

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

**151/1**

**ECONOMICS 1**  
(For Both School and Private Candidates)

**Time: 3 Hours**

**Year: 2024**

**Instructions**

1. This paper consists of sections A, B and C with a total of **eight (8)** questions.
2. Answer **all** questions in section A and choose **two (2)** questions from each sections B and C.
3. Section A carries **twenty (20)** marks, section B and C carry **forty (40)** marks each.
4. Non-programmable calculators may be used.
5. All writing should be in **blue** or **black** ink, **except** drawings which must be in pencil.
6. Communication devices and any unauthorized materials are **not** allowed in the examination room.
7. Write your **Examination Number** on every page of your answer booklet(s).



## SECTION A (20 Marks)

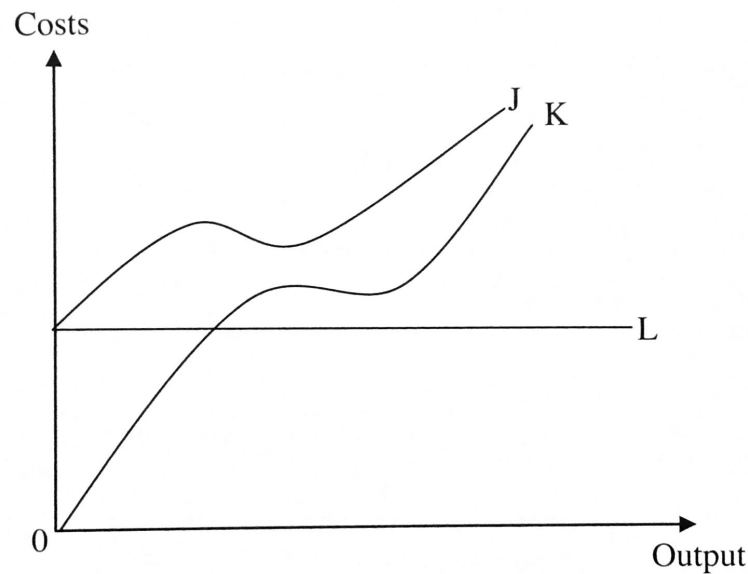
Answer **all** questions in this section.

1. In five points, briefly state the importance of opportunity cost in the economy.
2. Briefly explain five factors which determine the price elasticity of supply.

## SECTION B (40 Marks)

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

3. (a) How is the price of factors of production determined in a perfectly competitive market? Explain with the aid of a diagram.  
(b) Explain three factors that affect capital accumulation in a country.
4. (a) Study the following graphs and answer questions that follow:



- (i) Name the curves J, K and L.
  - (ii) Explain the variation of J, K and L as output increases.
  - (iii) Why is K starting from the original axis?
  - (iv) Why is the gap between J and K uniform?
  - (v) Why do curves J and L start from the same point?
- (b) Briefly describe five disadvantages of large scale business.

5. (a) Given the working population of country A as 20 million, the old as 15 million and the young as 25 million;
- (i) Calculate country A's dependence ratio.
  - (ii) Give economic interpretation of the value obtained in (i).
- (b) Identify four advantages and four disadvantages of a population structure in (a) (i).

**SECTION C (40 Marks)**

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

6. Evaluate six effects of deflation in different sections of the society.
7. How can the government use monetary policy and fiscal policy to control the economic recession? Explain by giving six points.
8. A certain firm which is located near Umoja village produces a commodity which is highly demanded. As the firm increases production, it leads to pollution health risks for Umoja villagers. In the light of this situation, suggest six public methods which deal with externalities.