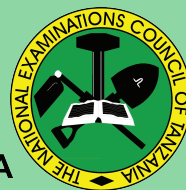




THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF EDUCATION, SCIENCE AND TECHNOLOGY
NATIONAL EXAMINATIONS COUNCIL OF TANZANIA



**CANDIDATES' ITEM RESPONSE ANALYSIS
REPORT ON THE ADVANCED CERTIFICATE OF
SECONDARY EDUCATION EXAMINATION
(ACSEE) 2023**

ECONOMICS



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151 ECONOMICS

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FOREWORD

The National Examinations Council of Tanzania is pleased to issue the Candidates' Item Response Analysis (CIRA) report for Advanced Certificate of Secondary Education Examination (ACSEE) 2023 in the Economics subject. The analysis has been made to provide feedback to education stakeholders, on the candidates' performance and the challenges that they encountered in attempting the examination questions.

The Advanced Certificate of Secondary Education Examination (ACSEE) marks the end of two years of Advanced Secondary Education. It is a summative evaluation which shows, among other things, the effectiveness of education system in general and the education delivery system in particular. Essentially, the candidates' responses to the examination questions indicate what the education system was or was not able to offer to the candidates in their two years of Advanced Secondary Education.

The analysis presented in this report seeks to contribute towards the understanding of possible reasons for the candidates' performance on each question. The general performance of the candidates in the Economics subject was good as 99.97 per cent of the candidates passed the examination. The report highlights some of the factors that made the candidates to score high marks. Such factors include the candidates' ability to adhere to the instructions given in each question, identifying the tasks of the questions, expressing themselves in the English language and knowledge of the concepts related to the subject matter of the questions.

Furthermore, the report highlights the challenges faced by a few candidates who scored low marks. Such factors included the candidates' failure to follow the instructions given in the questions, failure to identify the tasks of the questions and lack of knowledge about the concepts related to the subject matter of the questions. It is expected that the feedback provided in this report will enable the education administrators, school managers, teachers, and students to identify proper measures to be taken to improve the candidates' performance in the future examinations administered by the Council.

Finally, the Council would like to thank all who participated in the preparation of this report.



Dr. Said A. Mohamed
EXECUTIVE SECRETARY

1.0 INTRODUCTION

This report presents the performance of the candidates who sat for the Advanced Certificate of Secondary Education Examination in May 2023 in the Economics subject. It shows how the candidates performed on each question per topic.

The examination tested the candidates' competences as per the requirements of the 2009 syllabus. The examination comprised two papers: 151/1 Economics 1 (Economic Theory) and 151/2 Economics 2 (Economic Development). Each paper consisted of 8 questions which were distributed into Sections A, B, and C. In each paper, the candidates were required to answer a total of 6 questions; 2 questions in Section A and 2 questions from each of the sections B and C. In Section A, each question carried 10 marks, while in Sections B and C, each question carried 20 marks.

A total of 12,717 candidates sat for the ACSEE Economics paper. Among them, 12,692 (99.97%) candidates passed this examination while 4 (0.03%) candidates failed. Generally, the candidates' performance in 2023 has increased by 0.24 per cent when compared to the 2022 performance, where 11,652 candidates sat for the examination in which 11,574 (99.73%) candidates passed and 31 (0.27 %) failed.

This report analyses the candidates' performance in each question by giving an overview of what the candidates were required to do, how they responded to the questions, and what reasons led to their good or weak performance. The candidates' performance in each question was considered weak if their scores ranged from 0 to 34 per cent, average if the scores ranged from 35 to 59 per cent and good if the scores ranged from 60 to 100 per cent.

Special colours have been used to categorise the performance, whereby green stands for good, yellow for average, and red for weak performance as seen in graphs and the appendix. Some extracts showing the candidates' responses have been included to illustrate by example how the candidates responded in accordance with the instructions for each question.

2.0 ANALYSIS OF THE CANDIDATES' PERFORMANCE IN EACH QUESTION

This part will analyse how candidates performed on each question. It will also indicate the reasons that made the candidates have a particular level of performance.

2.1 PAPER 1: 151/1 ECONOMIC THEORY

Economics 1 (Economic Theory) consisted of 8 questions which were distributed into sections A, B and C. In the paper, the candidates were required to answer a total of 6 questions; 2 questions in section A and 2 questions from each of the sections B and C. In section A, each question carried 10 marks, while in section B and C, each question carried 20 marks.

2.1.1 Question 1: Subject Matter of Economics

In this question, the candidates were required to explain the need of government interventions in the operation of free market economy by giving five points. This question tested the candidates' ability to give the application of basic economic terms at family and community level.

Candidates who performed well on this question followed the instructions given in the question and they had mastery of the subject matter. In such instances the candidates applied both theoretical and practical knowledge in real life situations as well as clear use of the English language.

The question was attempted by all 12,696 (100%) candidates. Among them, 2,243 (17.68%) scored 0 to 3 marks, 2,760 (21.72%) scored 3.5 to 5.5 marks and 7,693 (60.60%) scored 6 to 10 marks. The allotted marks in this question were 10. Generally, the performance of the candidates on this question was good since 82.32 per cent scored 3.5 to 10 marks. Figure 1 shows the distribution of the candidates' scores.

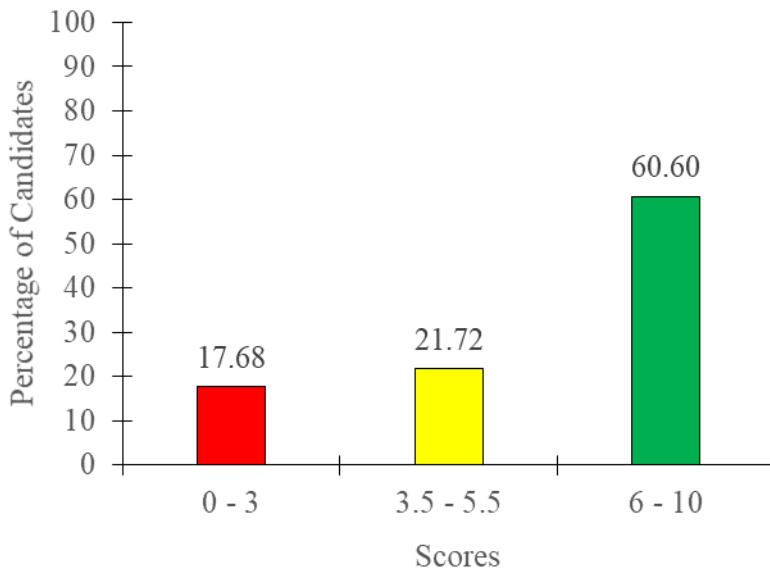


Figure 1: *Candidates' Performance on Question 1*

A total of 7,693 (60.60%) of the candidates who performed well on this question explained clearly with supporting examples the need for the government intervention in a free market economy. These candidates provided answers such as: *diplomatic role, to regulate and control economic instabilities, wasteful competitions, production and consumption of socially undesirable goods, unemployment and the effects of market failure*. Furthermore, they explained: *the creation and ownership of state monopoly of essential goods and services, promoting equity of opportunity by providing equal access as the case in education opportunities and restrictions in the activities of trade unions*. Extract 1.1 shows a good response to question 1.

1.	<p>The following are the needs for government control or intervention in free market economy,</p> <p>To reduce the income inequalities, one of the role of government intervention is on the way or matter to reduce the income inequalities within or among the economy as some of the people are resource owners and others do not possess thus this help to reduce the differential gap in the income inequalities, also known as income redistribution</p> <p>To ensure proper allocation of resources, also the other is to ensure the efficient and proper allocation of resources as one with the people who are free within market the government is to intervene so as to ensure there is no wastage of the resources.</p> <p>Provision of public goods, also the other is about the provision of public goods question as these goods can not be provided by another one or any person because they are expensive thus the intervention is inevitable to ensure the efficient provision of public goods like roads, hospitals and bridges just to mention a few.</p> <p>To control production of unwanted or harmful goods, another is on the control on production of unwanted goods within the economy this will help to improve the economy as the goods produced will be safe and reliable, thus if the free market economy is not controlled it will lead to the more production of such goods. Example of such goods are like guns, weapons and others of the like as battle ships.</p>
----	---

1.	<p>To protect consumers from exploitation, another is to protect the consumers from being exploited as the resource owners may allocate the price as the high price because the producers and resource owners all do engage in production and needs the profit, thus the government intervene so as to protect the consumers from exploitation.</p>
----	---

Extract 1.1 A sample of a correct response to question 1

In extract 1.1, the candidate correctly explained the need of the government intervention in a free market economy. These responses indicate that the candidate understood the subject matter of economics.

However, 2,760 (21.72%) candidates who had average performance did not explain all the required concepts and they failed to provide relevant examples to support their points. For example, on the issue of controlling the production and consumption of socially undesirable goods and services, one candidate provided wrong examples of such as *goods like education, medical care and water*. This shows that the candidate had insufficient knowledge of the subject matter of the question.

On the other hand, the 2,243 (17.68%) candidates with weak performance showed to have misunderstood the question. These candidates provided irrelevant responses such as *trade liberalization, price mechanism and a search for wider markets*. In addition, some of the candidates in this category misinterpreted the question by explaining the advantages of free market economy such as *profit motivated output, increase of efficiency in the market due to competition and price mechanism*. This implies that the candidates had the best comprehension of the subject matter of the question although they did not respond to the question was asked. A sample of a poor response is shown in Extract 1.2.

1	Free Market economy; It is the type of Market in the Market where by Producer and Consumer are free to inter band to go without any barriers. Free Market economy is driven by the force of demand and supply and there is high consumer choice of goods and service and competition among producers. The need of Free Market in the economy as follows;
	<u>Expansion of the Market</u> ; this means that the size of the market will go increase due to free movement of producer and sellers with high competition with high demand of goods and services among the consumers in the market.
	<u>Improvement of technology</u> ; this is due to the factor that when there is free Market there is high competition in producing a greater quality and quantity of product by producer in order to get more profit. Example many producer use scientific technology in order to produce quality and quantity of a product.
	<u>Increasing of government revenue</u> ; this means that the government revenue will increase through imposing tax by producer because any producer are free to produce anything in the market but it's not illegal with paying a tax to the government.
	<u>Increase Productivity</u> ; Also the government introduce free market economy in order to increase productivity

1	in the country due to competition among	
	producers and it may lead a products	
	in the country to be increased.	
	Reduction of unemployment problem;	
	this means the number of people who are not	
	a job in the country will be decreased	
	because any person have a chance to	
	enter in free market without any barriers	
	this situation it may lead off entrepreneurship	
	to enter in the free market and to sell	
	their product that produced.	
	Generally these are the needs of	
	government in intervention in operation of	
	free market economy because free	
	market have no barriers and produce	
	different product and consumer have	
	a freedom of choice in buying product.	

Extract 1.2 A sample of an incorrect response to question 1

In extract 1.2, the sample of a candidate who provided irrelevant responses such as the expansion of the market, improvement of technology and increase in government revenue is presented.

2.1.2 Question 2: Theory of the Market

This was a short answer question in which the candidates were required to explain the effects of oligopoly market in the economy. The candidates were required to give five points in their explanations. This question tested the candidates' ability to classify markets according to their types and structures.

The question was attempted by all 12,696 (100%) candidates. A total of 9,507 (74.89%) candidates scored 0 to 3 marks, 2,324 (18.32%) scored 3.5 to 5.5 marks and 862 (6.79%) scored 6 to 10 out of the 10 allotted marks. Generally, the performance of the candidates on this question was poor since only 25.11 per cent scored 3.5 to 10 marks. Figure 1 shows the distribution of the candidates' scores.

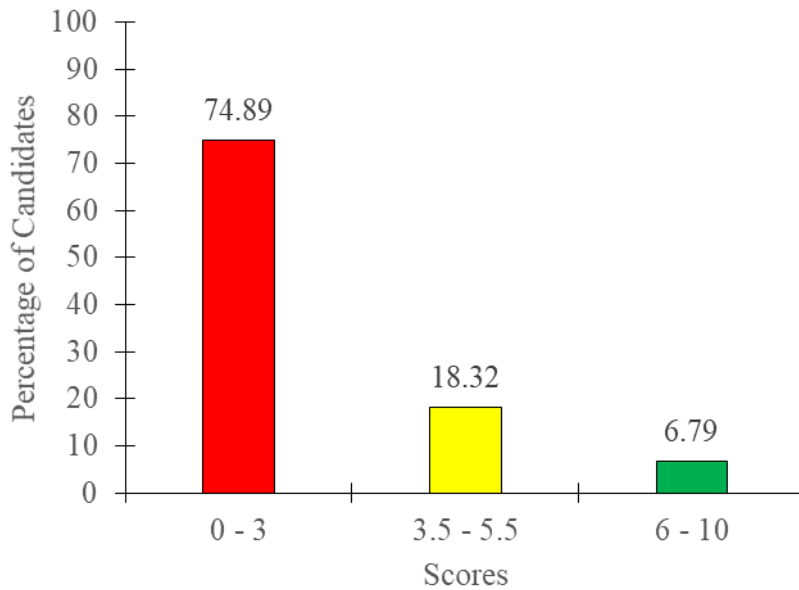


Figure 2: *Candidates' Performance on Question 2*

The candidates with poor performance on this question misunderstood the question 9,507 (74.89%). Some candidates in this category explained the important features of oligopoly market structures instead of the effects of oligopoly market in the economy. Other candidates mentioned general features of oligopoly market but provided wrong explanations. In addition, other candidates were unable to distinguish the important concepts in oligopoly market and so, they provided irrelevant information about the oligopoly market in the economy. For example, one candidate provided wrong responses such as *competition of producers and consumers in the markets, price and non-price stimulation of economic activities, encouraging product inequality of goods and harmful goods in the market*. This indicates that candidates had poor understanding of oligopoly market especially its features and effects in the economy. A sample of a poor response is shown in extract 2.2.

2.	i/ High level of competition	
	Since in oligopoly market there is few number of buyers and sellers, Hence there is high competition because every seller want to sell faster than other, so lead to highly level of competition.	
	ii/ Barrier of entry and exit exist in the oligopoly market	
	Since there is small barrier of entry and exit in the market, so haven't entry and exit like perfect competition market. Hence due to barriers of entry and exit in the market actually being few number of buyers and sellers.	
	iii/ There is no freedom of consumers.	
	Since due to few numbers of buyers and sellers in the market, so the consumers have ^{can} not have freedom of choice in the market, thus why consumer affected from oligopoly market.	
	iv/ No government intervention	
	Also in the oligopoly market there is no government intervention because there is barriers of entry, Hence due to such barrier government can not intervene on oligopoly market.	
	v/ There is harmful goods and services due to highly competition.	
	Since due to highly competition producers can not checking on quality of such goods instead they produce more quantity so as to get high profit.	

Extract 2.1 A sample of an incorrect response to question 2

In Extract 2.1, the candidate misconceived the question as he/she explained the important features of oligopoly market structures instead of the effects of oligopoly market.

Furthermore, 2,324 (18.32%) candidates who had average scores, gave partial explanations. Some of them outlined points but did not provide relevant examples to their points while others failed to provide clear explanations of the mentioned points. Moreover, some of them repeated the same points in different paragraphs. This indicates that they had partial understanding of the concept.

However, 862 (6.79%) candidates with good performance demonstrated to have a good understanding the question, hence they provided the effects of oligopoly market in the economy. For example, some of the candidates explained some points with relevant examples such as *high selling costs due to advertisement, inefficiency because firms restrict output to charge high price, owing to restrictions price exceed average cost and a wide range of commodities tend to promote consumer's welfare*. This indicates that a small number of candidates were competent in the concept oligopoly. A sample of a good response is shown in Extract 2.2.

