TANZANIA HEADS OF ISLAMIC SCHOOLS COUNCIL
FORM SIX INTER ISLAMIC MOCK EXAMINATION
ECONOMICS 2
(For Both School and Private Candidates)

151/2
TIME: 3 Hours **Thursday, 05th March 2026 p.m.**

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 two (2) questions from each of sections B and C.
3. Section A carries **twenty (20)** marks and sections B and C carry **forty (40)** marks each.
4. Non-programmable calculators may be used.
5. Communication devices and any unauthorized 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. Countries prepare economic plans to promote economic growth and development, but their implementation fails. Describe five reasons for its failure.

2. "Marketing cooperative societies have been established to support farmers and improve agricultural productivity and income." Support this statement by using five points.

Section B (40 Marks)

Answer only **two (02)** questions from this section

3. a) You are given the hypothetical economy of a certain country as follows:

Private domestic consumption	C = 4,600
Government expenditure	G = 1,600
Gross domestic private Investments	I = 1,200
Earning from export goods or services	X= 230
Taxes on goods and services	118
Subsidies	91
Net income generated from abroad	100
Capita consumption allowance	70

Compute:

(i) The gross domestic product at market price

(ii) Gross domestic product at factor cost

(iii) The gross national product at market price

(iv) The net national product at factor cost

b) The income gap in our economy is incomparable. What five (5) measures can be taken to reduce the gap?

4. a) Currently, Tanzania has many commercial banks; they play vital roles in this modern economy. Justify this statement by giving five (05) points.

b) A powerful tool for a commercial bank to generate profit is through credit creation, but a number of factors influence this process. Point out five factors.

5. Given the hypothetical information about country X's national budget for 2025. Figure in Billion

Government Revenues and expenditure	**Amount in Billion (TZS)**
Grants and Aids	50
Civil servant salaries	750
Charges for fines	200
Selling of public properties	150
Defence and security cost	100
General public administration cost	500
Profit from state enterprises	300
Road maintenance	600

a) Classify sources of government revenues and government expenditure by using a table.
b) Identify the type of budget after your classification in (a) above. Give reason
c) How can the government finance a type of budget in (b) above? Three (03) points
d) Critically, highlight five (05) roles of the budget in (b) above

Section C (40 Marks)

Answer only **two (02)** questions from this section

6. "The major aim to trade internationally is to gain, but most developing countries like Tanzania are always experiencing deteriorating terms of trade." Substantiate this contention by providing six (6) points.

7. The informal sector plays an important role in boosting the economy of the United Republic of Tanzania. Validate this statement by giving six (6) points.

8. Despite efforts by the Tanzanian government to promote economic growth, it still faces some challenges towards it. Propose six (6) ways to be employed to achieve it

Wabillah Tawfiiq