

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

**151/2**

**ECONOMICS 2**

(For Both School and Private Candidates)

**Time: 3 Hours**

**Wednesday, 09<sup>th</sup> May 2018 a.m.**

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**Instructions**

1. This paper consists of sections A and B with a total of **eight (8)** questions.
2. Answer **five (5)** questions, choosing at least **two (2)** questions from each section.
3. Each question carries **twenty (20)** marks
4. Cellular phones and any unauthorized materials are **not** allowed in the examination room.
5. 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) Briefly explain the following methods in determining national income:
  - (i) Expenditure method
  - (ii) Income method
- (b) Account for eight factors which hinder proper and accurate measuring of the national income of a particular country.
2. (a) Provide five reasons which force the government to impose tax in a country.
- (b) Elaborate five functions of the government budget.
3. Examine five advantages and disadvantages of foreign aid to a recipient country.
4. (a) Summarize three strengths and weaknesses of Savings and Credit Cooperative Societies (SACCOS) operating in Tanzania.
- (b) Describe four methods used by farmers to market their products in the rural areas in Tanzania.

## SECTION B

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

5. (a) Distinguish the following economic concepts:
  - (i) Balance of trade from balance of payments.
  - (ii) Trade diversion from trade creation.
  - (iii) Theory of absolute advantage from comparative advantage.
  - (iv) Devaluation from depreciation.
  - (v) Quotas from tariffs.
- (b) Briefly explain five main items falling under the invisible balance of the balance of payments.
6. (a) Explain six principles which guide the United Nations Organization in fulfilling its objectives.
- (b) Describe the four forms of the regional economic integration.

7. (a) Briefly explain the meaning of the following economic concepts:
- (i) General planning
  - (ii) Compulsory planning
  - (iii) Short term planning
  - (iv) Medium term planning
  - (v) Perspective planning.
- (b) Differentiate planning in command economies and planning in free market economies.
8. (a) Identify six obstacles faced by the developing countries like Tanzania in their efforts to industrialize.
- (b) Provide four solutions to overcome obstacles faced by the developing countries like Tanzania in the process of industrialization.