



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), 2021

ECONOMICS



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EDUCATION EXAMINATION (ACSEE) 2021**

151 ECONOMICS

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FOREWORD

The National Examinations Council of Tanzania is pleased to issue the Candidates' Item Response Analysis (CIRA) for the 2021 Advanced Certificate of Secondary Education Examination (ACSEE) in the Economics subject. This analysis provides feedback to all education stakeholders.

The Advanced Certificate of Secondary Education Examination (ACSEE) marks the end of a two year 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 is a strong indicator of what the education system was able or unable 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 Economics was good, as 99.27 percent passed the examination. Moreover, out of 16 tested topics, 11 had good performance while 5 topics were had average performance. The report highlights some of the factors that attributed to the candidates' high score. Such factors include the ability to adhere to the demands of the questions, express themselves in the English Language and the knowledge of the concepts related to the subject.

Furthermore, the analysis highlights the challenges faced by a few candidates who scored low marks in some questions. Such factors include failure to adhere to the demands of the questions, good command of English language and lack of knowledge about the concepts related to the subject. The feedback provided will enable the educational administrators, school managers, teachers and students to identify proper measures to be taken to improve candidates' performance in the future examinations administered by the Council.

Finally, the Council would like to thank the Examinations Officers, Examiners and those who participated in processing, analysing and preparing this report.



Dr Charles E. Msonde
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 2021 in the Economics subject, showing how the candidates performed in each question.

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 6 questions in section A and 2 questions from each sections, namely 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 10,515 candidates sat for the ACSEE Economics examination. Among them, 10,402 (99.27%) candidates passed this examination while 77(0.73%) candidates failed. Generally, the candidates' performance in 2021 has decreased by 0.01% compared to the 2020 performance where 11,188 candidates sat for the examination in which 10,402 (99.27 %) candidates passed and 77 (0.73 %) candidates failed.

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

Special colours are used to categorize the performance, as green stands for good, yellow for average and red for weak as seen in graphs and a table in the Appendix. Some extracts showing the candidates responses are included to provide a general overview of how the candidates responded as per the demands of each question.

2.0 ANALYSIS OF THE CANDIDATES' PERFORMANCE IN EACH QUESTION

2.1 PAPER 1: 151/1 ECONOMIC THEORY

2.1.1 Question 1: Production

This was a short answer question where the candidates were required to briefly describe the five characteristics of capital.

The question was attempted by all 10,515 (100%) candidates; out of which 2,786 (26.5%) scored from 0 to 3 marks, 2,806 (26.7%) scored from 3.5 to 5.5 marks, and 4,923 (46.8%) scored from 6 to 10 out of the 10 allotted marks. Generally, the performance of candidates in this question was good since 73.5 percent scored from 6 to 10 marks. Figure 1 shows the distribution of the candidates' scores.

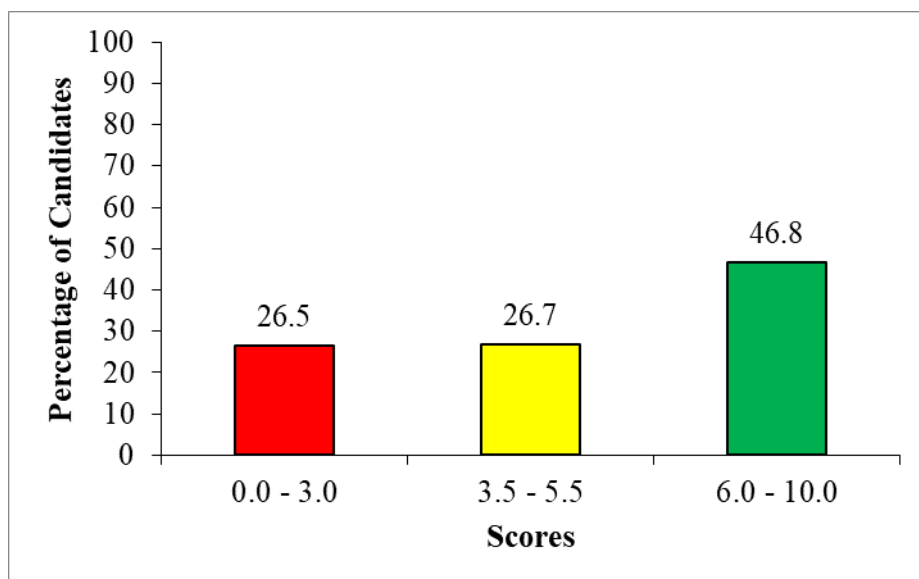


Figure 1: *Candidates' Performance in Question 1*

A total of 4,923 candidates (46.8%) who performed well in this question precisely described the characteristics of capital such as, capital is a passive factor of production since it cannot produce without the help of the active services of labour, all capital goods are destructible and are not permanent, the demand for capital is a derived demand because capital is not demanded for its own sake. The candidates provided clear explanations with vivid examples in most of the points. Other candidates explained that the composition of supply of capital is not an automatic action, but produced with the joint efforts of labour and land as the case in food and cash crops production.

However, the candidates' scores in this category varied because some of them did not exhaust all the required points while others were able to provide the necessary details with examples in some points only. A sample of a good response is shown in Extract 1.1

1	Capital is the part of human wealth that is used for generation of more wealth: and there are many types of capital it may be fixed capital, sunk capital, floating capital and other forms of capital	
	Capital has a lot of characteristics among of them are as follows	
	Capital is made by human being: this factor of production it involve the human effort and it is not free gifted in nature for example capital in form of machine human effort is required to make it	
	The reward of capital is interest: as capital used during production process it must get reward that is interest so if capital will be in form of money as one take it and use for product it must reward for interest	
	Capital depreciate over period of time as time go on capital tend to depreciate in its value for example if one has bought car for production activities means that capital car is capital but at time go on that car tend to tear or devalue is	
	Capital is mobile both occupational and geographical: as one want to shift his capital from one occupation to another it is possible or if he/she want to shift from one area to another also it is possible so capital is mobile factor of production example one can shift machine from Anusha to Dar-es-salaam it is possible for doing that also capital will be able to be mobile in form of ownership from one person to another	

Extract 1.1 is a sample of the good responses in Question 1.