2	<p>Oligopoly market structure that refers to the market structure that has few sellers selling identical or differentiated goods. There are two types of oligopoly market structure namely Pure oligopoly and Imperfect oligopoly market structure such as petroleum firms such as oil com and Latce oil and car manufacturing companies such as Toyota and Mitsubishi companies respectively.</p>
	<p>The following are the effects of oligopoly market in the economy,</p>
2	<p>Small output and high prices, Since in oligopoly market structure firms have a constant price of a long period of time if they pursuing huge profits on the given prices they normally produce small output so as to maintain the market prices so as to earn the same profit earned.</p>
	<p>Lower efficiency, In a oligopoly market structure there is lower efficiency in production by firms since number of firms is small thus there is no competitions in the market that this may lead to low quality of the goods and services in the market.</p>
	<p>Interdependence of the firms, The firms in an oligopoly market structure become interdependent on each other, for example when one firm lowers</p>

	price of its products other rivals will	
2	follow by lowering prices of their goods	
	increased sales costs of the	
	firms, In the process to try sell of their	
	goods they incur sales costs such as	
	advertising costs especially oligopoly market	
	dealing in differentiated products. This	
	normally increases selling expenses.	
	Emergence of mergers, due to the	
	need to have similar or constant prices	
	in the oligopoly market firms merge	
	together so as to sell their goods	
	at the same price and control the	
	market.	
	Therefore, oligopoly market structure	
	has both negative and positive impacts	
	to the economy as I have explained	
	in the above explanations.	

Extract 2.2 A sample of a correct response to question 2

Extract 2.2 shows a response from a candidate who managed to explain the effects of oligopoly market in the economy.

2.1.3 Question 3 Theory of Production

The question had two parts (a) and (b). In part (a), the candidates were required to state the law of marginal diminishing return and identify four assumptions supporting the existence of the law. In part (b), the table was given whereby candidates were required to complete it by computing Total Product of Labour (TPL) and Marginal Product of Labour (MPL) in (i). In (ii) the candidates were required to construct Total Product of Labour (TPL), Marginal Product of Labour (MPL) and Average Product of Labour (APL) from the completed table. This question tested the candidate's ability to draw and explain curves of production.

The question was attempted by 9,541 (75.14%) candidates. A total of, 664 (6.96%) candidates scored 0 to 6.5 marks, 691 (7.23%) scored 7 to 11.5 marks, and 8,186 (85.81%) scored 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates was good, since 93.04 per cent scored 7 marks and above. Figure 3 shows the distribution of the candidates' scores.

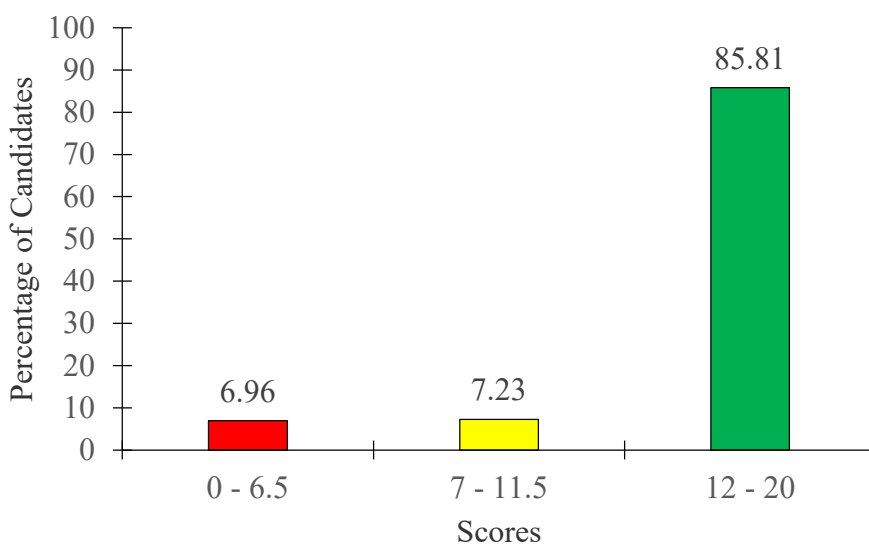


Figure 3: Candidates' Performance on Question 3

A total of 8,186 (85.81%) candidates who performed well on this question answered the question according to the instructions given. They demonstrated mathematical skills and their applications and interpretations required to extract the necessary economic information in all parts of the question. In part (a), they stated the law of Marginal Diminishing Return and its assumptions like *the proportional variation of inputs, homogeneous and perfect substitution of inputs*. They also filled the spaces provided in the table and drew a diagram as stipulated in question 3(b) by applying the correct formula of $MP_L = \frac{\Delta TP_L}{\Delta L} = \frac{TP_2 - TP_1}{L_2 - L_1}$ and $TP_L = AP_L \times L$. This

implies that the candidates were competent in the topic on which the question was based. These candidates comprehended the concepts and they had good mathematical derivation and drawing skills and they applied correct formulas. Furthermore, the candidates integrated the theoretical

knowledge with the answers after calculations so as to come up with the accurate interpretation. For that case, they gave their answers the economic values and so, they extracted the required economic information. A sample of a good response is shown in extract 3.1.

3	<p>(a) The Law of diminishing returns, states that "ceteris paribus, when the units of the variable factor (Labour) are added in production the total Product, Marginal product and of labour and the Average product of labour will initially increase and eventually decline".</p>	
	<p>Assumptions of the law of marginal diminishing returns.</p>	
	<p>(i) Only one factor (labour) is variable: The law of diminishing marginal returns assumes that only labour is variable while other factors such as technology, climate among others are fixed.</p>	
	<p>(ii) Labour is homogeneous: The law of diminishing marginal returns that labour involved in production is homogeneous. It ignores the characteristics of labour that it differs from one person to another.</p>	
	<p>(iii) It operates in short run: The law assumes that diminishing returns occurs only in short-run. This is because in short run only labour is variable while in long run all factors of production are variable.</p>	

3. (a) It assumes perfect substitutability of factor the variable factor (Labour). The law of diminishing marginal returns assumes that labour is perfectly substitutable since it is homogeneous. Therefore, the efficiency of one labourer is the same as another one.

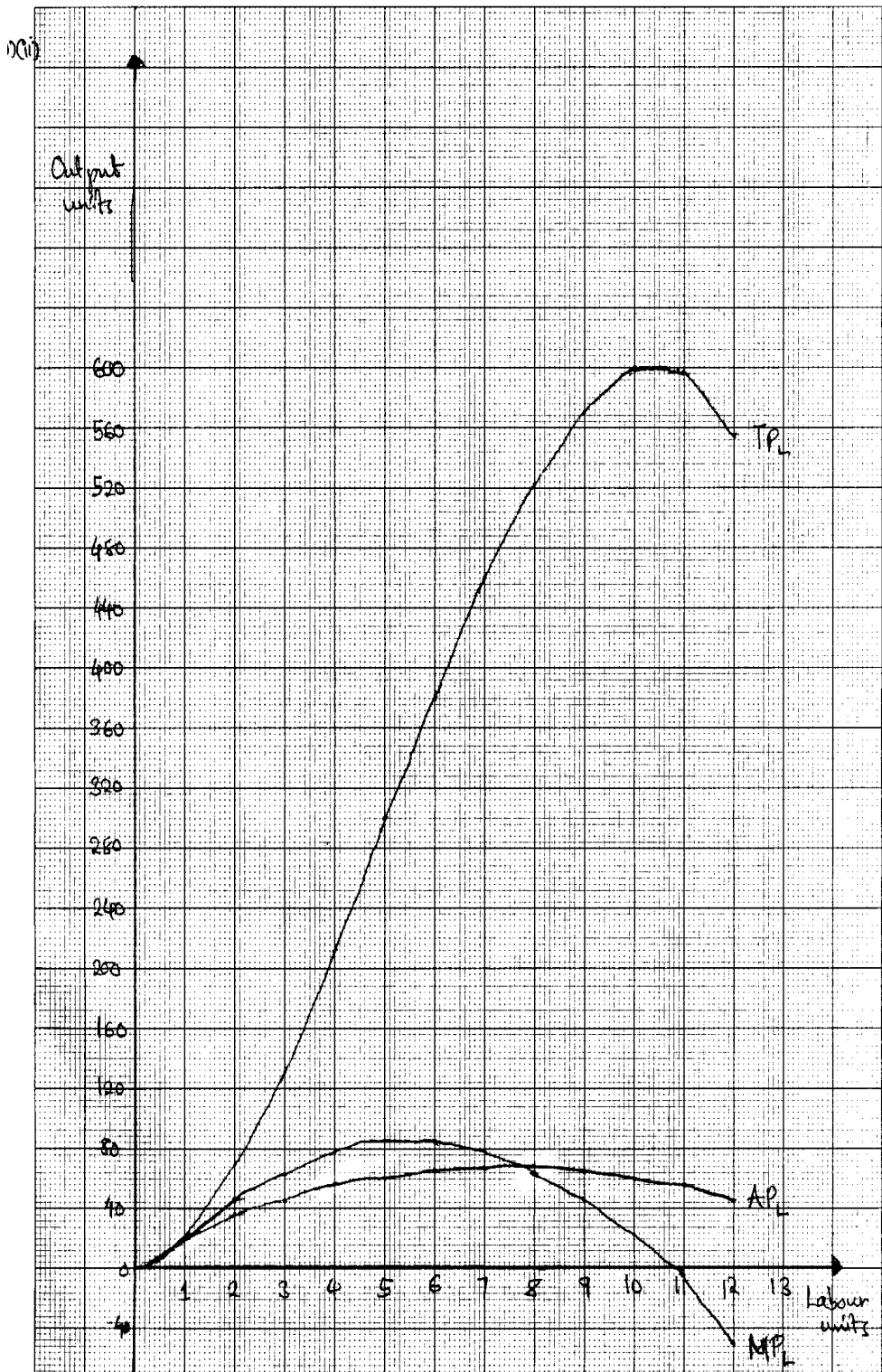
3 (b) (i) The completed table.

Labour (L)	Total Product of Labour (TP _L)	Marginal Product of Labour (MP _L)	Average product of labour (AP _L)
1	24	-	24
2	72	48	36
3	138	66	46
4	216	78	54
5	300	84	60
6	384	84	64
7	462	78	66
8	528	66	66
9	576	48	64
10	600	24	60
11	594	-6	54
12	552	-42	46

$$\text{Average product of labour (AP}_L\text{)} = \frac{TP_L}{L}$$

$$TP_L = AP_L \times L$$

$$\text{Marginal Product (MP}_L\text{)} = \frac{TP_{L_2} - TP_{L_1}}{L_2 - L_1}$$



Extract 3.1 A sample of a correct response to question 3

In Extract 3.1, the candidate correctly stated the law of Marginal Diminishing Return and its assumptions in 3(a), computed APL and MPL filled the table in 3(b)(i) and plot TPL, MPL, and APL curves in the graph in 3(b)(ii) respectively.

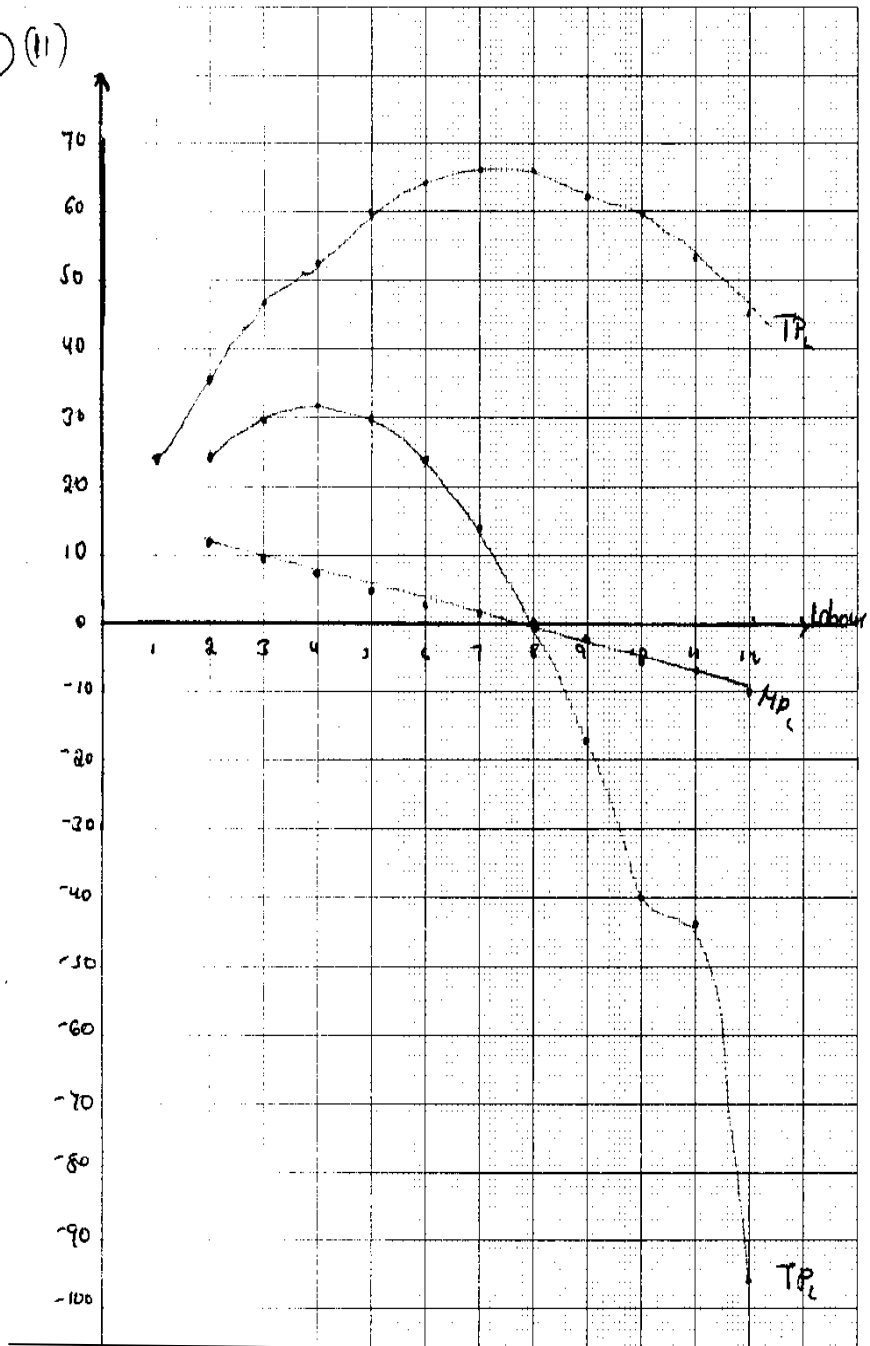
Moreover, 691(7.23%) candidates with moderate scores, some attempted correctly parts of the question in part (a), and failed completely to attempt any section of part (b). For example, a candidate who did not compute and fill the table of Total Product and Marginal Product of Labour in (i) cannot accurately construct Total Product, Marginal Product and Average Product curves of Labour. This is because the information to be used will be inaccurate. These candidates were incompetent in some mathematical skills, calculations and interpretation based on the given task.

On the other hand, 664 (6.96%) candidates with weak performance in the question some of them did not state the law of Marginal Diminishing Return. They also provided wrong assumptions of the law hence they could not apply formulas of $MP_L = \frac{\Delta TP_L}{\Delta L} = \frac{TP_2 - TP_1}{L_2 - L_1}$ and $TP_L = AP_L \times L$. For that reason, they could not fill the spaces for Total Product of Labour (TP_L) and Marginal Product of Labour (MP_L). Furthermore, they could not construct the curves related to (TP_L), (MP_L) and (AP_L), due to incompetence in mathematical derivations and drawing skills. A sample of a poor response is shown in extract 3.2.

3 A	The law of Marginal diminishing return state that If equal amount of ^{one} variable input are added in production process Example Labour then other are fixed. Example Capital MP, AP and TP will initial increase but at some time will started to decrease. Ceteris paribus
	Marginal product TP
	Average product AP
	Total product TP
	Assumption of law Marginal diminishing return
i	Technology advancement Such as uses of Machines in production process hence increase in productivity
ii	Efficiency of Labour; due to Labour Mobility as the factor of production hence increase in economy
iii	Scarcity of resources due to distribution of the scarce resource in an economy system
iv	Opportunity cost; alternative that has been forgone after making a certain choice due to the Scarcity of resources.

