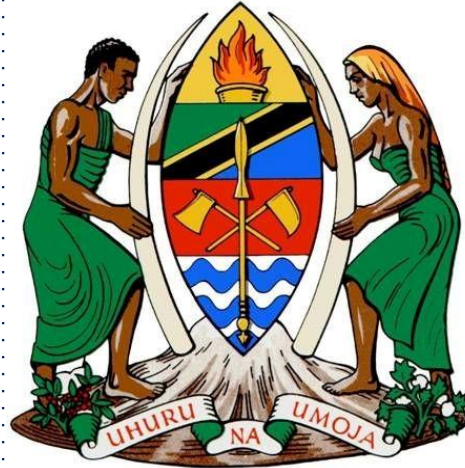


**THE UNITED REPUBLIC OF TANZANIA
PRESIDENT'S OFFICE,
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
NJOMBE REGION**



**FORM SIX PRE – NATIONAL EXAMINATION
CODE: 151/2
ECONOMICS 2
(For Both School and Private Candidates)**

TIME: 03: 00 HOURS

FRIDAY, 15TH March 2024 P.M

INSTRUCTIONS.

- 1) This paper consists of **eight (08)** questions in section **A, B** and **C**.
- 2) Answer **TWO (02)** questions from each section.
- 3) Section A carries **20% marks**, section B and C carry **40% marks** each.
- 4) Non programmable calculator may be used.
- 5) Cellular phones, smart watch and other related materials or devices are not allowed in examination room
- 6) Write your **EXAMINATION NUMBER** on every page of your answer sheet or booklet.

SECTION A 20% MARKS

1. Private crop buyers are always in struggle with cooperative societies in winning the market from farmers. Though most of farmers sell their products to these private crop buyers, the government is always requesting them to trade with cooperative societies. Provide five (05) reasons why the government discourages farmers to trade with private crop buyers.
2. Write short notes on the following economics concepts
 - I. Imperative planning
 - II. Decentralized planning
 - III. Partial plans
 - IV. Rolling plans
 - V. Planning by direction

SECTION B 40% MARKS

- 3 A) Each economy has got a central bank. What do you think the central bank does with the countries' economy? Provide five (05) points.

B) Justify upon to why East African countries are still struggling to make sure that East Africa Community continues to exist. Give five (05) arguments for it.
- 4 A) Enumerate five (05) factors influencing the level of saving in the economy.

B) Use the following table to answer questions which follow (figures are in millions)

YEAR	INCOME	INVESTMENT	GOVERNMENT EXPENDITURE	TAXES	EXPORT	IMPORT	CONSUMPTION
2000	110	40	30	20	40	20	20
2001	250	100	40	10	60	15	65

- I. Calculate a) income multiplier
b) investment multiplier
c) government expenditure multiplier
d) tax multiplier
e) export multiplier
f) accelerator from 2000 to 2001.
- II. Calculate marginal propensity to import and marginal propensity to export between 2000 and 2002.
- III. What was the aggregate demand in the year 2001
- IV. Calculate marginal propensity to tax, marginal propensity to consume and marginal propensity to save for 2000 to 2001.

- 5 A) Provide five (05) reasons as to why developing economies loose more in free trade.
- B). Given the following data relating to two countries country A and B who use one unit of labour in production of the units of the goods

COMODITY	COUNTRY	
	A	B
X	10	6
Y	8	4

Required.

- i. Analyze what does the data represent on trade between two countries taking into account Absolute Advantage and Comparative advantage theory of international trade.
- ii. If the argument is country A has to produce good X and leave good Y to be produced by country B. What is your opinion stand on strong ground to defend your answer.
- iii. If you meet two economics students are in confusion about the idea of comparative advantage and comparative disadvantage. Use the data given to remove them from the confusion.

SECTION C 40% MARKS

- 6 Tanzania is making effort to increase its productive capacity approximately in all sectors of the economy. And it is clear there are positive results upon these efforts. provide six (06) reasons about these objectives of increasing the productive capacity.
- 7 Normally when government imposes tax it expects all economic agents pay it, though there are some others who are highly affected while others are less affected after making some adjustment to pay it. Using economics point of understanding provide six arguments for this phenomenon.
- 8 Tanzania since independence has adopted different policies to improve industrial sector including Import substitution industrialization policy. What you think made this strategy more famous in spite of its defects. Provide six arguments.