In extract 1.1 the candidate was able to describe the characteristics of capital.

However, 2,806 candidates (26.7%) with moderate scores insufficiently explained the characteristics of capital. Most of these

candidates had a better understanding of the question as they correctly explained some of the characteristics of capital such as the fact that total supply of capital is variable as it can be increased or decreased with time. Some of the candidates explained less than the five required points while others partially explained all the five required points but without satisfactory explanations.

A total of 2,786 candidates (26.5%) who attempted this question failed to understand the requirements of the question. Most of them misinterpreted the concepts of capital and money. Hence, they failed to describe the characteristics of capital, as they described the characteristics of money such as acceptability, recognisability and malleability. However, money can be used to buy capital although money is not a factor of production since it cannot be used as an ingredient in the production process. These concepts are similar in the sense that they are all man-made but they differ because money is not a factor of production. For example, some of the candidates incorrectly defined capital as a certain kind of fixed assets instead of describing the characteristics of capital. Moreover, other candidates only mentioned some points on the characteristics of capital but were unable to explain them. This suggests that the candidates had insufficient knowledge of the concepts used in explaining the characteristics of capital as a factor of production as they explained the different meaning of the term capital. The responses from the candidates who performed poorly had several weaknesses leading them to score different marks within the group. Extract 1.2 is a sample of the poor responses.

1	Capital - refers to the set of stock of assets	
	which starts the business; The following are the	
	characteristics of capital;	
	It is a factor of production; During production capital	
	as a factor of production play a role due to the rate	
	of being a stock which remain after the end of	
	business and control production.	
	Stock of assets; Capital as the stock of	
	assets which remain at the end of production or	
	business is character of being a stock of assets	
	which is now considered since play a great role	
	in different activities	
	Low or high in amount; The amount of	
	capital can be low or high as sufficient and	
	insufficient capital which can not be stationary	
	in nature because capital differ from the nature	
	of type of capital provided.	
	It labour embodied; Capital don't be separated	
	with labour as the one which introduce each other	
	and labour depend on capital as capital works	
	for the presence of labour. The provision of capital	
	in production as the owner of business should control with	
	labour.	

Extract 1.2 is a sample of poor responses in Question 1.

In extract 1.1, the candidate failed to describe the characteristics of capital instead he/she gave different explanations on the meaning of capital.

2.1.2 Question 2: Employment and Unemployment

This was a short answer question in which the candidates were required to explain the negative impacts of unemployment in the economy.

The question was attempted by all 10,513 (100%) candidates; among them, 100 (1%) scored from 0 to 3 marks, 612 (5.8%) scored from 3.5 to 5.5 marks, and 9,801 (93.2%) scored from 6 to 10 out of the 10 allotted marks. Generally, the performance of candidates on this question was good since 99.0 percent scored 5.5 marks and above. Figure 2 shows the distribution of the candidates' scores.

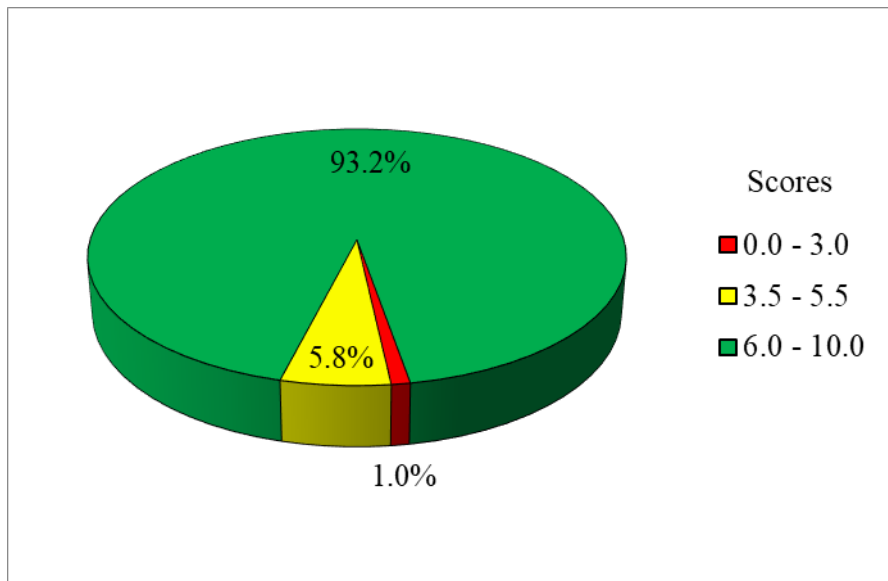


Figure 2: *Candidates' Performance in Question 2*

A total of 9,801 candidates (93.2%) who performed this question well had a clear understanding of the demands of the question as they explained the required negative impacts of unemployment in the economy. Most of the candidates highlighted the negative impacts of unemployment such as: *overcrowding in urban areas resulting from urban unemployment and areas with the higher rates of rural urban migration, decline in saving capacity of income earners which tends to discourage savings and investment, Concerning the emergency of social evils in the urban areas the unemployed people engage in both legal and illegal income generating activities such as crimes, prostitution and robbery which in turn lead into more social problems and distress in the community*. Furthermore, the candidates were able to support their arguments with different groups of the unemployed such as university graduates. The variation of scores among the candidates in this category was attributed to the individual candidates' ability to offer clear explanations, relevant examples, and the number of points analysed. This is shown in Extract 2.1.