3	①	Labour (L)	Total Product of labour (TP _L)	Marginal Product of labour (MP _L)	Average Product of labour (AP _L)
		1	24	-	24
		2	24	12	36
		3	30	10	46
		4	32	8	54
		5	30	6	60
		6	24	4	64
		7	14	2	66
		8	0	0	66
		9	-18	-2	64
		10	-40	-4	60
		11	-44	-6	54
		12	-96	-8	46

3(b)(ii)



Extract 3.2 A sample of an incorrect response to question 3

In Extract 3.2 the candidates incorrectly stated the law of Marginal Diminishing Return and its assumptions in 3(a), failed to use the correct formula to calculate APL and MPL and he/she computed APL and MPL to fill

the table in 3(b)(i) and to plot TPL, MPL, and APL curves in the graph in 3(b)(ii).

2.1.4 Question 4: Theory of the Firm

In this question, two different demand functions of two markets and cost functions were given. In part (a), candidates were required to find the price and quantity of each market. In part (b), candidates were required to compute profit or loss of monopolistic firm in each market. In part (c), they were required to state the market in which a firm enjoys supernormal profit by giving reasons. This question tested the candidates' ability to compute and give economic interpretation of the information obtained.

The question was attempted by 8,948 (70.5%) candidates; among them, 990 (11.06%) scored 0 to 6.5 marks. Other 1,326 (14.85%) candidates scored 7 to 11.5 marks, and 6,627 (74.09%) scored 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates was good, since 88.94 per cent scored 7 marks and above. Figure 4 shows the distribution of the candidates' scores.

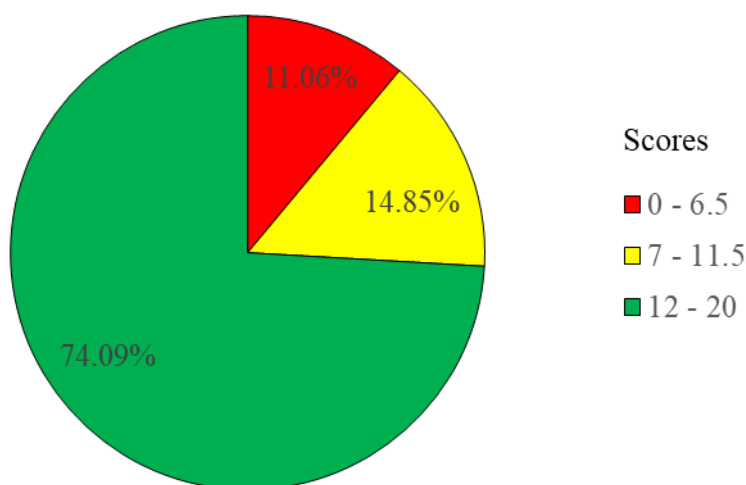


Figure 4: *Candidates' Performance on Question 4*

A total of 6,627 (74.09%) candidates who performed well on this question knew the theories of demand and cost functions. The candidates applied the correct formula which enabled them to obtain the correct values for price and quantity of each market in part (a). Also, in part (b), the candidates computed the profit enjoyed by a firm in each market. As a result, they concluded that a firm enjoys supernormal profit in market 1 but incurs loss in market 2. This implies that the candidates had good mastery of the concepts of demand and production functions. In such instances, they could apply the right formulas in calculations and integrate the knowledge in the real life situations. It is because of the candidates' competence in the subject matter that enabled them to interpret that a positive figure shows supernormal profit, while the negative figure indicates loss of a firm. A sample of good response is shown in Extract 4.1.

4. Given

$$P_1 = 500 - Q_1$$

$$P_2 = 200 - Q_2$$

$$TC = 50,000 - 100Q$$

(a) To find price and quantity in each market

case 1: the first market

$$P = 500 - Q$$

$$TC = 50,000 - 100Q$$

firm

$$TR = P \times Q$$

$$TR = 500Q - Q^2$$

$$MR = 500 - 2Q$$

$$TC = 50,000 - 100Q$$

$$MC = -100$$

The equilibrium point of the firm

$$MC = MR$$

$$-100 = 500 - 2Q$$

$$-600 = -2Q$$

$$Q = 300$$

but

$$P = 500 - Q$$

$$P = 500 - 300$$

$$P = 200$$

∴ The price in market (first market) is 200\$

The quantity in the first market is 300 units

4. (a) (i) for the second market

$$P = 300 - Q_2$$

$$TC = 50,000 - 100Q_2$$

$$MC = -100$$

for

$$TR = P \times Q$$

$$TR = (300 - Q) \times Q$$

$$TR = 300Q - Q^2$$

$$MR = 300 - 2Q$$

equilibrium point of the industry market $MC = MR$

$$300 - 2Q = -100$$

$$2Q = 400$$

$$Q = 200$$

but

$$P = 300 - Q$$

$$P = 300 - 200$$

$$P = 100$$

∴ The price in second market is 100 F

The quantity in second market is 200 units

4. (b) profit or loss of monopolistic firm.

from

$$\text{profit } (\pi) = TR - TC$$

for the first market:

$$TC = 50,000 - 100Q$$

$$TR = 500Q - Q^2$$

but $Q = 300$

$$\pi = [500(300) - (300)^2] - [50,000 - 100(300)]$$

$$\pi = 60,000 - 20,000$$

$$\pi = 40,000$$

∴ The profit for the first market is 40,000 F

4	(b) case ii : for the second market	
	$P = 100$	
	$Q = 200$	
	$Tc = 50000 - 100Q$	
	$TR = 300Q - Q^2$	
	Profit (Net) = Total Revenue - Total cost	
	$\pi = TR - Tc$	
	$\pi = (300Q - Q^2) - (50000 - 100Q)$	
	but $Q = 200$	
	$\pi = [(300 \times 200) - (200)^2] - [50000 - (100 \times 200)]$	
	$\pi = -10000$	
	\therefore The market (second market) involve loss of 10000 P.	
4	(c) which market enjoy supernormal profit	
	The condition for supernormal profit in monopolist firm	
	is $P > Ac$	
	Given that : $Tc = 50000 - 100Q$	
	To find Ac	
	$Ac = \frac{Tc}{Q}$	
	$Ac = \frac{50000 - 100Q}{Q}$	
	$Ac = \frac{50000}{Q} - 100$	
	case (i) for the firm one (not firm)	
	The price is 200	
	Quantity is 300	

Extract 4.1 A sample of a correct response to question 4

In extract 4.1, the candidate correctly stated the law of Marginal Diminishing Return and its assumptions in 3(a), he/she computed APL and MPL to fill the table in 3(b)(i) and plot TPL, MPL, and APL curves in the graph in 3(b)(ii).

Those 1,326 (14.85%) candidates with moderate performance on this question faced some challenges in answering the question. Some of them calculated the price and quantity of each market in part (a), but did not apply those prices and quantities obtained in (a) in computing the profit or loss in each market in part (b). As a result, they failed to identify the type of the market in which a firm enjoys supernormal profit about part (c). This indicates that the candidates had insufficient knowledge about the theories of demand. They were also incompetent in applying the mathematical skills in economic real life situations.

On the other hand, 990 (11.06%) candidates with poor performance on this question some of them provided irrelevant formula to find variables of prices and quantities while others incorrectly used the formula to calculate. For example, one of the candidates applied such unknown equation, as $\pi = MR - MC$. This is an implication that the candidate did not master the topic and so, he/she could not apply the mathematical skills in meeting the instructions given in the question. A sample of an incorrect response is shown in Extract 4.2.

04 The required given:

$$P_1 = 500 - Q_1$$

$$P_2 = 300 - Q_2$$

$$TC = 50,000 - 100Q$$

4A) To find the price and quantity of each market:

$$P_1 = \frac{TC}{Q}$$

By question number 4)

$$500P = \frac{50000 - 100Q}{Q}$$

$$500P = 50000 - 100Q$$

$$500P = 49900$$

$$\frac{500P}{500} = \frac{49900}{500}$$

$$P = 99.8 \dots \text{u}$$

And question number 4)

$$P_2 = 300$$

$$P = \frac{TC}{Q}$$

$$300P = \frac{50000 - 100Q}{Q}$$

$$\frac{300P}{300} = \frac{49900}{300}$$

4(a)	$300P = 49900$	
	$\frac{300}{300} = \frac{49900}{300}$	
	$P_2 = 166.33$	
	To find the quantity of the each market	
	from the question number one	
	$500 = 5000$	
	99.8	
	$99.8P = 50000 - 100(99.8)$	
	99.8	
	$99.8 = 49900$	
4(b)	The monopolizer gain profit from the both market due to firm by to gain and maximize the his prices and quantity of goods.	
4(c)	The firm will enjoy well the super normal profit due to the case of a firm will cover all cost in total cost.	

4.	b) $MC = 50,000 + 50,000$	
	$MC = 100,000$	
	from	when $P_1 = 1000$
	$\pi = MC - MR$	
	$\pi = 100,000 - 50,000$	
	$\pi = 99,000$ in the first market.	
	In $P_2 = 800$	
	$\pi = 100,000 - 800$	
	$\pi = 99,200$ in the second market	
	\therefore In each market they obtained a profit.	
	where by the first market obtained 99,000:	
	and the second market obtained 99,200:	
	c) In the first market, it obtains a	
	supernormal profit as it has high profit	
	compared to the second one.	

Extract 4.2 A sample of an incorrect response to question 4

In Extract 4.2, the candidate failed to state the law of Marginal Diminishing Return and its assumptions in part 3(a). Also, He/she was unable to use a formula to compute APL and MPL to fill the table in parts 3(b)(i) and could not plot TPL, MPL, and APL curves in one graph in 3(b)(ii).

2.1.5 Question 5: Theories of Demand and Supply

The question had three parts (a), (b) and (c). In part (a), the candidates were given a table with price and quantity and they were required to plot the supply curve in (i) and calculate the price elasticity of supply. In part (b), they were required to plot the supply schedule when the producer reduces supply by 15 bags at every price. In part (c), the candidates were required to explain five (5) circumstances in which demand is likely to be highly elastic. This question tested the candidates' ability to compute and interpret price elasticity of demand and supply.

The question was attempted by 6,854 (53.98%) candidates. A total of 942 (13.76%) candidates scored 0 to 6.5 marks, 3,833 (55.94%) scored 7 to 11.5 marks, and 2,080 (30.30%) scored 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates was good, since 86.24 per cent scored 7 marks and above. Figure 5 shows the distribution of the candidates' scores.

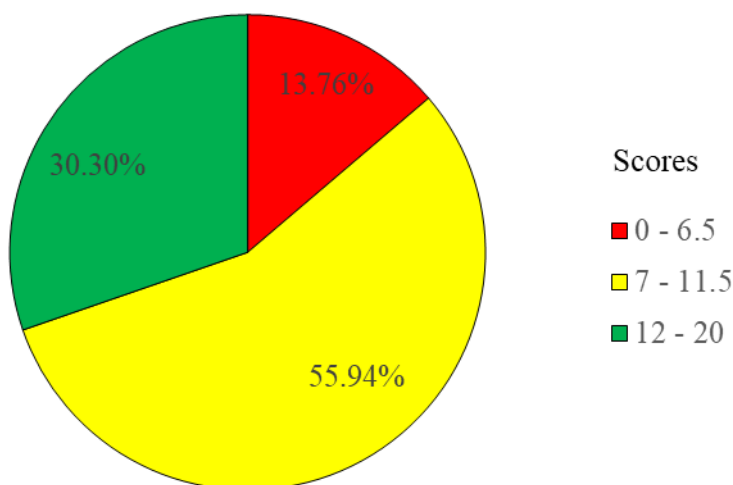


Figure 5: *Candidates' Performance on Question 5*

Those 2,080 (30.30%) candidates who performed well on this question had enough arithmetical skills and ability to apply graphs in economics. In part (a) (i), they plotted a labeled supply curve with the proper axes of x-axis for the quantity supplied and y-axis for price. In addition, they provided the correct formula used to calculate price elasticity of supply in part (a) (ii). In part (b), the candidates managed to plot a new supply schedule with rows of prices and quantities. In part (c), the candidates explained the circumstances that may cause demand to be highly elastic, they indicated that, when the proportional income spent on the commodity is relatively high, elasticity of demand of that particular commodity is likely to be more elastic. This shows that they knew the arithmetical economic concepts and had the ability to apply them in drawing. A sample of good response is shown in Extract 5.1.

$$5a) \text{ Elasticity of supply} = \frac{Q_2 - Q_1}{P_2 - P_1} \times \frac{P_1}{Q_1}$$

where by

$$Q_2 = 65 \quad P_2 = 10$$

$$Q_1 = 35 \quad P_1 = 4$$

$$\text{Elasticity of supply} = \frac{65 - 35}{10 - 4} \times \frac{4}{35}$$

$$= \frac{30}{6} \times \frac{4}{35}$$

$$\text{Elasticity of supply} = 0.57$$

6b)	Price (in \$)	2	4	8	8	10	12
	Quantity (in bags)	10	20	30	40	50	60

6c) 17. Availability of substitute goods: If there is presence of substitute good on a particular commodity then increase in price of the good may result larger decrease in quantity demanded and consumers shift to demand the substitute good.

u) Degree of necessity: Goods that are not necessary for daily life have elastic demand since individuals in the society can live without purchasing such commodities compared to necessary commodities such as clothes, food, shelter which have inelastic demand.

ii) Level of income: Low income earners tend to purchase commodities that have low price. Therefore low level of income in the economy results to high elasticity of demand since individuals won't be able to afford the price.

007	iv) Perishable products products such as milk, fruits and vegetables tend to have elastic demand since their value decreases in time. Therefore decrease in price of some commodities will lead to an increase in quantity demanded.	
	v) Time factor In the long run commodities tend to have elastic demand since given time various substitute goods will emerge and competition over customers will increase compared to short run when commodities have inelastic demand.	

Extract 5.1 A sample of a correct response to question 5

In Extract 5.1, the candidate correctly used the table to plot supply curve and calculate price elasticity of supply in 5(a), accurately plotted supply schedule when the supply was reduced to 15 bags at every price in 5(b) and successfully explain circumstances when the demand is highly elastic.

However, 3,833 (55.94%) candidates with average performance attempted correctly parts (a) and (b). In part (c), some candidates did not explain the circumstances under which demand is likely to be highly elastic. This indicates that the candidates had insufficient knowledge of the concept based on price elasticity of demand. Other candidates faced language barrier and so, they did not understand the question. Also they were incompetent in economic graphs and their application in economics.

On the other hand, 942 (13.76%) candidates with poor performance in this question failed to plot and label a supply curve in part (a) (i) while others could not give the correct formula used to calculate price elasticity of supply when the prices change from 4 Tshs. to 10 Tshs. in part (a) (ii). Also, some candidates were unable to plot a new supply schedule when the producer reduces the quantity supplied by 15 bags at every price. In part (c), they explained ignorance of the consumers, future expectations of a rise in prices, and the use of luxurious goods. That was the opposite of what they were required to explain. They were required to explain the

circumstances that may cause demand to be highly elastic. Such circumstances are the existence of close substitutes to the commodities, tendency of the commodity to have multiple uses, nature of goods and seasonal markets. The observations show that, the candidates misconceived the concept of elasticity of demand with the concept of exceptions to the law of demand. This implies that the candidates had not only insufficient knowledge on the topic but also poor mathematical skills in plotting graphs. They also lacked proficiency in the use of English language. A sample of an incorrect response is shown in Extract 5.2.

5	(a) Demand is a ability and willingness of a consumer to purchase goods and services at a given price at a period given of time.
	The following are circumstances in which demand is likely to be highly elastic.
	Climate factor ; when there is conducive climate condition forexample favourable climate of rainfall and temperature cause agricultural to growth. This cause demand to be high elastic.
	Income factor : When the income of a person ^{increase} also the demand for people increase which cause the demand to be high elastic.
	Social and political factor such as political instibility and good social services like school, hospital also this cause demand to be highly elastic.
	Government support, If there is a good government support by providing subsidies to the people cause the demand for people increase and cause demand to be highly elastic.
	Good infrastructure also cause demand to be highly elastic because if there is a good transport and communication which move products and provide - services to the people.

