

**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).

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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.