2	Unemployment is the situation whereby people are willing and able to work at particular wage rate but unable to find job. There are different types of unemployment such as structural unemployment, casual unemployment and technological unemployment. Unemployment can be caused due to high population, climate and season changes and nature of education. The following are negative impacts of unemployment.
	Unemployment lead to the increase in dependence ratio.
	Unemployment in the country has lead to increase in number of people who depend on other people who are employed. This increase burden to the government in providing services to the people who are not employed and unable to get services like health services due to lack of income. Example government supply health services to elders and poor people who can not do work due to different reason.
	Unemployment lead to decline in national income.
	Unemployment in the country lead to fall in monetary value of goods and services because people are not engaged in production activities to produce goods and services. This lead to decline in level of national income in the country.
	Unemployment lead to decline in human capital and skills of labours, due to existence of unemployment in the country many labours skills will decline because they stay for

Extract 2.1 is a sample of good responses in Question 2.

A total of 612 candidates (5.8%) who scored averagely clearly explained the negative impacts of unemployment in the economy. Some candidates explained all the five required points, but they provided partial explanations. Nevertheless, some of these candidates misinterpreted the question and provided both negative and positive impacts of unemployment, while others provided the required points although their points were not backed up with the relevant examples. The weakness of each candidate examined made them to score different marks within this group.

Additionally, 100 candidates (1%) performed this question poorly. They failed to adhere to the demands of the question. They had insufficient knowledge and skills in employment and unemployment theories. For example, some of them misconceived the question and provided all the positive impacts of unemployment within urban

centres. These include *increase in efficiency of labour among the workers who compete to increase their job security, search for greener pastures, white-collar jobs, or high income-generating opportunities and resort to labour mobility instead of the challenges of unemployment.* In contrary, others provided the measures to be adopted to overcome the problems of unemployment such as: *the development of small scale industries, irrigation schemes as well as vocationalisation of education.* However, many candidates in this category tried to explain at least two challenges. Extract 2.2 shows a sample of the poor responses.

2.	Fall of the Market, Market will fall	
	Since there will be few buyers but many or	
	constant Seller in the Market. This is because	
	No income gain to buy more goods.	
	Fall of industry, as long as an industry	
	produce goods to the buyers, when buyers have	
	No income due to unemployment industry or	
	firm will decline or collapse.	
	Price deflation, unemployment may give	
	rise to the price deflation of commodities	
	which affects much productive forces in ^a an	
	Country.	
	Fall of demand and supply, due to	
	rise of unemployment the demand and supply	
	of the commodity will decline since no income	
	to acquire the goods.	

Extract 2.2 is a sample of poor responses in Question 2.

Extract 2.2 shows answers the candidate who has failed to explain the negative impacts of unemployment, instead he/she explained the fall of the economy.

2.1.3 Question 3: Subject Matter of Economics

This was a structured question, with parts (a), (b), (c), and (d).

In part (a), the candidates were required to calculate the sacrifice of the consumer goods for capital goods and fill in the table.

In part (b) the candidates were required to construct the production possibility frontier.

In part (c), the candidates were required to explain what the production possibility frontier can illustrate to an economy.

In part (d), the candidates were required to distinguish consumer goods from capital goods.

The question was attempted by 7,974 (100%) of the candidates; among them 2,222 (27.9%) scored from 0 to 6.5 marks, 2,898 (36.3%) scored from 7 to 11.5 marks and 2,854 (35.8%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of candidates in this question was good since 72.1 percent scored 7 marks and above. Figure 3 shows the distribution of the candidates' scores.

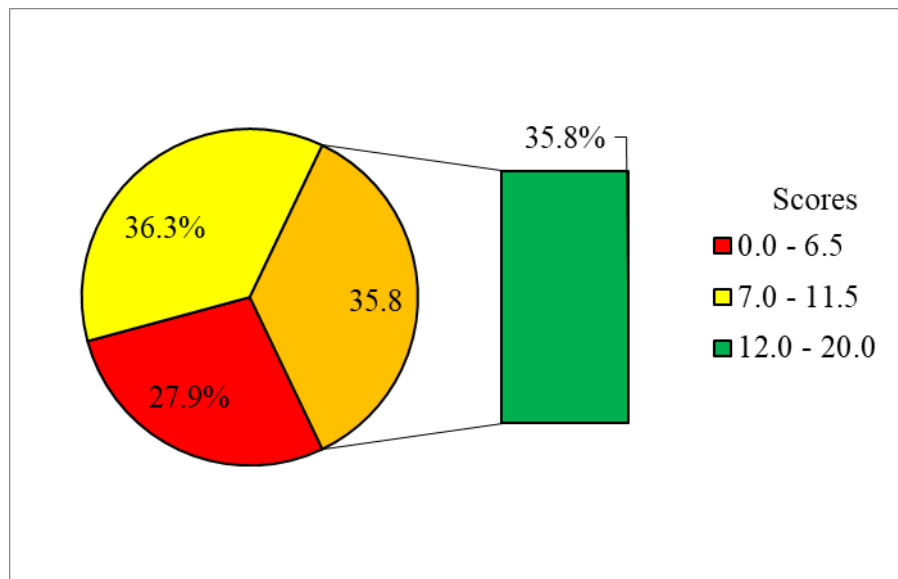
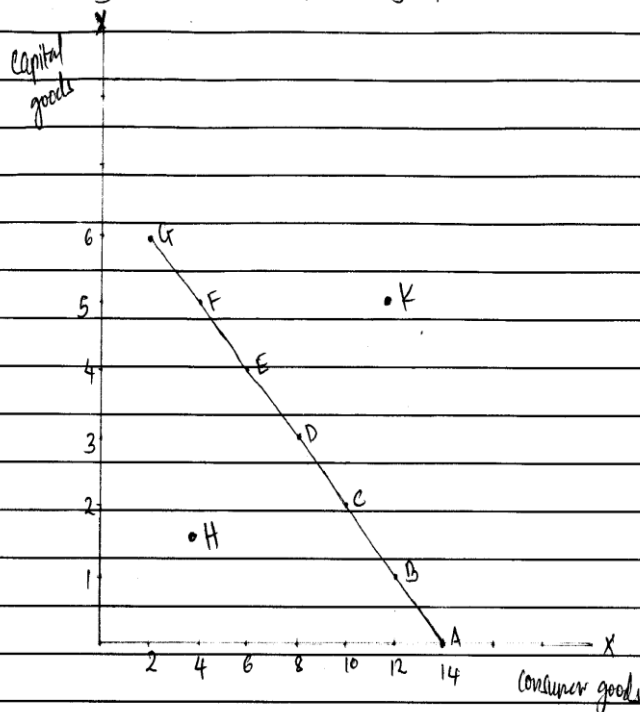