Extract 5.2 A sample of an incorrect response to question 5

In Extract 5.2, the candidate failed to use the table to plot the supply curve and calculate price elasticity of supply in 5(a); He/she also could not plot

the supply schedule when supply was reduced to 15 bags at every price in 5(b) and could not successfully explain circumstances under which demand is highly elastic.

2.1.6 Question 6: Theory of Money

In this question, the candidates were required to justify the weaknesses experienced by the barter system of exchange by giving six points. This question tested the candidates' ability to identify and explain the weaknesses of barter exchange system in the economy.

The question was attempted by 10,168 (80.08%) candidates. Among them, 206 (2.02%) scored 0 to 6.5 marks. Other 868 (8.52%) scored 7 to 11.5 marks, and 9,094 (89.46%) scored 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates was good, since 97.98 per cent scored 7 marks and above. Figure 6 shows the distribution of the candidates' scores.

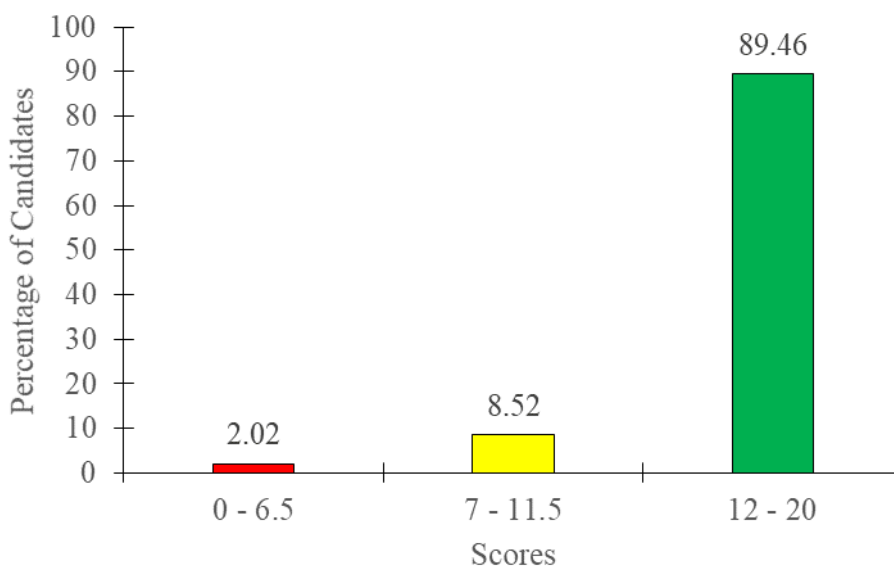


Figure 6: Candidates' Performance on Question 6

The candidates who performed well on this question were 9,094 (89.46%). These candidates gave out the weaknesses experienced in the barter system of exchange. They assessed factors which hindered efficient running of barter exchange. They explained the points such as *lack of specialisation where a higher degree of specialisation was difficult, difficulty in the transportation of value and goods*. Their responses signify that they were

knowledgeable about the subject matter of the question. Therefore, they were able to relate knowledge learnt in economics to the real life situation. A sample of good response is shown in Extract 6.1.

6. Barter system of exchange is the trade that involved the exchange of goods for goods. This was done in early ages of trade due to lack of money. So, commodities were exchanged for other commodities. For example a sack of beans being exchanged with a goat. Due to interaction of various persons this trade faced various problems and people found it difficult to trade due to the following reasons as explained below:

Indivisibility of some items. It was hard to divide some items into smaller units for exchange purposes. For example, a person with a cow needing a shirt, it was difficult to divide a cow into a smaller unit so as to get a cow. So people found difficulties in dividing indivisible items like cows, and other huge items.

Lack of measure of value. It was hard to measure the value of commodities for exchange with other items. For instance it was difficult to measure a goat's value to exchange with how much quantity of another product, let say beans. So, people found difficulties in the measurement of value of the products in trade.

Lack of store of value. During barter system values of products, especially perishable goods like vegetables, milk, fruits and other perishable items were difficult to store for the future use. So, perishable items during barter trade were destroyed with their value due to lack of store of value during the system.

Lack of double coincidence of wants. During barter system it was difficult to find

6) A person who wants to get exchange of his/her product with your product, as wants differs among the people. For example, one having a goat wanting to exchange it with a sack of beans, it was so difficult to find a person with a sack of beans needing a goat, thus lack of double coincidence of wants was a problem in barter system.

Difficult in transit of immovable items.
 During barter system it was difficult to transfer the immovable items and heavy goods from one area to another. For example, it was difficult to transfer land, building and other immovable items from one place to another. So, if people wanted to shift from one locality to another, it was hard to leave with their immovable items, thus they left them behind.

Lack of standard of deferred payments
 During barter system it was difficult to get the products for future payments, people needed only spot exchange of a commodity for another commodity. For example, it was difficult to find a person offering commodities requiring to be paid in future. So, people found it difficult to offer goods on credit basis thus a weakness.

Therefore, due to problems and weaknesses encountered in barter trade people came up with the introduction of money that solved the problem in barter trade through the qualities of money being divisible, able to transfer items, able to store value, provide for credit basis, measuring values through prices and thus making trade to be done smoothly than before.

Extract 6.1 A sample of a correct response to question 6

In Extract 6.1, the candidate correctly analyzed the challenges of using barter exchange in the economy.

On the other hand, 868 (8.52%) candidates with average performance provided fewer correct points than required. They could not support their points with vivid examples. Others mentioned the points but did not provide satisfactory explanations on them. This indicates partial knowledge of the candidates about the theories of money.

Nevertheless, 206 (2.02%) candidates with low scores in this question misunderstood it. These candidates explained some of the problems caused by barter exchange. In that case, they did not provide the weaknesses experienced by barter system of exchange. For example, one of the candidates provided such wrong responses as *low level of technology, problem of weather condition, poor social and economic infrastructures, low wages and political conflicts*. This implies that the candidates did not have knowledge of the subject matter asked in the question. A sample of a poor response is shown in Extract 6.2.

06

Barter system is the system of exchanged of goods by goods, barter system existed in the pre-colonial African societies in which different societies exchanged goods by goods. "The barter system of exchange experienced some weakness." I will justify the phenomena by providing six (6) points :-

It was based on ~~an~~ unequal exchange ;
This is because the barter system exchanged only goods by goods, but it was based on the equal exchanged, and this may have influenced by the technological backwardness of the African societies during the pre-colonial era. Example the exchange of two goats with Rice, this is among the unequal exchange in the barter system, hence barter system of exchange experienced some weakness.

Commodities of the same were not to be bartered for exchange ; Although barter system exchanged only goods by goods, but the goods of the same item / commodities were not to be bartered, and this is because it involved tribes. Example, The pre-colonial tribes that engaged and were practicing Agriculture bartered with other tribes who were pastoralist eg. Maasai Or bartered with other tribes who participated in Agriculture but didn't produce the same commodity as they produced, hence barter system of exchange experienced some weakness.

06.

Barter commodities could not be stored in form of Asset; The pre-colonial African societies only bartered commodities of food such as Maize, Millet, Goats, Cows & Cassava etc but they did not barter commodities that could be stored in form Assets as in the the pre-colonial era There were surplus production, They only produced food they consumed. Hence Barter system of exchange experienced some weakness.

Lack of Bargaining Power; during the Barter system of exchange there was no bargaining as it is done today. This is because they exchanged commodities for commodities. Example so as to meet barter exchange two people must be there and both should have commodities to bargain. If the farmer had no rice to barter exchange with cow then there was no exchange but also bargaining. Hence Barter system of exchange experienced some weakness.

Barter system was affected by climatic change; Agricultural commodities like rice, millet etc depended on the well moderate climate but occurrence of climatic change like drought, less rainfall. The Agricultural commodities would not be grown or produced, but also there was no barter exchange in bad weather, or climatic condition, Hence, Barter system of exchange experienced some weakness.

06.	Bartered commodities were easily attacked by pests and disease. The bartered commodities such as Maize, Rice, Sorghum, Cow, sheep, Goat All of them deserted easily as frequently they were attacked by pests and disease, hence barter system sometimes failed to occur due to such phenomena. There were pests and disease that attacked crops which led to poor production but also there were pests and diseases that attacked cows, goats and sheep and sometimes it limited the occurrence of a barter system. Hence barter system of exchange experienced some weakness. Lastly, As technology advanced barter system of exchange was replaced with money. Now we buy commodities with money, money has replaced barter system, and all of this is because money is accepted as the means of exchange in the society.
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Extract 6.2 A sample of an incorrect response to question 6

In Extract 6.2, the candidate incorrectly explained pests and diseases, climatic conditions, bargaining power and state of technology as the weaknesses of using barter exchange in the economy.

2.1.7 Question 7: Population

In this question, the candidates were required to describe six challenges that were encountered in the implementation of population policies in Tanzania. This question tested the candidates' ability to explain challenges encountered in the implementation population policies in Tanzania.

The question was attempted by 2,741 (21.58%) candidates. The candidates who scored 0 to 6.5 marks were 198 (7.21%), while 1,162 (42.41%) scored 7 to 11.5 marks, and 1,381 (50.38%) scored 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates was good, since 92.79

per cent scored 7 marks and above. Figure 15 shows the distribution of the candidates' scores.

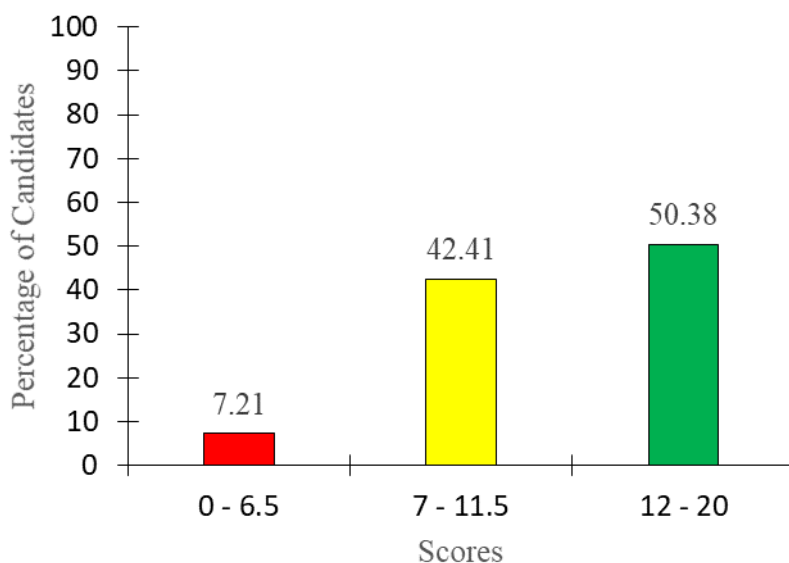


Figure 7: *Candidates' Performance on Question 7*

Those 1,381 (50.38%) candidates who scored high marks managed to describe the challenges encountered when implementing population policies in the developing countries. The candidates understood the question. They analysed population policies as the statements issued by the government to control or regulate population in the country. For example, some of them explained the concepts on population policies with vivid examples such as *non-establishment of planned policy coordination and institutional arrangements, policies which mainly addressed family planning and child spacing activities coupled with reliance on the government for implementation, placing more emphasis on meeting demographic targets rather than the needs of individuals, inadequate recognition of the causal relationship in poverty, population, environment, gender and development, and inadequate advocacy to guarantee required support for population and development issues*. This indicates that the candidates had good mastery of the subject matter and ability to apply the acquired knowledge in real life situation. A sample of a good response is shown in Extract 7.1.

7. Population policies these are plans and strategies which have been adhered and allocated by the government so as to control the rate of population growth. These population policies might be implemented through various ways. The population policies during their implementation encounter many challenges and the following are the challenges they face during implementation,

Poor infrastructures, the infrastructures like roads, railways to pass or to travel during the process of implementing such policies are poor and destructed. This makes some of the areas to be remote and limited during implementation.

Thus due to such challenges to other places the implementation are being difficult to reach. Example areas with no roads are facing the difficulties as the population policies officers are not able to reach so as to give out the education and implement so policies. A good and typical example is during the census.

7.	of the policies, but because of inadequate and the inaccurate population data this has rendered the implementation difficult.	
	Low level of science and technology, on the matter of low level of science and technology makes it difficult to the implementation of the policies as there is no feedback which is being sent as the policies are also requiring or needing the improvement of science and technology so that they can be implemented clearly. A good example is the census which was done in 2022 was smoothly attended and easily due to the technology they used, but if technology was typical bad the census was to be difficult.	
	Generally, the population policies can be easily implemented and friendly when there is the improved level of science and technology, provision of enough funds, training of the skilled personnel so as to give a chance to the implementation to be smooth and just to mention a few.	

Extract 7.1 A sample of a correct response to question 7

In Extract 7.1, the candidate correctly explained challenges encountered in the implementation of the population policies in Tanzania.

On the other hand, 1,162 (42.41%) candidates with average performance provided their points with insufficient explanation. Some of them omitted the important parts of the work organisation like introduction, main body and conclusion. Some of them provided their arguments without supporting examples. There were other candidates with low level of proficiency in using the English Language. Their responses indicate that the candidates had inadequate knowledge of the subject matter tested and concepts on demography.

Furthermore, 198 (7.21%) candidates with weak performance, did not describe the challenges encountered in the implementation of the population policies in Tanzania. They provided irrelevant points like:

large number of dependents, rural to urban migration, disparities of income, and unemployment. Some of them misconceived the question and discussed the effects of increase in population growth rate. The observation reveals that, the candidates had partial knowledge of the concepts of population and could not interpret population policies as required in the question. A sample of a poor response is shown in Extract 7.2.

07	Population policies; this is a policy which provided by the government which concerning about total number of people in a country. they are important of population such as increase technology	
	The following are the challenges that were encountered in implementation of population policies such as follows:	
	low level of science and technology! this is the one challenge because Tanzania is developing country in which have low level of science and technology which cause production of poor things due to lack of modern tools like machines	
	low investment; this is the one challenge because in the country they are few investor which cause shortage of the government revenue and cause underdevelopment.	
	low production; this is the one challenge because; the country have poor industry which cause lower production and the end cause increase of dependence	
	Poor location of resources; this is a one challenge because, in Tanzania they are alot of rich but the government close they are eye which cause underdevelopment and encountered in the implementation of population policies in a country	

Extract 7.2 A sample of an incorrect response to question 7

In Extract 7.1, the candidate incorrectly explained low level of science and technology, low investment, low production and bargaining power as the challenges encountered in the implementation of the population policies in Tanzania.

2.1.8 Question 8: Employment and Unemployment

In this question, the candidates were required to examine six negative impacts of unemployment in the economy. This question tested the candidates' ability to explain negative impacts of unemployment in the economy.

The question was attempted by 12,479 (98.29%) candidates. Out of whom, 51 (0.41%) scored 0 to 6.5 marks. Other 883 (7.07%) candidates scored 7 to 11.5 marks and 11,545 (92.52%) scored 12 to 20 marks out of the 20 allotted marks. Generally, the performance of the candidates in this question was good since 99.59 per cent of them scored 7 marks and above. Figure 6 shows the distribution of the candidates' scores.

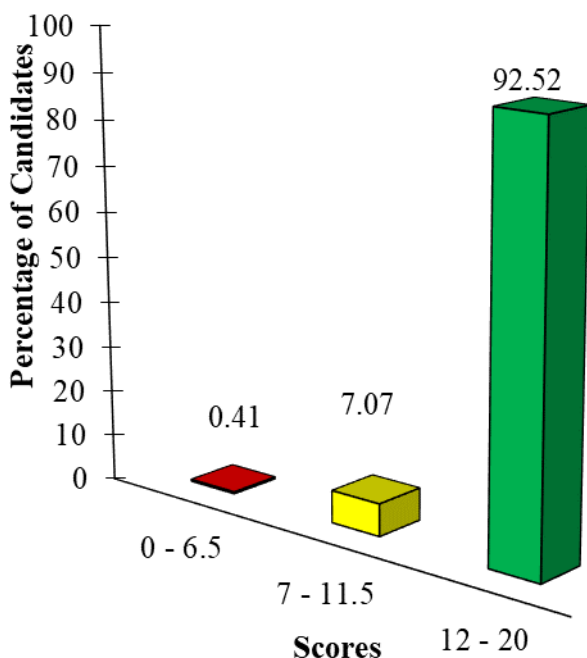


Figure 8: Candidates' Performance on Question 8

A total of 11,545 (92.52%) candidates with good performance in this question, examined precisely the negative effects of unemployment to the Tanzanian economy. Most of them explained unemployment as a state in which people seek employment willingly at the prevailing wage rate but do not secure employment. Consequently, unemployment causes decline in the size of national income, overcrowding in the urban areas, loss of human capital since the unemployed labour will gradually lose its skills. Also, it may cause reduction in the standard of living and medical care which may lead to stress related health problems such as headaches, diabetes, and high blood pressure. The candidates who explained correctly such points were competent in that particular topic. They could apply the knowledge in real life and they had demonstrated command of English language. However, some of them did not take into consideration essay writing skills and arrangement of the work. Consequently, they could not organize their work well into the three parts of essay which are the introduction part, main body and conclusion. A sample of a good response is shown in Extract 8.1.

