

**PRESIDENT' S OFFICE**  
**REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT**  
**RUVUMA REGION FORM FIVE TERMINAL EXAMINATION**  
**ECONOMICS**

**TIME: 3:00 HRS**

**November 2021**

**INSTRUCTIONS**

1. This paper consists of section A , B and C
2. Answer six (6) questions according to instructions given to each section.
3. Write your name on every page of your answer sheet provided
4. Credit will be awarded for brief well argued answers.

**SECTION A (20 MARKS)**

**Answer all questions from this section.**

1. With illustration briefly explain any five important economic aspects portrayed by the ppf
2. Briefly explain the following.
  - a) labour productivity
  - b) production
  - c) marginal product of labour
  - d) labour supply
  - e) economies of scale.

**SECTION B (40 MARKS)**

**Answer two questions from this section**

- 3 (a) study the information in the table for commodities and answer questions that follows:

Quantity of X (kg)	Income (tshs)
10	20000
20	40000

**REQUIRED**

- (i) Calculate the income elasticity of demand of commodity.
- (ii) Interpret your answer above.
- (b) Describe five uses of the concept of price elasticity of demand.
4. Show how firms working under perfect competitive market maximize profit.
5. A firm is operating under the conditions of imperfect competitive industry. The costs and revenue are given as follows:

$$TC = 2Q + 5$$

$$AR = 8 - Q$$

Where:

TC = Total Cost

AR = Average revenue

Q = Quantity of output produced/sold

Find

- (a) Compute the level of output at which the firm is producing.
- (b) Compute the marginal cost.
- (c) Compute total revenue and total cost
- (d) Calculate the maximum profit of a firm

**SECTION C (40 MARKS)**

**Answer two questions from this section**

6. Highlight six (6) cause of trade cycle.
7. Explain clearly eight cause of unemployment in Tanzania
8. Analyze five arguments for and five argument against privatization.