Figure 3: *Candidates' Performance in Question 3*

The candidates who performed well, 2,854 (35.8%), in this question were familiar with the mathematical skills applied in economics. They correctly calculated the sacrifice of the consumer goods for capital goods and filled the values in the table. For example, in part (a) some of the candidates calculated the points in the production possibility frontier and use the values in part (b) to construct the production possibility frontier. However, the disparities observed in their scores were caused by a number of correct points, accuracy of their calculations, interpretation of the mathematical derivations and labelling the production possibility frontier. In part (c), the candidates who had good knowledge in computation analysed the practical applications of the production possibility frontier curve such as decision making by the government and firms in using the opportunity cost and choice in production. In part (d), most of the candidates managed to distinguish consumer goods from capital goods. Besides, in this question, the scores varied due to different abilities of the candidates to argue and the number of correct arguments presented. Extract 3.1 shows a sample of good responses.

3. (b) Constructing a Production possibility frontier curve.



(c) The Possibility Production frontier curve illustrates the following

i/. The concept of opportunity cost is well illustrated by the production possibility frontier curve. So one can make opportunity cost from any point along the curve. For example, the opportunity cost of producing 6 units of capital goods is to forego 2 units of consumer goods hence, opportunity cost of consumer goods at G = $6/2$ which is 3 units foregone.

ii/. The concept of choice is also illustrated along the production possibility frontier curve. Any point along the production possibility frontier curve indicate choice. If one moves from one point to another, he or she is making choice in production.

3	<p>© iii/. The concept of full employment of resources is also indicated on the production possibility frontier curve. All the possible combinations such as A, B, C, D, E, F and G, show that there is full employment of resources and hence no duplication of resources.</p> <p>iv/. From the production possibility frontier, point H can be illustrated to show under utilization of resources or unemployment of resources. The point is therefore located below the PPF curve, that is the production possibility frontier curve. The point H represents attainable point which shows idle resources that were not utilized.</p> <ul style="list-style-type: none"> • The point is also referred as obtainable point. <p>v/. The Production Possibility curve also illustrates a point known as Unattainable or unobtainable point which cannot be achieved unless there is economic growth. The point is depicted by letter K outside the production possibility curve. This point indicates scarcity of resources.</p> <ul style="list-style-type: none"> • Hence, the scarcity of resources can be overcome unless there is economic growth. <p>① Distinguishing consumer goods and capital goods.</p> <p>The consumer goods are those goods that are ready for consumption such as foodstuffs, clothes, sweets, etc. The capital goods are the goods that are applied by labour in the production of consumer goods. Example of capital goods are machines, buildings and spares.</p>	
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Extract 3.1 is a sample of good responses in Question 3

However, the 2,898 candidates (36.3%) who scored averagely used a wrong formula to calculate the sacrifice of consumer goods for capital goods in part (a) and this information to construct the production possibility frontier accurately in part (b). Some of the candidates properly constructed the production possibility frontier but were unable to label it accurately. In part (c), some of the candidates correctly provided the relevant explanations and practical applications of the production possibility frontier curve while others failed due to inadequate mathematical skills and application of a wrong formula in calculations. Although the candidates provided sufficient points to the demands of the question, they scored less marks in this question because their points were unsupported.

On the other hand, 2,222 candidates (27.9%) who performed poorly on this question failed to apply mathematical skills and the required formulae to determine the required variables. In part (a), some of the candidates applied the wrong formula in computation of the sacrifice of consumer goods for capital goods. Consequently, they provided wrong answers which could not be used to construct the production possibility frontier. In addition, others were good in calculation but they failed to use the answers to construct the production possibility frontier. In part (c), most of the candidates in this category failed to give the practical application of the production possibility frontier in the economy due poor arithmetic skills. This indicates that not only did they have insufficient knowledge about the production possibility frontier but also failed to integrate the theories and practical application into the economy. Extract 3.2 shows a sample of poor responses.

as. c)	The production possibility frontier illustrates the	
	the linear production possibility frontier. This illustrates	
	the following in linear production possibility curve.	
	Constant return to scale. The curve shows that	
	the return to scale is constant since the curve are linear	
	this shows that the quantity of consumer goods has	
	constant return to scale to quantity of capital goods.	
	Constant opportunity cost. The opportunity cost	
	is shown to be constant since the change of quantity	
	of consumer goods are different by negative two from	
	the quantity of capital goods.	
	Constant technological level. This imply that	
	the level of technology is the same whatever the level	
	of output of consumer goods and capital goods.	
	Constant in efficiency of factors of production.	
	This is shown by the slope of the curve which shows	
	that it is a linear, this illustrate that the factors of	
	production that is labour, entrepreneur, land and	
	capital are constant in its efficiency.	
	Constant the level of output produced. The	
	curves illustrate that the level of output for both consumer	
	goods and producer ^{capital} goods are constant due to the	
	linear production possibility frontier.	