8.

Unemployment, refers to a situation whereby those are resources which are willing and able are not involved in production process. Also employment can be defined as a situation whereby people are willing and able to work but are not employed. There are several causes of unemployment such as fall in demand, climatic change, change in technology, lack of supplementary activities in rural areas, rural urban migration. There are two types of unemployment which are voluntary unemployment and involuntary unemployment. The following are the negative impacts of unemployment in the economy:

Increases government expenditures, Unemployment has negative impacts in the economy since it increases government expenditure. There are some of the countries which offering employment benefits to their people, this is a certain amount of money given to the unemployed people so as to earn for their living. This transfer earning it is not productive for the nation instead it increases the government expenditure.

Emergence of social evils, Due to presence of unemployment this led to the emergence of different social evils in the society such as theft, robbery and prostitution, since people are not employed therefore they decide to engaged in unacceptable activities so as to earn for a living. Due to presence of social evils in the society such as theft and robbery this undermines the security of the properties of the people and hence affects the standard of living of people.

2.	Emergence of classes, Also Due to the presence of unemployment this led to the introduction of
8	Classes in the economy, between poor and rich people. The existence of classes this may lead to conflicts and bad relation between rich and poor people.
	Reduces government income, Due to the presence of the unemployment in the country this reduces the actual national income of the nation because there is income that should be generated by the people who are not employed so as to get the total actual amount of the national income, hence, unemployment reduces national income,
	Increases dependency ratio, Most of people who are not employed they depend to their relatives or other people who are employed, hence this increase the dependency ratio to other people and make them to discourage saving and instead helping others. Due to fact that it reduces and discourage saving this will also reduce the investment in the nation.
	Discourage people from saving, Unemployment It discourages people from saving of their income for the future use such for the investment purpose instead people they disperse their income to help unemployed people.
	Therefore, Apart from the negative effects of unemployment in the economy also there is positive effects of unemployment as follows, a remedy for demand pull inflation, introduction of informal sector, increase workers disciplines, a firm can park excess employees also it reduces production cost.

Extract 8.1 A sample of a correct response to question 8

In Extract 8.1, the candidate correctly examined the negative impacts of unemployment in the economy.

Furthermore, 883 (7,07%) candidates with average performance in this question misunderstood some of the concepts in demographic data. Some of them explained smuggling, drug abuse, robberies and prostitution as different points of negative impacts of unemployment in the economy. In reality all of them fall into a single point of emergence of social evils. Some candidates mentioned some points but did not support them with clear explanations and vivid examples. This indicates that they had inadequate knowledge of the concepts about population and failed to consider the instructions of the question.

Similarly, 51 (0.41%) candidates who had weak performance in this question, misconceived the question. Some failed to examine and observe the negative impacts of unemployment in the economy. Other candidates explained incorrect points such as *losing hope of even on self-employment, failure to get food and lower per capita income as well as white-collar jobs*. Such responses indicate that they did not understand the question due to lack of competency in the tested topic and poor command of the English language. A sample of poor response is shown in Extract 8.2.

81 Unemployment: Is the situation where by a person he/she are able and willing for doing work but can not find job or work. The following are the negative impacts of unemployment in the economy are as follows:

Peer Pressure: This A person his/her they have ability of doing work or job so they following ~~the~~ another person who are not doing a work still they have poor standard living of life.

Laziness: It is situation where by a person can not want to participate or to find a job due to the laziness. Therefore it's among of the negative impacts of unemployment.

change of science and technology: The science and technology it cause a person to have a fair of find a job due to have not enough technology and of performing that work.

Change of climate condition: Climate condition it involve the temperature and precipitation, some people they do not want to do they work if there is a lot of temperature and others they can not want to do during a cold condition.

Parent they have good standard of living, Many people they can are not want to participate in a job or work because they are parents have ability of standard of living.

8.	Low wages; One of the factors that	
	a person she/he do not want to find a	
	job or work is low payments which is	
	not enough to improve they are standard	
	living.	
	Therefore; Many people especially	
	in Tanzania they are not participate	
	in work or job due to the different	
	factors such as income/wages, science	
	and technology, climate, and others	
	factors that cause a person he/she can	
	not find a job or work in a particular	
	place in the whole country especially in	
	Tanzania	

Extract 8.2 A sample of an incorrect response to question 8

In Extract 8.2 the candidate incorrectly explained the negative impacts of unemployment as peer-pressure, laziness, change of science and technology and low wages.

2.2 PAPER 2 151/2: ECONOMIC DEVELOPMENT

Economics 2 (Economic Development) consisted of 8 questions which were distributed into sections A, B and C. In the paper, the candidates were required to answer a total of 6 questions: 2 questions in section A and 2 other questions from each of the sections B and C. In section A, each question carried 10 marks, while in sections B and C, each question carried 20 marks.

2.2.1 Question 1: Economic Growth and Development

In this question, candidates were required to describe five merits of diversification of the economy in the developing countries like Tanzania. This question tested the candidates' ability to explain merits of diversification in the economy.

The question was attempted by all 12,696 (100%) candidates. Among them, 542 (04.27%) scored 0 to 3 marks, 2,400 (18.90%) scored 3.5 to 5.5 marks, and 9,754 (76.83%) scored 6 to 10. out of the 10 allotted marks. Generally, the performance of the candidates in this question was good since 95.73 per cent scored 3.5 to 10 marks. Figure 1 shows the distribution of the candidates' scores in this question.

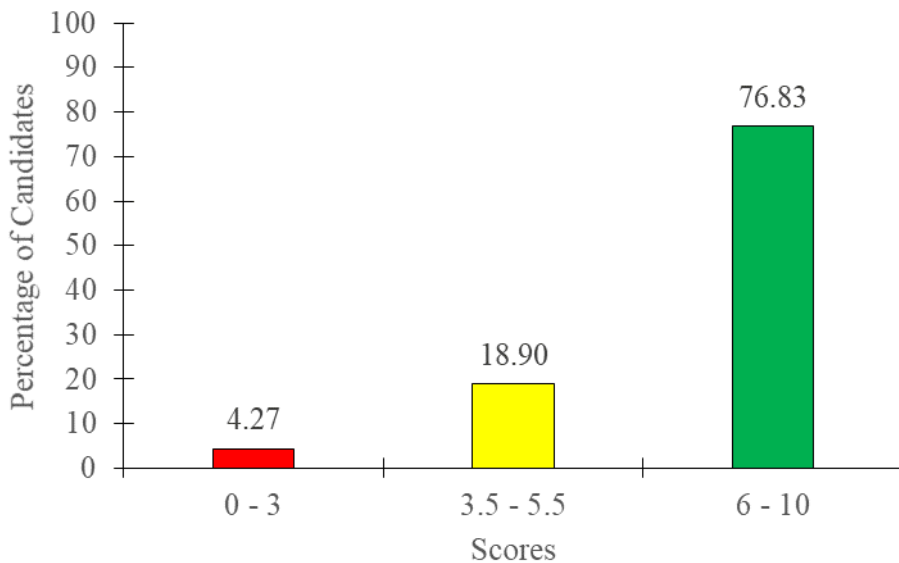


Figure 1: Candidates' Performance on Question 1

The candidates who had good performance in this question were 9,754 (76.83%). These candidates had sufficient knowledge of the concepts of diversification of the economy in the developing countries. For that reason, they correctly explained such point as: *the increase in a variety of sources of foreign currency and exports which in turn enable to reduce problems in the balance of payments, it increases inter-sectoral interdependence and chances of individuals and regions to participate in the production process which in turn help to reduce regional income disparities, increase in the tax base, consumer's choice and GDP due to increased national income and creating a conducive environment for external investments.* This indicates that they were knowledgeable about the examined topic. A sample of a good response is shown in Extract 9.1.

1.	(i) Enables to reduce unemployment problem. - Through diversification facilitates the increase of many business that would need the labours to work in those business, thus enable the labours to obtain employment to improve their living standard.
	(ii) It enables the increase of government revenue. - Diversification widens the tax base to the government so the government obtains more revenue through taxing the increased business ventures.
	(iii) Increase the investment level. - Due to the diversification of economy more investments are increased as the producers or firms invests in various sectors leading to increase in size of national income.
	(iv) It minimize risks. - Through diversification risky is reduced than investing in one business. Thus the firm are able to overcome the investment risky as the failure of one investment is covered by other productive activity.
	(v) It enables the great increase in mass production. - When the economy is diversified more production will prevail in the society thus creating wider choices to the final consumer by the availability of many produce.

Extract 9.1 A sample of a correct response to question 1

In Extract 9.1, the candidate correctly explained merits of diversification of the economy in the developing countries. The responses provided by this candidate were relevant to the question. However, he/she did not exemplify the points by referring to the real context of Tanzania.

Furthermore, 2,400 (18.90%) candidates with average performance on this question correctly mentioned and explained less points than required. Some of the candidates explained only two points out of five. Some of them provided clear explanations but did not support the points with the required vivid examples. This indicates that they had insufficient knowledge of the concepts of diversification of the economy in any particular developing country.

Apart from that, 542 (04.27%) candidates performed weakly on this question. Most of them misconceived the question as they explained demerits instead of merits of diversification in the economy while others misinterpreted the question. For example, one of the candidates incorrectly explained such points as *diversification encourages external borrowing devaluation of the local currency and increase in the importation of goods from abroad*. This indicates that the candidate lacked ability to interpret the question. A sample of a poor response is shown in Extract 9.2.

1 It is true that diversification of the economy enables a firm to increase changes of employment, inter-sectoral interdependence and make the produce self-sustaining. Hence the following are the advantage of diversification of the economy in the developing country in developing country like Tanzania.

It provide loans and credit to the firm and producers, diversification of the economy is very importance to the firm and producer by providing loans and credit which could help them in investment.

It provide good market to the firm, this is due to fact that diversification of the economy helps firms and producer to find a good market which could sell their products hence these make the produce self-sustaining.

It help for controlling price fluctuation in production, price fluctuation is the rises "ups" and "down ward" the price of goods and services in production, hence when there is diversification of the economy helps to controlling price fluctuation.

It promote investors or investment in the country, this is due to fact that diversification of the economy

Extract 9.2 A sample of an incorrect response to question 2

In Extract 1.2, the candidate incorrectly explained that diversification provides loans, promotes investors, provides market and helps to control price fluctuation in the economy.

2.2.2 Question 2: Economic Planning

In this question, candidates were required to identify five productive ingredients in successful planning of the economy. This question tested the candidates' ability to identify productive ingredients of planning in the economy.

The question was attempted by all 12,696 (100%) candidates. Among them, 2,307 (18.18%) scored 0 to 3 marks, 2,688 (21.19%) scored 3.5 to 5.5 marks, and 7,701 (60.63%) scored 6 to 10 out of the 10 allotted marks. Generally, the performance of the candidates in this question was good since 96.9 per cent scored 3.5 to 10 marks. Figure 1 shows the distribution of the candidates' scores on this question.

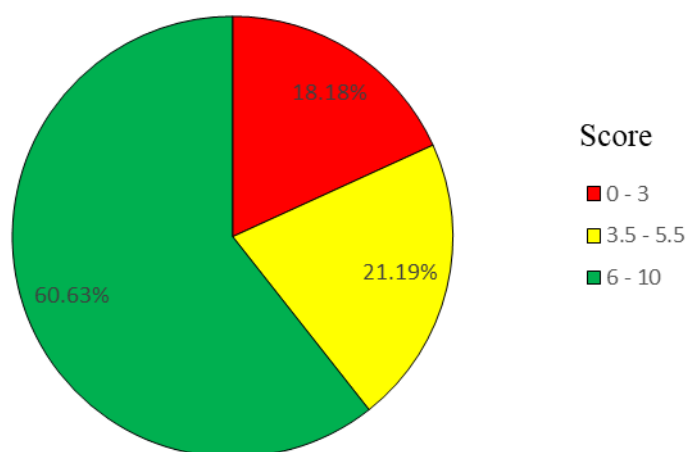


Figure 2: Candidates' Performance on Question 2

A total of 7,701 (60.63%) candidates who performed well on this question identified correctly the productive ingredients of successful planning of the economy. One of the candidates identified ingredients

such as *plan evaluation which is inevitable to assess and analyses, availability of the accurate and reliable data in problem identification, resource identification and mobilization during the planning period, political commitment and stability in the country and consistency of the plan*. This implies that the candidates had sufficient knowledge of the concepts of planning. A sample of the correct response is shown in Extract 10.1

2.	(i) It should have effective planning Machinery.	
	- Effective, competent and knowledgeable planners are very important in order for the plan to reach to its desired targets.	
	Example the Minister of finance is the economic planner of the government thus making effective economic plans.	
	(ii) It should have clearly stated goals and objectives.	
	- The plans has to analyse what is intended to be achieved so as to guide the planners in order to focus on attaining the desired objectives.	
	(iii) It should have adequate resources.	
	- Resources availability is very essential, so the planner for them to be successful in their plans, they should make plans that comply with the existing adequate resources.	
	(iv) Coverage of the plan.	
	- A successful planning should be comprehensive in the sense that it covers the whole economy, the plans should not only focus on the micro-issues.	
	(v) Duration of the plan.	
	- The plans should clearly state the period in which the planning will be conducted or achieved. Example if it is short term plan (operative plan), medium term or long term plan (perspective plan).	

Extract 10.2 A sample of a correct response to question 2

On the other hand, 2,688 (21.19%) candidates who had average scores correctly, responded to less points than they were required. Some

candidates outlined a few points with unclear explanations while others explained but did not support their points with the required examples. For example, one of the candidates mentioned all the five points accurately but gave unsatisfactory examples. This implies that the candidates had inadequate knowledge concerning the requirements for successful planning in the economy of a particular country.

Moreover, 2,307 (18.18%) candidates with weak performance on this question were unable to identify the productive ingredients in the successful planning of the economy. Most of them misunderstood the question as they explained the importance of economic planning while others misconceived some of the concepts in planning. For example, one of the candidates explained such incorrect point such as *optimal allocation of the scarce resources, prevention of the wasteful competition of the scarce resources, proper utilization of the scarce resources and reduction of regional imbalance economic developments*. This indicates that the candidates had partial knowledge and some of them could not understand the question. A sample of a poor response is shown in Extract 10.2.

2.	<p>Economic planning - Is the process of organising variable resource in order to fulfil the objectives. Economic planning in order to be successful it involve in these feature like planning machines, it address problems, it cover a period of time and plans must be goal and objective. The following are the productive ingredients in a successful planning of the economy.</p>	
	<p>It help in allocation of resources. This means planning in economy help to give resources effectively due to avoid misallocation of resources. Hence are productive ingredients in a successful planning of the economy.</p>	
	<p>It help to control negative externalities. This means planning in economy help to control negative externalities means cost that faces third party which are not engaged in production.</p>	
	<p>It help to improvement of science and technology. Due to good planning in the economy the science and technology are improve because people are transfer and employed different machine in production.</p>	
	<p>It help to increase production process. Due to planning in the economy the production may increase because people are organising well resource which are used in production. Hence are productive ingredients in a successful planning of the economy.</p>	

Extract 10.2 A sample of an incorrect response to question to 2

In Extract 1.2 the candidate incorrectly explained that diversification provides loans, promotes investors, provides market and helps to control price fluctuation.

