

**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, 04<sup>th</sup> May 2016 a.m.**

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**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) Outline four salient features of a mixed economy. Can Tanzania be sighted as an example of a mixed economy country? Give reason for your answer.  
(b) Give five reasons of studying Economics.
2. (a) Distinguish time rate system from piece rate system.  
(b) Provide four advantages and four disadvantages of time rate system.  
(c) Provide four advantages and four disadvantages of piece rate system.
3. (a) Explain four benefits of using money in the economy.  
(b) Describe six necessary criteria for good money.
4. Study the information given in the following Table and answer the questions that follow:

	0	1	2	3	4	5	6	7	8	9
Total Revenue (T.shs)	-	50	100	150	200	250	300	350	400	450
Total Costs (T.shs)	110	140	162	175	180	185	194	219	260	325

- (a) Which market structure is the firm producing?
- (b) What is its extra revenue?
- (c) What are its fixed costs and extra costs at all levels of output?
- (d) What is its profit?

## SECTION B

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

5. (a) Explain five forms of privatization.  
(b) Examine five success of privatization policy in Tanzania.
6. (a) Describe five factors, other than price, which affect the supply of a commodity to change.  
(b) Analyse five importance of the concept of price elasticity of demand in the economy.
7. (a) Examine five functions of a market.  
(b) Examine five factors that influence the extent of the market.

8.
  - (a) Account for the economic advantages of the increase in the population of a particular country. (Give five points).
  - (b) Discuss five problems of high birth rates to a developing economy country like Tanzania.