Extract 3.2 is a sample of poor responses in Question 3.

The extract shows the candidate who failed to explain the practical application of the production possibility frontier, instead explained the assumptions of the production possibility frontier.

2.1.4 Question 4: Market

This question had parts (a) and (b). In part (a), the candidates were required to derive the profit maximisation level of output.

In part (b), the candidates were required to illustrate the equilibrium of the firm under perfect competition in the short run.

The question was attempted by 3,311 (100%) of the candidates. Among them, 1813 (49%) scored from 0 to 6.5 marks, 1395 (42.2%) scored from 7 to 11.5 marks, and 293 (8.8%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of candidates in this question was average, since 51.0 percent scored 7 marks and above. Figure 4 shows the distribution of the candidates' scores.

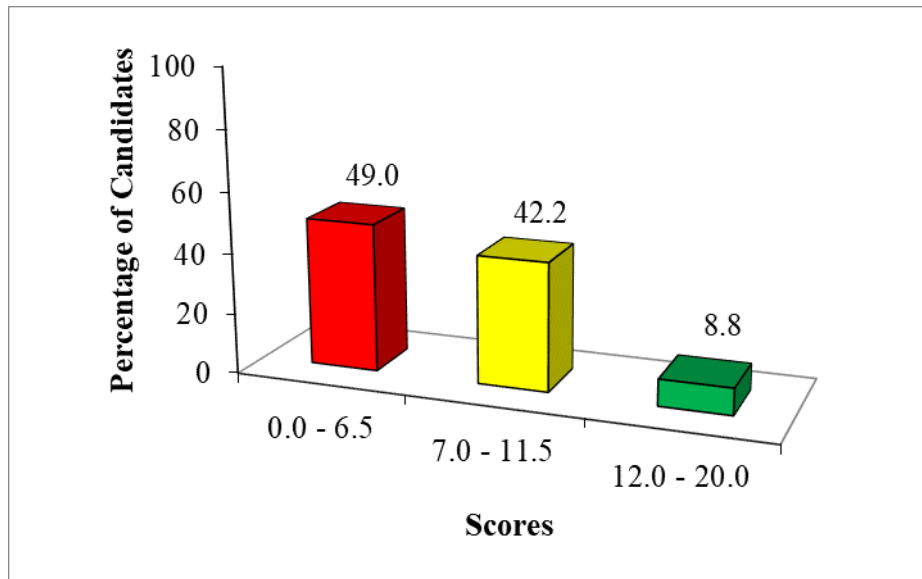
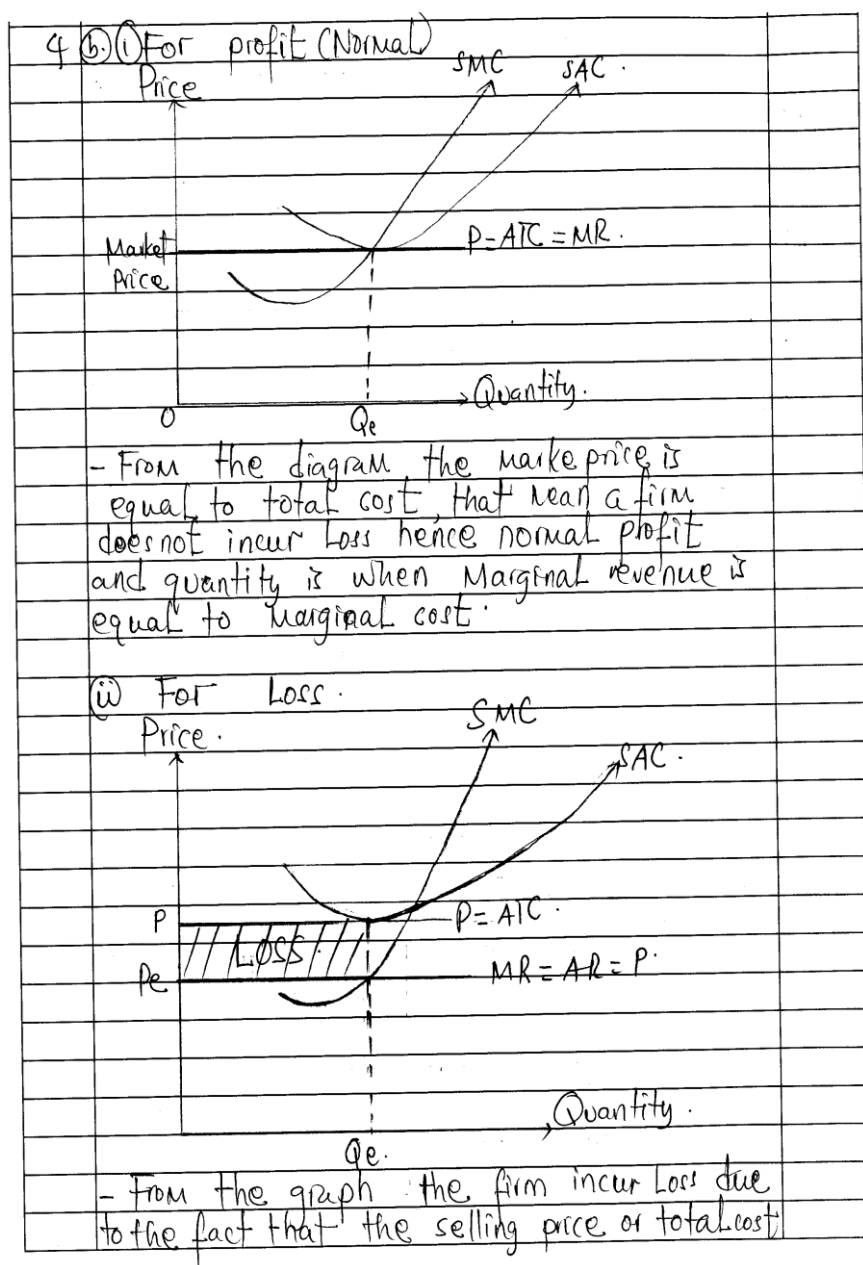