2.2.3 Question 3: National Income

This question had two parts, (a) and (b). In part (a)(i), a table was given whereby candidates were required to determine the amount of savings. In (a)(ii), they were required to formulate a consumption function by using the data obtained in (a) (i). In part (a) (iii), they were required to use the consumption function obtained in (a) (ii) to find a new equilibrium level of income when the level of saving was Tshs. 25 million. In part (b), the candidates were required to explain factors which influence the level of savings in the economy. This question tested the candidates' ability to compute and explain consumption and savings functions.

The question was attempted by 9925 (78.17%) candidates. Among them, 814 (8.20%) scored 0 to 6.5 marks, 4890 (46.26%) scored 7 to 11.5 marks and 4,221 (42.54%) scored 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates on this question was good since 91.80 per cent of the candidates scored 7 marks and above. Figure 3 shows the distribution of the candidates' scores in question 3.

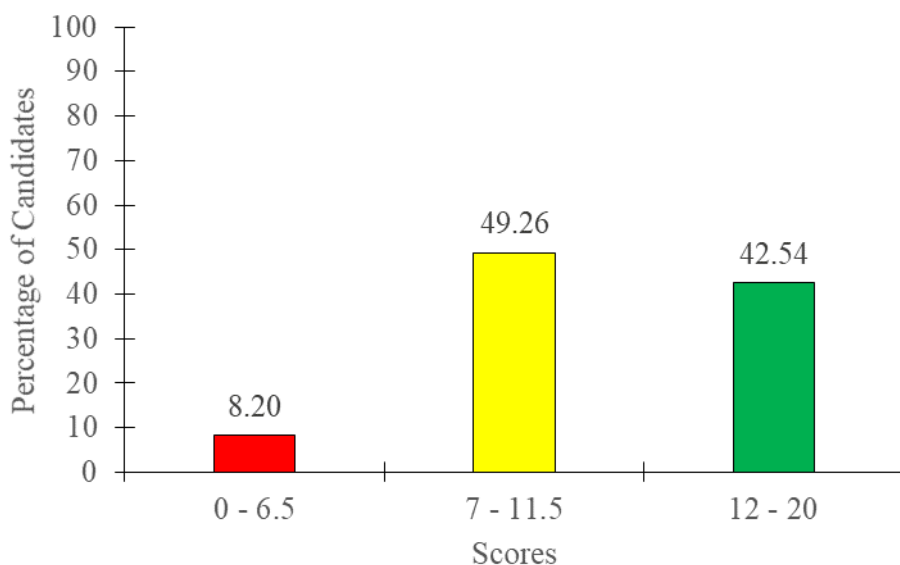


Figure 3: Candidates' Performance on Question 3

A total of 4,221 (42.54%) candidates had good performance on this question. These understood the question. They also had sufficient knowledge of matters concerning national income. For that reason, these candidates had a good mastery of the subject matter. Most of them had sufficient mathematical knowledge and drawing skills. They correctly converted amount saved by filling the gaps in the table, given levels of income and consumption in part (a) (i). They correctly applied the formula of $Y = C + S$ where Y =Income, C =Consumption, S = Saving.

In part (a) (ii), the candidates formulated a consumption function by using the data obtained in part (a) (i). They used the formula of $C = a + bY$ where C =Consumption, Y =Income a =level of consumption when $Y=0$. In part (a) (iii), the candidates used the consumption function obtained in (a) (ii) to find a new equilibrium level of income when given the level of saving in the economy as Tsh 25 million under the two sectoral model of $Y = C + S$ where Y =Income, C =Consumption, S = Saving. Also, the candidates explained factors which influence the level of savings in the economy in part (b). They explained such correct points as *increase in government expenditure which increases people's disposable income and chances for savings, business expectation related to transaction motives to hold money due to the need of financing unforeseen contingence like sickness and old ages as well as the government policy which may encourage savings*. This shows that the candidates were equipped with relevant economic knowledge and mathematical skills. A sample of good response is shown in Extract 11.1

3

(a)

(i) Determination of the amount of savings

$$\text{Saving} = \text{Income} - \text{Consumption}$$

$$S = Y - C$$

(In Million Tsh.)

Income	Consumption	Savings
350	335	15
300	290	10
250	245	5
200	200	0
150	135	15
100	110	-10

(ii) from, $C = a + bY$

$$b = \text{slope}$$

$$b = \frac{\Delta C}{\Delta Y} \quad (\text{From the table above})$$

$$b = \frac{245 - 200}{250 - 200}$$

$$b = \frac{45}{50}$$

$$b = 0.9$$

When $Y = 250$, $C = 245$

$$245 = a + 0.9(250)$$

$$245 = a + 225$$

$$a = 20$$

Then

$$C = 20 + 0.9Y$$

 \therefore Consumption function is given by

$$C = 20 + 0.9Y$$

$$Y = C + S$$

3 (a) (iii) Saving = 25 million (i.e.)

$$\text{But } S = -a + (1-b)Y$$

Using the Consumption function $C = 20 + 0.9Y$

Recall $-a = -20$

{ Comparison of "a" in consumption function }

$$25 = -20 + (1-0.9)Y$$

$$25 = -20 + 0.1Y$$

$$45 = 0.1Y$$

$$Y = 450 \text{ Million}$$

$$C = 20 + 0.9(450), C = 425, \text{ But } Y = C + S$$

\therefore Equilibrium level of income = 450 Ith Million.

Note: $Y = C + S, Y = 425 + 25 = 450$

\therefore Equilibrium income = 450 Ith Millions

(b) (i) Level of income, saving is affected by the ability to save. If the level of income among the individuals in the economy is high then there will be more savings, but other things like consumption remain constant and vice-versa.

(ii) Interest rate on saving, conducive environment for saving encourage people to save. If the interest rate on saving is high, there will be more savings. Hence high level of savings.

(iii) Price level, the general price level influences the level of savings, high price level reduces the amount of savings among the individuals. Hence low saving; stable price level motivate savings among the individuals.

3	(b) (iv) Taxation, this reduces the disposable income of individuals in the country. High rate of taxes discourage individuals from saving. Reasonable and low rates of taxes imposed on individuals promote and induce individual savings.
	(v) Banking and saving habits of individuals in the economy, tendencies of hoarding money and holding cash other than in banks, lack of saving habits among the individuals especially in rural areas discourage and reduce the level of the savings in the economy.

Extract 11.1 A sample of a correct response to question 3

In Extract 11.1, the candidate determined the amount of savings in 3 (a)(i), formulated consumption function in 3 (a)(ii), found the new equilibrium level using the data in 3 (a)(iii) and explained factors which influence the level of savings in the economy in 3(b). This candidate had enough mathematical skills and knowledge of the subject matter asked in the question.

However, 4,890 (49.26%) candidates had average performance on this question. Most of the candidates determined the amount of savings in part (a)(i) but failed to formulate the consumption function. They applied a formula of $Y = C + S$ where Y =Income, C =Consumption, S = Saving, but failed to formulate consumption function in (a) (ii). This made them fail to find the new equilibrium level of income in (a) (iii). In part (b), most of them correctly explained a few factors which affect the level of savings in the economy but could not support their points with vivid examples. This implies that they had insufficient skills and their application in economics.

The 814 (8.20%) candidates who performed weakly on this question. Most of the candidates in this category misunderstood the requirements of the question and were unable to apply the formula of $Y = C + S$

$C = a + bY$ to find the consumption function under the given data of

income (Y), Consumption (C) and the calculated savings in the table in (a) (i). Under two sectoral models where $Y = C + S$, others could not find the new equilibrium level of income when given the level of savings as Tshs. 25 million. In part (c), some of the candidates misinterpreted the question as they explained factors like *avoidance of higher government expenditure, avoidance of balance of payments problems and advancement of science and technological progress*. These points are irrelevant to the question. A sample of incorrect response is shown in Extract 11.2.

3(a)(i)	Income	Consumption	Savings
(i)	350	335	685
	300	290	590
	250	245	495
	200	200	400
	150	135	285
	100	110	210
(ii)	The consumption function by using the data in table are		
	335, 290, 245, 200, 135 and 110		
(iii)	If the level of saving in the economy was Tsh. 25 Million at the equilibrium. The new equilibrium level of income is Tsh 35.		

3.	(b) i) Payment of Tax -	
	- The payment of tax may influence the increase in the government revenue	
	hence the saving will be in high level in the country economy.	
	ii) Avoidance of balance of payment problem	
	- The balance of payment is the ratio difference of export and import of goods and services from other countries to Tanzania. Hence the avoidance of balance of payment may cause the high level of saving, in the country.	
	iii) Avoidance of high government expenditure	
	- The government expenditure are the cost which incurred by the government in developing developing the country through improving infrastructures and providing provision of social services.	
	iv) Increasing of Investment in the Country.	
	- The country should apply the investment of different activities so as to influence the level of saving.	
	v) Advancement of Science and Technological process, and provision of employment opportunities	
	- The presence of science and technology may increase income hence the saving will be in the economy.	

Extract 11.2 A sample of an incorrect response to question 3

In Extract 11.2 the candidate failed to determine the amount of savings in 3 (a)(i), and could not formulate consumption function in 3 (a)(ii), also the candidate was unable to find the new equilibrium level using the data in 3

(a)(iii). In 3(b), he/she failed to explain factors which influence the level of savings.

2.2.4 Question 4: Public Finance

The question had two parts (a) and (b). In part (a), the table was given and candidates were required to fill in the blanks of percentage tax rate and payable tax. In part (b) candidates were required to explain five implications of (i) surplus budget and (ii) deficit budget. This question tested the candidates' ability to compute taxes and give economic implications of both surplus and deficit budgets.

The question was attempted by 5948 (46.84%) candidates. Among them, 1103 (18.59%) scored 0 to 6.5 marks, 3350 (56.30%) scored 7 to 11.5 marks and 1,495 (25.11%) scored 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates on this question was good since 81.41 per cent of the candidates scored 7 marks and above. Figure 3 shows the distribution of the candidates' scores in question 4.

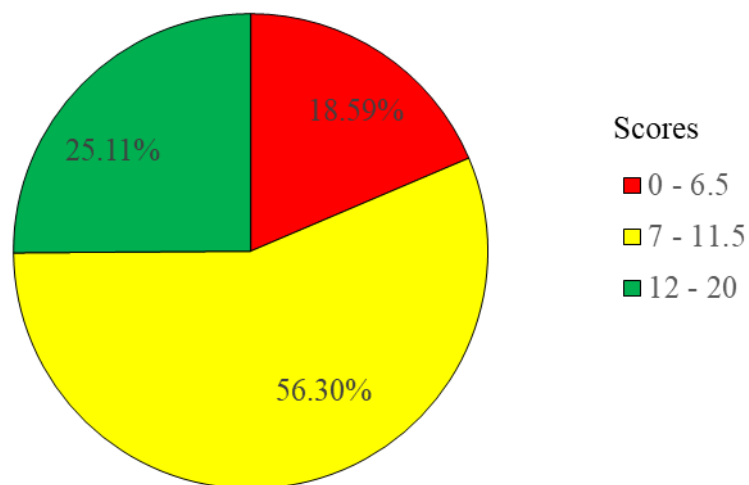


Figure 4: Candidates' Performance on Question 4

A total of 1,495 (25.11%) candidates had good performance on this question. These candidates extracted economic information given in the table and used it in calculations in order to give the required information.

$payable\ tax = taxable\ income \times tax\ rate$. In part (b), the candidates explained the implications of the surplus budget. They gave correct responses as *surplus budget refers to the situation whereby anticipated government revenue is greater than the government expenditure of the financial year*. They understood that extra revenue may be collected through excessive taxation or increase in government revenue through borrowing and increase in the general price level. The candidates explained the implication of the deficit budget as *the situation where the anticipated government revenue is less than the anticipated government expenditure of the financial year*. This implies that the candidates understood the question and had knowledge and skills to apply the concept of Public finance. A sample of the correct responses is shown in Extract 12.1.

4

a).

Month	Taxable Income	% tax rate	Payable Tax
1	850,000	14	119,000
2	1200	18	216
3	1000	16	160
4	600	17	102
5	760	12	91.2
6	1400,500	20	280,100
7	540	15	81
8	720	16	115.20
9	2000	16	320
10	1500	14	210

Formulae:

$$\text{Tax rate(\%)} = \frac{\text{Amount of tax payed}}{\text{Taxable Income}} \times 100$$

For January:

$$\text{Tax rate(\%)} (14\%) = \frac{x}{850,000} \times 100$$

$$x = 850,000 \times 0.14$$

$$= 119,000.$$

February.

$$\text{Tax rate} = \frac{216}{1200} \times 100$$

$$= 18$$

$$\therefore \text{Tax rate} = 18\%$$

March;

$$16 = \frac{x}{1000} \times 100$$

$$100x = 16000$$

$$100 \quad 100$$

$$x = 160$$

\therefore Amount of tax = 160.

April;

$$\text{tax rate} = \frac{102}{600} \times 100\%$$

$$= 17\%$$

\therefore Tax rate = 17%.

May;

$$12 = \frac{x}{960} \times 100$$

$$100x = 9120$$

$$100 \quad 100$$

$$x = \underline{91.2}$$

June;

$$\text{Tax rate} = \frac{280,1000}{1,400,500} \times 100$$

$$= 20\%$$

$$= \underline{20\%}$$

July;

$$15 = \frac{x}{540} \times 100$$

$$100x = 8100$$

$$100 \quad 100$$

$$x = \underline{81}$$

11	August	
9	tax rate = $\frac{115.20}{720} \times 100$	
	\therefore tax rate = <u>16%</u>	
	September:	
	$16 = \frac{x}{2000} \times 100$	
	$100x = 32000$	
	$\frac{100}{100} = \frac{32000}{100}$	
	<u>$x = 320$</u>	
	October:	
	tax rate = $\frac{210}{1500} \times 100$	
	= <u>14%</u>	

Extract 12.1 A sample of a correct response to question 4

In Extract 12.1, the candidate correctly calculated the percentage tax rate and payable tax by using the given table. The candidate correctly filled the blanks in 4(a).

However, 3,350 (56.30%) candidates had average performance on this question. Most of them could apply the formula of *Payable tax = Taxable income × tax rate rate*. In part (b), most of the candidates failed provided wrong answers. For example, a candidate provided such points as *high technology and high dependence ratio as implications of surplus budget and deficit budget*. This implies most of them could not meet the demands of the question because they had insufficient knowledge of the nature of budgets.

Other, 1103 (18.59%) candidates had weak performance in this question. Most of them failed to apply the formula stated as

Payable tax = Taxable income \times tax rate

Month	Taxable Income Tsh	Percentage Tax rate	Payable Tax (Tsh)
January	Salary 850,000.00	14.00	11,900,000.00
February	Selling Price 1200,00	0.12	216.00
March	Retailer Price 1000.00	16.00	16,000
April	Wholesale Price 600.00	0.17	102.00
May	Selling Price 760.00	12.00	9120
June	Salary 1400,500.00	0.2	280,100.00
July	Wholesale Price 540.00	15.00	8100
August	Retailer Price 720	0.16	115.20
September	Salary 8,000.00	16.00	3200
October	Selling Price 1500.00	0.14	210.00
From:			
Tax rate and Payable tax:			
$\text{Payable tax} = \text{Tax rate} \times \text{Taxable income}$			
$\text{Tax rate} = \frac{\text{Payable tax}}{\text{Taxable income}}$			
$\text{Payable tax} = \text{Tax rate} \times \text{Taxable income}$			
$\text{Tax rate} = \frac{\text{Payable tax}}{\text{Taxable income}}$			
4b) The following are the implications in each of the following form of budget in the economy:			
(i) Surplus budget. Refers to the type of budget in which the estimated revenue is greater than its estimated expenditure. due to its below implications			

4(b)(i)	Expansion in size of market; Deficit budget occur when the country wants to expand the size of market so as to allow free movement of resources from one place to another.
	Natural calamities, Deficit budget occur when the country suffer from calamities such as floods, drought as well as earthquakes.
	Climate condition; Unfavourable terms of trade; Deficit budget occur when the country's price of export is low than the price index of imports hence tend to have greater payment to abroad than income received from abroad.
	Dependency on foreign aid; Deficit budget may occur when the country of the economy depend much from donor countries hence results to have high public debt.

