

**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)

**Duration: 3 Hours**

**Year: 2025**

**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. Communication devices and any unauthorised materials are **not** allowed in the examination room.
6. Write your **Examination Number** on every page of your answer booklet(s).



### SECTION A (20 Marks)

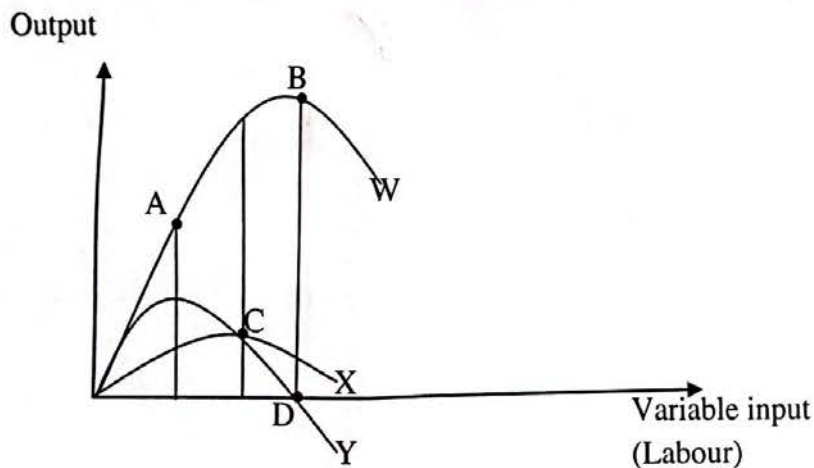
Answer **all** questions in this section.

1. Why is it important to study economics to both individuals and firms? Explain by giving five points.
2. Examine five characteristics of boom period in trade cycle.

### SECTION B (40 Marks)

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

3. (a) Study the following figure and answer questions that follow:



- (i) Name the curves W, X and Y.
  - (ii) Explain the variation of Total Product as the firm employs more variable factors.
  - (iii) What happens at point C and D?
- (b) Explain five factors which affect the productivity of land.
4. (a) Explain five forms of inter-related demand.  
(b) With the help of diagrams, illustrate the relationship between price elasticity of demand and total expenditure.
  5. (a) Examine five features of a perfect competitive market.  
(b) Suppose maize is sold under perfectly competitive market condition where all sellers in the industry face the same long-run average cost  $AC = 0.01Q - 1 + 100/Q$  and the long-run marginal cost curve is given by  $MC = 0.02Q - 1$ , where Q is the kilograms sold per day.

- (i) How many kilograms will each firm sell per day? Assuming market is in the long run equilibrium.
- (ii) What are the long-run average cost and marginal cost at the level of output in (i) above?
- (iii) What will be the price of maize in the long-run equilibrium?
- (iv) How many kilograms of maize will be demanded in the market if market demand for maize is given by  $QD = 2,500,000 - 500,000P$ , where  $Q$ =Quantity and  $P$ =Price.
- (v) How many sellers will be in the industry?

### SECTION C (40 Marks)

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

- 6. Account for the problems which may be encountered in compiling the price index. Give six points.
- 7. "Large scale firms provide good working conditions and other facilities to employees." Support this quotation by giving six advantages of large scale production.
- 8. Analyse six effects of high population density.