Figure 4: *Candidates' Performance in Question 4*

A total of 293 candidates (8.8%) who performed well in this question had a sufficient knowledge of the equilibrium of the firm in different market structures. They had suitable arithmetic skills and mathematical derivations to use formulae and interpret the observations in explaining different levels of output where the firm can maximise profit and equilibrium level of output. They managed to use statistics and diagrams to illustrate the equilibrium of the firm under perfect competition market structure. In part (a), for example, some of the candidates used the profit function to derive the profit maximisation level of output. Furthermore, in part (b), the candidates accurately identified and illustrated the equilibrium of the firm under perfect competition in the four market situations using well labelled diagrams. They were able to indicate the exact points where marginal cost curves intersect the marginal revenue curve where a firm achieved to produce at the profit maximisation level of output. Nevertheless, the differences observed from the candidates' scores depend on the ability of the

candidates to illustrate the curves in the diagrams provided and the mathematical skills to identify profit maximisation level of output. Extract 4.1 shows a sample of good responses

4	@ Condition:	
	For profit maximization: $MC = MR$.	
	$MC = \frac{d(TC)}{dQ}$	
	$MR = \frac{d(TR)}{dQ}$	
	From: At maximum point $\frac{d(Profit)}{dQ} = 0$.	
	then:	
	$Profit = TC - TR$.	
	Differentiate both sides.	
	$\frac{d(Profit)}{dQ} = 0$.	
	$\frac{d(TC)}{dQ} = MC$.	
	$\frac{d(TR)}{dQ} = MR$	
	then	
	$\frac{d(Profit)}{dQ} = \frac{d(TC)}{dQ} - \frac{d(TR)}{dQ}$	
	$0 = MC - MR$	
	$MR = MC$	
	<u><u>$MR = MC$</u></u> hence proved!	

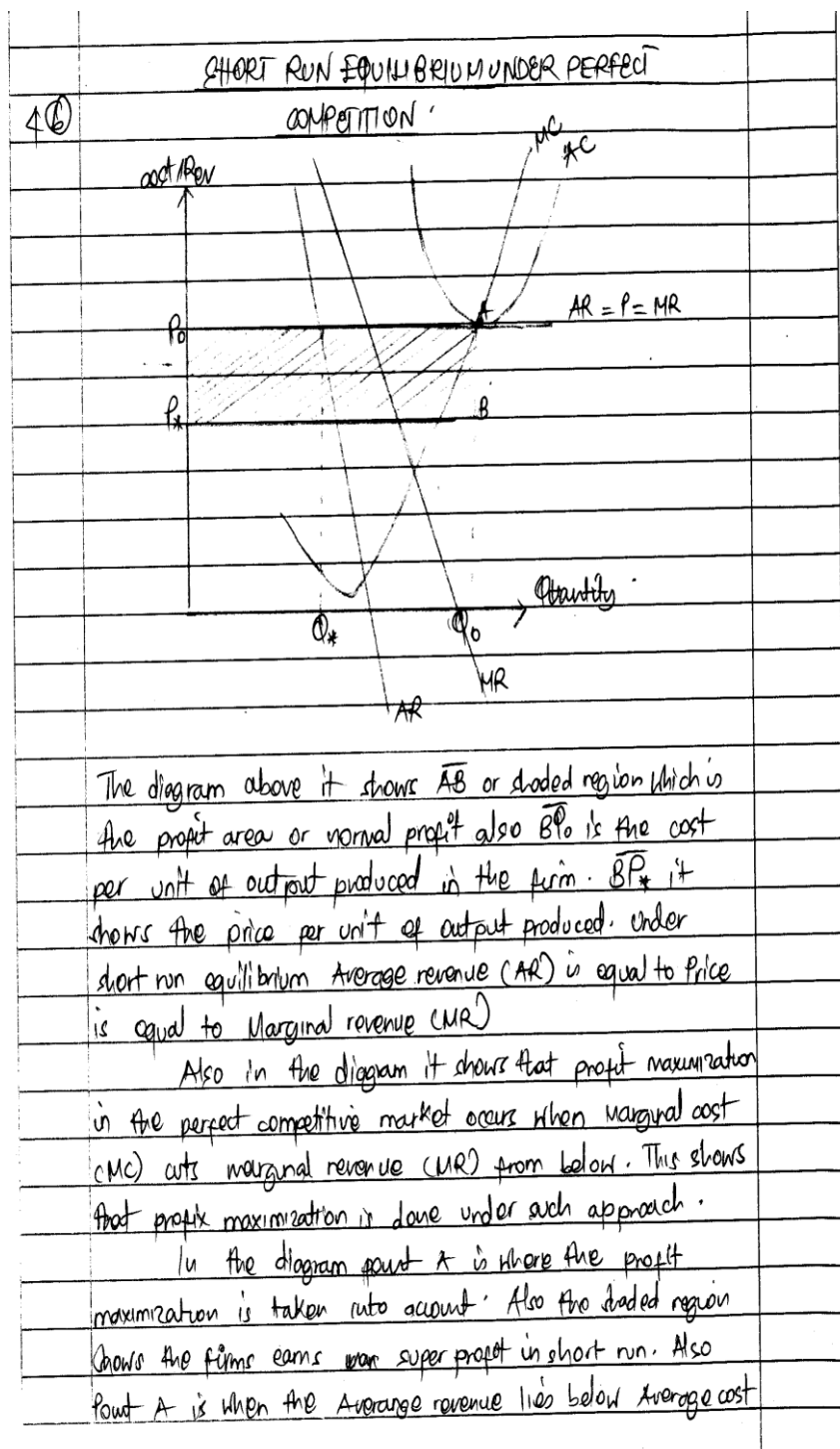


Extract 4.1 is a sample of good responses in Question 4.