Extract 12.2 A sample of an incorrect response to question 4

In Extract 12.2, the candidate explained irrelevant points in part (a) and (b). His/her responses indicate that he/she was incompetent in the issues concerning Public Finance.

2.2.5 Question 5: International Trade

This question had two parts, (a) and (b) whereby part (a) was subdivided into three parts of (i), (ii) and (iii). In subpart (i), candidates were required to identify the base and current year. In part (ii), candidates were required to calculate the terms of trade during the period. In part (iii), they were required to give the economic interpretation of the value obtained in (a) (ii). In part (b), the candidates were required to describe six factors which lead

to the deteriorating terms of trade in the economies of developing countries such as Tanzania. This question tested the candidates' ability to compute and give economic interpretation of the terms of trade and their implication in the economy.

The question was attempted by 9,497 (74.80%) candidates. Among them, 1,666 (17.53%) scored 0 to 6.5 marks, 3,804 (40.03%) scored 7 to 11.5 marks and 4,027 (42.44%) scored 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates on this question was good since 82.47 per cent of the candidates scored 7 marks and above. Figure 5 shows the distribution of the candidates' scores in question 5.

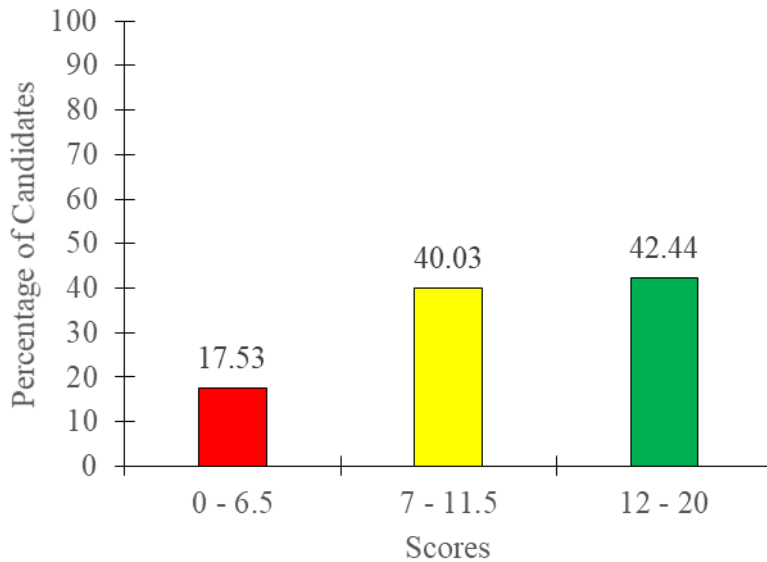


Figure 5: Candidates' Performance on Question 5

A total of 4,027 (42.44%) candidates had good performance on this question. These candidates had sufficient knowledge of international trade and a higher level of arithmetic skills. Therefore, they identified 2010 as a base year and 2015 as a current year in part (a) (i). Also, they extracted the data and information corresponding to base and current year. In such

$$\text{Terms of trade} = \frac{\text{price of export}}{\text{price of import}} \times 100 \text{ in part (a) (ii).}$$

Furthermore, in part (a) (iii), they interpreted the value obtained in part (a) (ii). In part (b), the candidates explained the factors, which may lead to the deteriorating terms of trade. For example, one of the candidates explained that, *the establishment of import substitution industries, inelastic nature of the demand for primary products, cultivation of both food and cash crops is limited by the natural climatical conditions such as temperature and rainfall, a rapid growth rate of the population which in turn leads into increase leads into increase in consumable goods domestically and reduce exports.* This reveals that the candidate had sufficient knowledge of the terms of trade. They also had mathematic skills and its application in economics. A sample of a correct responses is shown in Extract 13.1.

5(a)	(i)	The Current Year is 2015	
		The Base Year is 2010	
	(ii)	Terms of Trade = $\frac{\text{Price Index In Export}}{\text{Price Index In Import}}$	
		$\times 100 \Rightarrow \frac{P_x}{P_m} \times 100$	
		Thus: $TOI = \frac{190}{180} \times 100$	
		Terms of Trade is 105.6%	

5(a)	(i)	The Current Year is 2015	
		The Base Year is 2010	
	(ii)	Terms of Trade = $\frac{\text{Price Index in Export}}{\text{Price Index in Import}}$	
		$\times 100 \Rightarrow \frac{P_x \times 100}{P_m}$	
		Thus: $TOI = \frac{190}{180} \times 100$	
		Terms of Trade is 105.6%	

5(a)	(iii)	
	The figure indicates that the Tanzania's price for export is great to the imports by 5.6%. Which mean that the balance Terms of Trade of Tanzania is <u>favourable</u> .	
	- The increase of 5.6% is due to the fact that the current year's index is 105.6% while the base year is 100%.	
5(b)	(i)	
	Discovery of Synthetic Materials in developing countries: For example; the discovery of recycling the plastic bottles. This has reduced the market for the exports from developing countries, which were used as raw-materials. Thus the decrease in exports from developing countries has led to price decrease, hence deteriorating terms of Trade.	
	(ii) Degree of Monopolization in the world	
	Market: Some power multi-country companies have joined to form cartels so that to influence prices of the world market. For example: The OPEC, controls prices of oil in the world, hence high price of importation of such goods, hence poor/deteriorating terms of Trade in LDCs.	

5(b)	(ii) Fluctuating prices of Agricultural products in the world market; Most
	Developing countries depend on exportation
	of agricultural products. But due some
	factors such perishable nature of the
	products, agricultural products have
	been facing poor/low price, hence
	affecting Terms of trade of LDCs.
	(iv) Overdependency on Import; Most Develop-
	ing countries have no self-sustaining
	economy. They face Trade and financial
	dependency, hence High, high importa-
	tion of consumer goods from abroad,
	this affect prices of local goods (Exports)
	and hence deteriorating terms of Trade.
	But Also financial Borrowings from Abroad
	bears high interest (cost)
	(v) Poor technology; Most developing
	countries lack modern equipments
	for production, They depend on
	importation of experts from abroad,
	as well as importation of capital
	goods like machines. These imported
	Technology are very costly than the
	countries goods produced which have
	low value, thus deteriorating
	terms of Trade in LDCs.

5(b)	(vi) Trade restrictions by developed countries to exports of developing countries: Some developing countries encounter trade restriction while exporting their products. This is due to perishable nature of their products. The low value, hence low price than countries imports, thus deteriorating terms of trade to LDCs.	
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Extract 13.1 A sample of a correct response to question 5

In Extract 13.1, the candidate identified base and current year in 5(a) (i), and accurately calculated terms of trade in 5(a) (ii). The candidate interpreted the economic information in 5(a) (iii) and provided factors which lead to deteriorating terms of trade in 5(b).

Furthermore, 3,804 (40.03%) candidates had average performance. These candidates attempted some parts of the question whereby most of them did well in part (b), but failed to correctly attempt the sub parts of (a). They failed to identify the current year and the base year in (a) (i) and to apply

the formula of $Terms\ of\ trade = \frac{price\ of\ export}{price\ of\ import} \times 100$ to calculate terms

of trade in part (a) (ii). Also, they failed to provide economic information and its interpretation in (a) (iii). This may be due to insufficient knowledge related to terms of trade and arithmetic skills as they failed to provide relevant formula to calculate terms of trade.

On the other hand, 1,666 (17.53%) candidates had weak performance. Most of the candidates could not identify the current year and the base year in (a) (i). Others did not know how to apply the formula used to calculate the terms of trade in part (a) (ii). While some of them applied the wrong formula of $export\ 190 - 100 = 90$, $Import\ 180 - 100 = 90$. Furthermore, some of them provided wrong economic interpretation of the value obtained in (a) (i). In part (b), most of them misunderstood the question as they wrongly described factors like *development of technology, availability of technology, improved infrastructure, sufficient capital*. This indicates that

the candidates misunderstood the question and failed to respond to the question as required. This may be due to their incompetence in the topic examined, they were equipped with less concepts and partial knowledge in applied mathematics in economics. A sample of an incorrect response is shown in extract 13.2.

5	a) solution.										
	i) from the table.										
	<table border="1"> <thead> <tr> <th>year</th> <th>export price index</th> <th>import price index</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>100</td> <td>100</td> </tr> <tr> <td>2015</td> <td>190</td> <td>180</td> </tr> </tbody> </table>	year	export price index	import price index	2010	100	100	2015	190	180	
year	export price index	import price index									
2010	100	100									
2015	190	180									
	• Base year										
	from the table the base year is import price index because their good have saw an increase of the import price index from the term of trade during the period. From 2010 to 2015 in 100 to 180.										
	• Current year.										
	from the table current year is export price index due to term of trade have increased from 100 to 190. In 2010 to 2015										
	ii) solution.										
	In 2010:										
	by the formula of term trade										
	$\text{term trade} = \frac{\text{export price index}}{\text{import price index}} \times 100\%$										
	In 2010; term of trade = $\frac{100}{100} \times 100\% =$										
	term of trade = 100%										
	∴ In 2010 term of trade is 100%										
	Again.										
	In 2015										
	$\text{term trade} = \frac{190}{180} \times 100\% = 105.6\%$										

In Extract 13.2, the candidate in 5(a) (i) 100-180 and 2010-2015, failed to calculate terms of trade in 5(a) (ii), wrongly interpreted the economic information in 5(a) (iii) and failed to provide factors which lead to the deteriorating terms of trade in 5(b). His/her responses suggest that he/she did not understand the question.

2.2.6 Question 6: Marketing and Distribution

In this question, the candidates were required to account for the contribution of land transport to the Tanzanian economy. They were required to give six points. This question tested the candidates' ability to explain the contribution of land transport in the economy.

The question was attempted by 8,727 (68.73%) candidates. Among them, 136 (1.55%) scored 0 to 6.5 marks, 1,545 (17.72%) scored 7 to 11.5 marks and 7,046 (80.73%) scored 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates in this question was good since 98.45 per cent of the candidates scored 7 marks and above. Figure 6 shows the distribution of the candidates' scores in question 6.

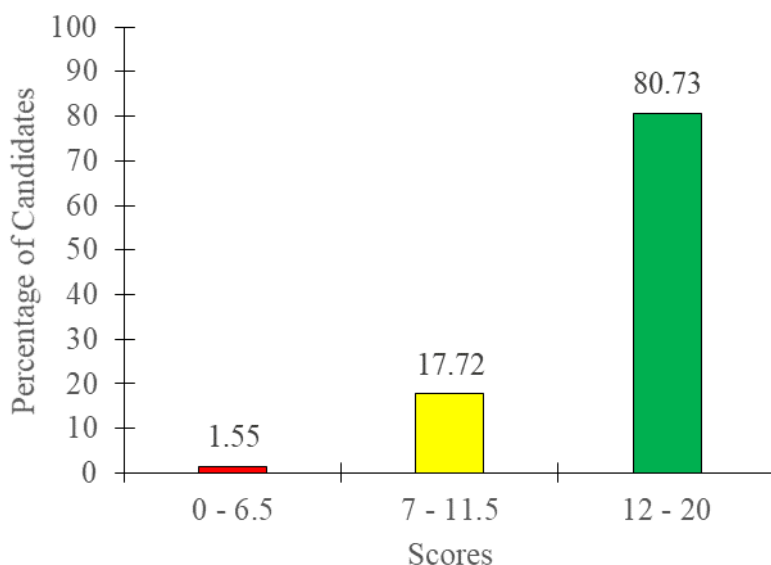


Figure 6: Candidates' Performance on Question 6

Those 7,046 (80.73%) candidates who had good performance on this question elaborated the roles played by land transport. They explained points such as *technology transfer and bridging the gap between the producers and the consumers, they create market for goods and services, they increase labour mobility and employment to the people, it facilitates industrial development and agricultural production and transfer of technology in the economy*. These candidates understood the question and acquired sufficient knowledge of the topic concerned. A sample of a correct response is shown in Extract 14.1.

6	<p>Transportation refers to the physical movement of people, goods and services from one place to another via railways, roads, water ways or air ways.</p> <p>Land transport includes the movement of people, goods and services via roads, railways and pipelines. Land transport has a great contribution to the Tanzanian economy. The following are included:</p> <p>Makes goods and services available to the consumers at right time and place; by the use of roads, railways and pipeline modes of land transport, faster, efficient and smooth movement of goods and services from one region to another is made possible. For example, the transportation of cargoes from the ports to the inner parts of the country. Hence economic welfare to individuals.</p> <p>Employment opportunities are created, many individuals in the country have ^{been} employed in the transportation sector as drivers, agents, engineers, distributors as well as forwarding agents. Individuals earn incomes which is then taxed by the country's government to earn revenue.</p> <p>Facilitate mobility of labour, this is the movement of workers from one place of work to another place. For example roads transport facilitate the movement of workers (labourers) from one region to another. Widely speaking, land transport facilitates the mobility of capital equipment like machines and equipment from one place to another. This enhance productivity in the economy.</p> <p>Ensure availability of raw-materials to producers: through land transport, producers are assured of various access to raw materials from different parts of Tanzania. For example, the raw materials, such as cotton produced in Shinyanga and Morogoro regions is made available to industrialists in Dar-es-salaam via road, or railway transport.</p>
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Extract 14.1 A sample of a correct response to question 6

In Extract 14.1, the candidate correctly explained the contribution of land transport to the Tanzanian economy.

Other 1,545 (17.72%) candidates had average performance. These candidates attempted the question partially. Some of them explained a few points in a correct way but failed to clearly explain some of their points. For example, one candidate explained that land transport facilitates labour mobility but labour mobility is a wider concept. It can mean occupational geographical or rather moving from place to place which is the case here: Therefore, specification is necessary. It implies that they have a partial knowledge of the subject matter.

On the other hand, 136 (1.55%) candidates had weak performance. The candidates' poor performance was triggered by various reasons for instance, discussing wrong roles of land transport, inability to organize ideas in the three parts of the essay which include introduction, main body and conclusion as well as misconception of some concepts in population policies. For example, one of the candidates provided such wrong points as *encouraging competition between roads and railways, increase efficiency of goods and services facilitate mobilization of foreign aid from capitalist countries*. Others provided cost comparative analysis of running costs between the use of land transport on the one hand and air and water transport on the other in the economic development. This implies that they did not understand the question. They also had insufficient knowledge of marketing and distribution. A sample of an incorrect response is shown in Extract 14.2.

6. Land transport:- is the land-
of transport which involve the movement of -
Vehicles or motor and person to move from one
area to another by using land: so land is -
main transport because it is affordable even when
rather than air, water and railways transport this
it is expensive also to conduct rather than land.
The following are the contribution of land trans-
port in Tanzanian economy.

It help in finding or searching-
of raw materials; Due to the presence of land-
transport this help in finding raw materials which
being used in manufacturing of different goods and comm-
odities which incur cost which help in development
of economy. Example in Dar-es-salaam at Kibaha there is
the industry of manufacturing cement where the limestone
and a raw material for manufacturing cement is found in
nature. So because of good land transport it being easy
to get the raw materials.

To transport commodities to the -
area of idle of that commodities; this is due to the
presence of land transport help to get the commodi-
ties which is idle in some of the area so this -
help in development of economy also.

Extract 14.2 A sample of an incorrect response to question 6

In Extract 14.2, the candidate incorrectly explained the contribution of land transport in finding or searching for raw materials and transporting commodities.

2.2.7 Question 7: Financial Institution

In this question, the statement was given as ‘One of the major problems facing the commercial banks in the developing countries is lack of collateral securities to most borrowers’. The candidates were required to substantiate the contention by giving six problems faced by the commercial banks in the Tanzanian economy. This question tested the candidates’ ability to explain the problems faced by commercial banks in Tanzania.

The question was attempted by 5,894 (46.42%) candidates. Among them, 41 (0.69%) candidates scored 0 to 6.5 marks, 318 (5.39%) scored 7 to 11.5 marks and 5,535 (93.92%) scored 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates in this question was good since 93.92 per cent of the candidates scored 7 marks and above. Figure 7 shows the distribution of the candidates’ scores in question 7.

