

**KARATU SECONDARY SCHOOL**

**ECONOMICS 1 FOR FORM FIVE AND SIX HOME PACKAGE**

**MAY 2020**

*Answer all questions*

*You can send your answers through [babametian16@gmail.com](mailto:babametian16@gmail.com) or may submit when the school re open.*

1. Write short notes on the following:

- (a) Scarcity
- (b) Choice
- (c) Scale of preference
- (d) Opportunity cost
- (e) Production Possibility Curve

2(a) What is Money supply?

(b) Discuss six determinants of money supply

3(a) The main aim of business is to make profit. Explain with five points how firms maximize profits?

(b) Explain how small scale firms can survive alongside large scale firms. (give five points)

4(a) Carefully study the data below and answer the questions that follows;

Total Outlay	100	105	100	75	60
Quantity demanded	10	7	5	3	2

i) Calculate the price elasticity of demand when the price falls from 20/= to 10/=

ii) Comment on the elasticity which you have obtained above.

(b) Describe five factors other than price, which affect the supply of a commodity.

5(a) Define price discrimination

(b) Assume that a producer can discriminate between domestic and foreign market with the following

demand functions.

$$Q_1 = 42 - 0.2P_1$$

$$Q_2 = 100 - 0.8P_2$$

Total cost is given by  $TC = 4000 + 20Q$

Where  $Q = Q_1 + Q_2$

Calculate:

i) quantities to maximize profits in both markets.

ii) Price to maximize profits in both markets

iii) Total revenue for domestic market

iv) Marginal revenue for foreign markets

6(a) Explain five arguments in favour of privatization

(b) Discuss five economic advantages of increasing population of a country.

7.(a) Define Unemployment

(b) Explain at least six (6) types of unemployment

(c) Explain six (6) measures that have been taken by the Tanzania government to control the problem of unemployment.

8.(a) What is a trade union?

(b) Discuss six (6) factors which determine strength of a trade union.

***For consultation***

**0755337486 Mr KENEDY ENOCK**

**0762311739 Mr BABA METIAN**