On the other hand, 1395 (42.2%) candidates with average marks showed a better understanding of the requirements of the question. Some of the candidates clearly performed mathematical partial differentiation to derive the formulae to be used to achieve profit maximisation level of output in part (a) by illustrating how the formulae is derived, but failed to identify all the four market situations in which a firm may be in equilibrium under perfect competition in the short run in

part (b). In contrast, other candidates were unable to derive the formula to identify profit maximisation level of output, but correctly identified and illustrated at least for market situations in which a firm may be in equilibrium under perfect competition in the short run. In this category, the candidates' marks differed due to their ability, clarity, and accuracy in illustrating and identifying the points of profit maximisation level of output and equilibrium of the firm in the different market situations. This suggests that the candidates had poor knowledge about the market structures.

The candidates 1,813 (49.0%) who scored from 0 to 6.5 failed to recognize the requirements of the question. Most of the candidates misunderstood the question and deviated from the demand of the question due to their poor knowledge and skills in market theories and computations. In part (a), for instance, some of the candidates failed completely to derive profit maximisation level of output from the profit function and omitted this part while others instead explained the role of profit to the firm. In part (b), the candidates misconceived the question as they failed to illustrate equilibrium of the firm under perfect competition, instead they sketched positive linear graphs and downward sloping curves with incorrect labelling to illustrate equilibrium of the firm under both perfect and imperfect market structure in one diagram. Some of the candidates misinterpreted the question and explained the necessary conditions for the equilibrium of the firm to occur in different market structures. In contrast, others illustrated with a well labelled diagram and identified equilibrium of the firm under perfect competition in the long run. This indicates that the candidates were not familiar with the concept of profit maximization level of output and equilibrium of the firm in different market structures. Nevertheless, some candidates in this group failed to score some marks as they illustrated at least one or two correct market situations, though they failed to explain such points and label coherently. Extract 4.2 shows a sample of poor responses from a candidate who misinterpreted the question.



Extract 4.2 is a sample of poor responses in Question 4.

The extract shows the candidate who provided an incorrect illustration of the equilibrium of the firm under perfect competition in the short run.

2.1.5 Question 5: Theories of Demand and Supply

This question had parts (a) and (b). In part (a), the candidates were required to calculate cross elasticity of demand from the given data in (i) and interpret the results (i) in (ii).

In part (b), the candidates were required to analyse the factors which influence price elasticity of supply.

The question was attempted by 9,682 (100%) of the candidates. Among them, 4,688 (48.4%) scored from 0 to 6.5 marks, 3,455 (35.7%) scored from 7 to 11.5 marks and 1,539 (15.9%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of candidates on this question was average since 51.6 percent scored 7 marks and above. Figure 5 shows the distribution of the candidates' scores.

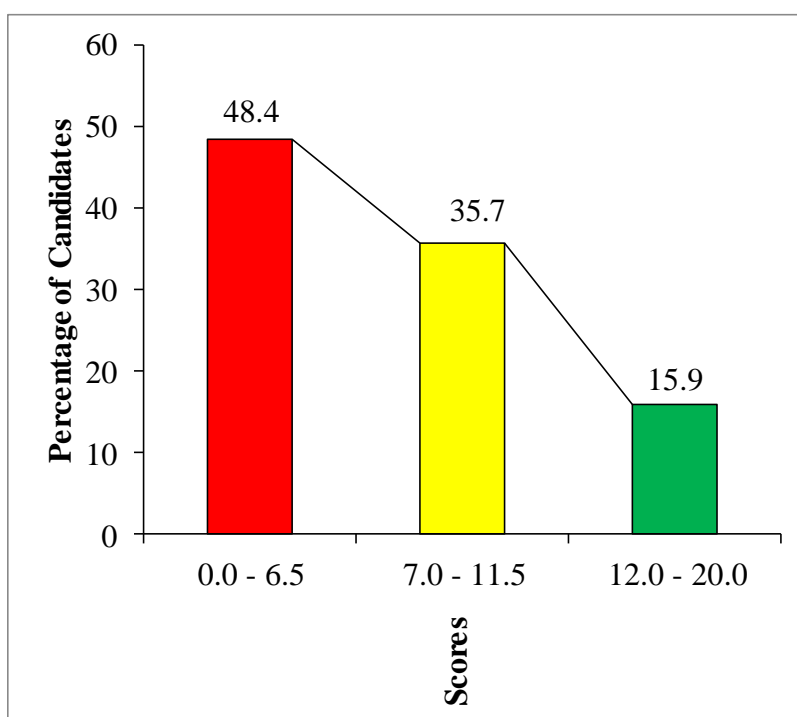


Figure 5: *Candidates' Performance in Question 5*

The analysis shows that the 1,539 candidates (15.9%) who performed well in this question understood the demands of the question. They applied arithmetic skills and a correct formula to calculate cross elasticity of demand which enabled them to get a positive value (+1). The candidates were well acquainted with the concept of cross elasticity of demand and interpretations of the economic information from the

calculations. Most of the candidates in this category provided the accurate interpretation of the positive value that commodities X and Y are substitutes because for such commodities when the price of X increases consumers reduce the consumption of commodity X since the two commodities X and Y compete in the market because they offer the same utility. The candidates explained that, the commodities which exhibit this feature are like coffee and tea or fish and meat, thus the candidates applied relevant mathematical formulae to calculate and interpret accurately the results, as they demonstrated sufficient knowledge of the practical application of the theories of demand and supply. In part (b), the candidates applied their relevant knowledge on the theories of elasticity of supply to analyse and provide the factors which influence elasticity of supply supporting their explanation with relevant examples. For example, some candidates explained that when factor mobility and substitutability is high, supply is elastic but a low mobility and substitutability leads into inelastic supply, production of goods using a simple technology leads into elastic supply while those who demand advanced technology is inelastic. These candidates failed to score full marks because some of them explained all the five required factors but provided unsatisfactory descriptions to some of them. Most of the candidates' responses showed their ability and knowledge of elasticity. The slight weaknesses observed from the candidates' responses varied from one candidate to another, thus affecting their range of scores. Extract 5.1 presents a sample of the good responses.