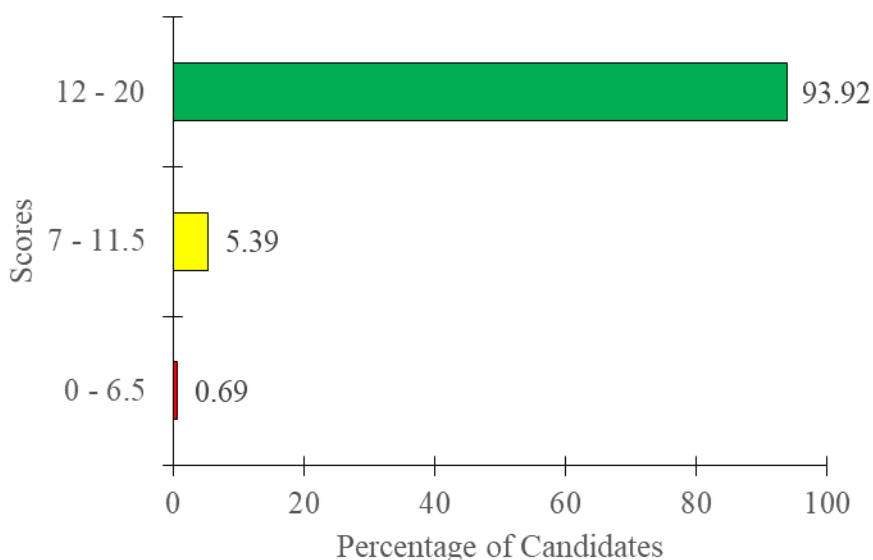


Figure 7: Candidates’ Performance on Question 7

The 5,535 (93.9%) candidates who had good performance in this question provided precisely problems faced by commercial banks in LDCs like Tanzania. They explained such correct points as: *most of the customers who are not credit worthy due to lack of collateral securities as they reduce their credibility since do not deposit their money in the commercial banks, the persistent rise of the general price level discourages the commercial*

banks to lend money, the commercial banks are concentrated in the urban areas hence they compete for business and the existence of a large subsistence sector which leads into low savings resulting from a lower level of economic activities. This implies that the candidates had sufficient knowledge of the topic and they can apply the financial concepts they had learnt. A sample of the correct response is shown in Extract 15.1.

7.	<p>Commercial banks refers to the type of bank that accepts deposits, keeping or safeguard the deposits, mobilizes savings, advance loans, create credit, undertake less risky investment and aim at making profit. Example of commercial banks in Tanzania are CRDB, NMB and NBC. The commercial bank conducts its activities under the monitor or supervision of the Central bank in Tanzania is Bank of Tanzania. The commercial banks despite that they allow deposit and offer accounts, they also have their accounts at the central bank. The commercial banks plays a big role in the economy, though it faces alot of challenges.</p>	
	<p>The following are the problems faced by the Commercial banks in the Tanzania economy.</p>	
	<p>Lack of skilled personnel. Many commercial banks fails to excel due to the absence of competent labours in the organization. The Incompetency workers fails to perform essential activities example accounting, storage and Planning. Due to lack of skilled accountants with high qualifications leads to failure, the commercial banks usually employed accountants with low qualifications in order to save labour-cost or the high cost that would be paid to the skilled or experts.</p>	
	<p>Low saving habit of the individuals. Due to the economic instability example unemployment results to poverty which hinders the people to save. Also the individuals in Tanzania as the less developing country they prefer to hold money in cash (high liquidity preference) than to save the money in the banks. Thus leading the commercial to fail to obtain enough savings.</p>	
	<p>Lack of advanced equipments. The commercial banks faces the problem of not obtaining the updated and advanced equipments Example Computers, security system and storage facilities. Due to the absence of advanced tools it leads to limit its operation and high mismanagement arises, thus leading it to operate not at the desired level that would enhance its development.</p>	

Extract 15.1 A sample of a correct response to question 7

In Extract 15.1, the candidates correctly explained the problems facing commercial banks in Tanzania. These responses indicate that the candidate understood the concepts concerning finance.

On the other hand, 318 (5.39%) candidates had average performance on this question. The candidates gave partially correct responses. They correctly explained few points. Some of the candidates precisely mentioned their points without giving clear explanations. For example, one candidate explained poor government policies without commenting how the commercial banks are influenced by the bank of Tanzania. This implies that they had partial knowledge of the subject matter asked.

Other, 41(0.69%) candidates had weak performance on this question. Most of these candidates were unable to follow the instructions given while others misconceived the question as they wrongly explained the features of international trade such as *balance of payments, trade liberalization policy and unequal exchange*. Furthermore, other factors include presenting few correct points, gross repetition of points, poor mastery of the English Language and failure to follow essay format. This may be attributed to deficient knowledge of the topic. A sample of an incorrect response is shown in Extract 14.2.

07.	<p>Commercial banks: These are the type of bank that was based on the provision of monetary service to the people. Example of commercial banks in Tanzania is like CRDB and NBC. These commercial bank is implementing different monetary policy that was made by central bank Tanzania Bank of Tanzania (BOT).</p> <p>It discourage production; The commercial bank it may lead to discourage production because many commercial bank like NBC and CRDB in Tanzania they found after money means that formed for the purpose of profit making hence it discourage production because it is provide low Loans and interest to it's customers.</p> <p>Lead to unemployment; also commercial bank lead to unemployment because many banks they provide low credit to it's customer hence due to these it may discourage production and final lead to unemployment to many people because of the fall in production.</p> <p>lead to the problem of income inequality. also commercial bank is lead to the problem of income inequality because every commercial bank in Tanzania they were differ for the credit creation to it's customer hence due to the presence of these situation lead to the income inequalities among the people.</p>
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Extract 15.2 A sample of an incorrect response to question 7

In Extract 15.2, the candidate who failed to explain the problems facing the commercial banks in the Tanzanian economy, instead he/she ended up explaining about discouraging production, leading to unemployment and the problem of income inequality.

2.2.8 Question 8: Structure of the Tanzanian Economy

In this question, the candidates were required to justify the advantages of the private sector in the economy. This question tested the candidates' ability to explain advantages of private sector in the economy.

The question was attempted by 10,764 (84.78%) candidates. Among them, 11 (0.10%) scored 0 to 6.5 marks, 111 (1.03%) scored 7 to 11.5 marks and 10,642 (98.87%) scored 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates in this question was good since 99.90 per cent of the candidates scored 7 marks and above. Figure 8 shows the distribution of the candidates' scores in question 8.

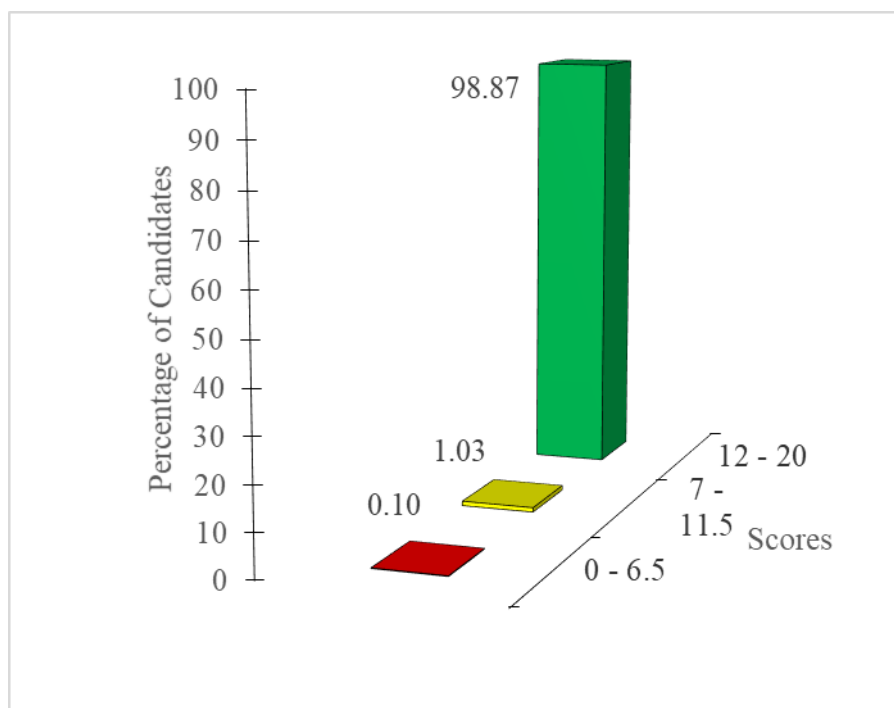


Figure 4: Candidates' Performance on Question 4

A total of 10,642 (98.87%) candidates performed well. These candidates understood the question. The candidates were well equipped with the operation of the private sector in the economy. They provided correct points such as *less bureaucratic control by the government as it is used by the government to influence the level of demand in the economy, private foreign companies bring in the country foreign exchange, skilled manpower, and capital, private sector enables the government to collect revenue through taxation, a large private sector enable a government to mobilise foreign aid from capitalist countries and international organisations like the IMF and World Bank, transfer of technology, increases freedom of choice both in production and consumption as well as optimal allocation of scarce resources*. This signifies that the candidates understood the topic on private sector in the economy. A sample of the correct response is shown in Extract 16.1.

08	<p>Private sectors refers to the sectors that are owned privately or by an individual with the aim of making profit. In Tanzania private sectors are introduced through privatization policy whereby government change the ownership from public to private ownership. The major aim of allowing the private sector is to foster the development of Tanzania economy whereby the private system contribute much to development. The following are the advantages of private sector in Tanzania economy:</p> <p>Creation of employment opportunities to people. This means that through private sector may lead to develop the country in an economy by creation of employment whereby many people are employed in private sector that gain income from salary and wage payed by the private ownership and hence makes income available for their wants such as basic need that lead to decrease number of poverty, dependency ratio and finally rising the living standard of people.</p> <p>It encourages technological development of the country. Also private sector has advantage in growing of Tanzania economy through encouraging of technological development such that through the aim of maximizing profit the private sector employ high technology so as to increase quality of goods in order to increase sell due to competition with other home technological development.</p> <p>It reduces the government burden. The private sectors contribute to build the economy of the country through reducing of government burden through which it provides essential services to people such that reduces many responsibilities to the government that can foster the economical development of the country.</p> <p>Efficiency utilization of resources by private sector. Through private sector ensures the effective utilization of resources whereby it may increase in economical development of the country whereby the resources are utilized effectively may increase production and supply of goods and services that lead to standardize the level of development of the country and finally help to acquire the economical development.</p>
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Extract 16.1 A sample of a correct response to question 8.

In Extract 16.1, the candidate explained the advantages of the private sector to the Tanzanian economy. This candidate comprehended the subject matter of the question.

Furthermore, 111(1.03%) candidates with average performance provided insufficient points. Some of them could not use vivid examples to support their explanations. Moreover, others could not organise their responses in essay form as per instructions in the question. For example, one candidate showed neither the introduction nor the conclusion. This implies that they had insufficient knowledge of the topic and inadequate writing skills.

However, 11(0.10%) candidates performed weakly on this question. The candidates faced difficulties in distinguishing private and public sector while others misunderstood the question. In some cases, the candidates responded to this question in portions as some of them wrote the introduction only, others wrote points without introduction, conclusion or elaborations. A good number of them explained such wrong points as *private sector tend to improve international trade because farmers can sale agricultural products at a higher price and earn higher profits through the private crop buyers, therefore private sector encourage the development of international trade*. Some of the candidates mentioned the advantages of the private sector but gave irrelevant explanations. This implies that they were incompetent in the concepts of private sector in the economy. Extract 16.2 is a sample of the incorrect response to this question.

8.	Private Sector; Is the associa	
	<p>tion which help the to solve the problems of the - areas and help in researching the problem which facing the societies. so this help in the country - because it help the government to deal with little problem which needs high amint. of capital. so the following are the advantages of private - sector in the economy.</p> <p>It increase the efficiency of the - economy; Due to that the private sector it - help in increase of economy by providing the incentive to their worker which cause the worker or farmer to increase the efficiency in their production.</p> <p>Encourage of international trade or - development of 'international trade'; Due to the - presence of private sector this helpful in development of international trade due to the buying their product which produced by farmer and sold it internationally. this will cause the economy to grow.</p> <p>It provide incentives to the producer; this help the producer to produce more and more than first because they get incentives which make them to proudly to conduct their work well and the production will be quality and quantity because of getting incentives this will develop the economy also.</p> <p>Employment opportunity; Due to the presence of private sector this help in providing - employment to the people in order due to the presence of employment opportunity will help in development of economy because the workers will spent their - wages in purchasing which will help to development -</p>	

Extract 16.2 A sample of an incorrect response to question 8

In Extract 16. 2, the candidate mentioned the advantages of the private sector but gave unsatisfactory explanations. This candidate lacked enough knowledge of the contribution of private sector in the economy.

3.0 ANALYSIS OF THE CANDIDATES' PERFORMANCE PER TOPIC

The ACSEE 2023 in Economics had 16 topics. The analysis shows that 15 topics had good performance as opposed to 1 topic whose performance was weak.

The topics with good performance included: *The Structure of the Tanzanian Economy (99.90%)*, *Employment and Unemployment (99.59%)*, *Financial Institutions (99.30%)*, *Marketing and Distribution (98.40%)*, *Theory of Money (97.98%)*, *Economic Growth and Development (95.70%)*, *Theory of Production (93.04%)*, *Population (92.79%)*, *National Income (91.80%)*, *Theories of Demand and Supply (88.94%)*, *Theory of the Firm (86.24%)*, *International Trade (82.50%)*, *Subject Matter (82.32%)*, *Economic Planning (81.80%)* and *Public Finance (81.41%)*. The good performance in these topics was attributed to candidates' adequate knowledge of the concepts related to the topics, adherence to instructions and ability to understand the questions asked.

Further analysis shows that the candidates had weak performance in the topic on *Theory of the Market (25.11%)*. This poor performance in this topic was attributed to wrong interpretations of the question and inadequate knowledge of the candidates per topic. The performance of the candidates in the topics tested is summarized in Appendix A.

4.0 CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

The general performance of the candidates in the Economics subject for the 2023 Advanced Certificate of Secondary Education Examination (ACSEE) was good. The candidates performed well in this examination because they managed to identify what the question needed. The candidates also followed the given instructions. They had sufficient knowledge and competence in the subject matter of each examined topic. However, the analysis revealed that, few candidates did not perform well because of wrong interpretations of the questions and inadequate knowledge and skills of arithmetic in the context of the economy.

4.2 Recommendations

Despite the candidates' good performance in the 2023 examination, there is still a need to improve some areas that seemed to challenge the candidates. Therefore, to improve future performance, the following measures are recommended:

- (a) Students should read widely by using different reading sources such as internet and other facilities like library that will make them learn better. In that way, their performance will definitely rise.
- (b) Students should be subjected to more interactive learning. This will improve both understanding and critical thinking. In that way, the candidates will attain the expected competences. As a results, performance will improve.
- (c) Students should be encouraged to practice different things they learn, especially in teaching and learning, for example in the topic of the theory of market.

A Summary of the Analysis of the Candidates' Performance per Topic

S/n	Topic	No. of questions	Percentage of candidates who scored the average of 35 or above	Remarks
1	The Structure of the Tanzanian Economy	1	99.90	Good
2	Employment and Unemployment	1	99.59	Good
3	Financial Institutions	1	99.30	Good
4	Marketing and Distribution	1	98.40	Good
5	Theory of Money	1	97.98	Good
6	Economic Growth and Development	1	95.70	Good
7	Theory of Production	1	93.04	Good
8	Population	1	92.79	Good
9	National Income	1	91.80	Good
10	Theories of Demand and Supply	1	88.94	Good
11	Theory of the Firm	1	86.24	Good
12	International Trade	1	82.50	Good
13	Subject Matter	1	82.32	Good
14	Economic Planning	1	81.80	Good
15	Public Finance	1	81.41	Good
16	Theory of the Market	1	25.11	Weak

