75	10	5

- (i) Calculate the cross elasticity of demand for products Y and G.
 - (ii) By giving reasons, name the commodities Y and G.(b) Explain five practical applications of the concept of elasticity of demand.
3. (a) Briefly explain, how does population pressure increases in an area in Tanzania? (give four points).
(b) “Population census in a country is socially and economically desirable”. Justify this statement by providing six points.
4. (a) With illustrations, show the type of a profit earned by a firm operating in monopolistic competition in a:
 - (i) Short run and
 - (ii) Long run.(b) Giving five points, explain the internal economies of scale which occur to an individual firm as it grows in size.

SECTION B

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

5.
 - (a) Describe four policies that can be used to achieve economic stability.
 - (b) Discuss the problems associated with instability of the growth of an economy. (Give six points).
6.
 - (a) Describe five secondary role of money in promotion of economic activities.
 - (b) Examine five key issues to consider for a successful devaluation.
7. Assess the usefulness of privatization to the economic development of the country by providing nine points.
8.
 - (a) Describe five types of employment existing in Tanzania.
 - (b) Analyse the five problems of unemployment.