

**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).

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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.