

KARATU SECONDARY SCHOOL

ECONOMICS FORM SIX

MAY 2020 HOME PACKAGE

INSTRUCTIONS.

Do all questions and present answers when the school re-open or submit them through my e-mail babametian16@gmail.com

1. An economy of a certain country is given by $Y=C+I+G+(X-M)$.

Given

$$C=150+0.84Y$$

$$I=400$$

$$G=700$$

$$X=130$$

$$M=0.08Y$$

Calculate

i) equilibrium national income

ii) Consumption expenditure

iii) investment multiplier

iv) Marginal propensity to save (MPS)

V) When equilibrium national income changes to 500, what is the new government expenditure?

2(a). Outline five determinants of the tax incidence

(b) Suggest policy measures that developing countries could adopt in order to deal with budget deficit.

3.(a) Complete the following table and compute credit multiplier. Given cash ratio is fixed at 7% and new deposits of 2000

PERSON	NEW DEPOSITS	CASH RESERVES	NEW LOAN
R			
S			
T			

U			
V			

(b) Explain five problems facing banks in Tanzania.

4.(a) Discuss five constraints facing economic planners.

5(a) Explain six functions of Board of External Trade

(b) Discuss four elements of transport.

6.(a) Explain five determinants of economic growth.

(b) For what reasons the Tanzania government decided to influence the location of industries to different parts of the country. (give five points)

7(a) Distinguish between foreign trade and domestic trade

(b) Carefully study the table below and answer the questions that follows.

INPUTS (Labour) requirement per unit of output.

COMMODITIES	COUNTRY A	COUNTRY B
FOOD	2	1
MANUFACTURES	3	2

i) Which country has absolute advantage in the production of food, manufactures

ii) Which country has comparative advantage in production of manufactures, food

8.(a) How can Tanzania acquire foreign reserves?

(b) Briefly explain five stages of economic intergration .

For consultation you may call or send message to

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