(5)	i) cross elasticity of demand.	
	$CED = \frac{(P_n - P_0)}{P_n - P_0} \times \frac{P_0}{Q_0}$	
	whereby	
	$P_n = 200$	
	$P_0 = 100$	
	$P_n = 400$	
	$P_0 = 400$	
	$\text{Cross elasticity of demand} = \left(\frac{200 - 100}{800 - 400} \right) \times \frac{400}{100}$	
	$\text{cross elasticity of demand} = \left(\frac{100 \times 400}{400 \times 100} \right)$	
	$\text{cross elasticity of demand} = \left(\frac{40000}{40000} \right)$	
	$= 1$	
	Cross elasticity of demand is 1	

11) Interpretation: The cross elasticity is positive this shows that the commodities are substitutes whereby rise in price of one commodity leads to increase in demand of another commodity. Example of these commodities like Pepsi and Coca-Cola, meat and fish.

5b) Elasticity of supply is the degree of responsiveness of supply due to change in price or any factor affecting supply of commodity. Elasticity of supply can be elastic, inelastic, unitary, perfect elastic and perfect inelastic. The following are factors of elasticity of supply.

Gestation period, this is the period in which a product is produced and converted into finished products. If the gestation period of a product is long, the elasticity of supply of that product will be inelastic, but if the product has a short gestation period, the elasticity of supply of a product will be elastic because the product will be available for a short time.

Availability of spare capacity, when an industry producing products has high spare capacity in operating machines, the supply of products will be high, this leads to elastic supply, but if an industry has low capacity of spare whereby machines may collapse, the product supply will be low which leads to inelastic supply.

Extract 5.1 is a sample of good responses in Question 5.

However, 3,455 candidates (35.7%) who scored average marks correctly interpreted the question and provided some correct responses by calculating accurately cross elasticity of demand and providing correct explanations of some factors which influence elasticity of supply. In part (a), some of the candidates were good in calculation and managed to get the value of cross elasticity of demand but were unable to make the required interpretation as a good number of them misconceived the question as they gave the answers in terms

of price elasticity of demand instead of cross elasticity of demand. Others made the correct interpretation that there is a positive change but they provided examples of the commodities which are complementary. Complementary goods are those consumed jointly as a result, unlike the substitutes when the price of one commodity rises consumers reduce the demand of that commodity and automatically quantity demanded of the other commodity falls. In part (b), majority of the candidates provided insufficient, and less supported points per the requirements of the question since almost all of them managed to two to three factors which influence elasticity of supply.

A total of 4,688 candidates (48.4%) who performed this question poorly failed to use the required formula properly to get the correct value of cross elasticity of supply and make interpretation as well as analysis of the factors influencing elasticity of supply. In part (a), some of the candidates failed to apply mathematical skills and the required formulae to calculate cross elasticity of supply while others skipped this part of the question. In part (b), most of the candidates misconceived the question, instead they analysed the factors which influence supply such as *the price of the commodity, the level of technology, the costs of production, number of the firms in the market and durability of the commodity*. They failed to address the demands of the question. For example, some of the candidates confused price elasticity of demand and cross elasticity of demand as they interpreted the results of the calculation as elastic or inelastic. However, price elasticity of demand deals only with one commodity while cross elasticity of demand deals with the relationship of the two commodities.

However, some of the candidates managed to explain at least one or two factors which influence elasticity of supply, though they did not give clear explanation. Others managed to calculate cross elasticity of demand but they failed to interpret the findings as per cross elasticity of supply in the economy. Extract 5.2 shows a sample of poor responses.

5a	i) <u>Data given:</u>	
	original quantity (Q_0) = 100	
	original price (P_0) = 400	
	New quantity (Q_1) = 200	
	New price (P_1) = 800	
	Cross elasticity of demand = ?	
	<u>Solution:</u>	
	cross elasticity of demand = $\frac{\Delta P_1 - \Delta P_0}{\Delta Q_1 - \Delta Q_0}$	
	= $\frac{800 - 400}{200 - 100}$	
	= $\frac{400}{100}$	
	= 4.	
	\therefore The cross elasticity of demand is 4.	
	ii) The answer above implies that a change in price of a commodity will lead to the change of quantity demanded.	
5b)	<u>Elasticity of supply:</u> Refers to the degree of responsiveness of quantity supplied to change due to the change in price. The following are the factors of elasticity of Supply.	
	Number of producers; Elasticity of supply is influenced by the number of producers, the lower the producers the higher the elasticity of supply.	
	Degree of monopoly; A degree of a monopoly also affected the elasticity of supply. If the degree of a monopoly is high, the elasticity of supply also will be high.	

Extract 5.2 is a sample of poor responses in Question 5.

The extract shows the candidate failed to calculate and interpret cross elasticity of demand in part (a). He/she also failed to analyse the factors which influence elasticity of supply in part (b).

2.1.6 Question 6: Theories of Money

In this question, the candidates were required to examine six factors that lead to demand pull inflation.

The question was attempted by 6,767 (100%) of the candidates, out of which 841 (12.4%) scored from 0 to 6.5 marks, 3,278 (48.5%) scored from 7 to 11.5 marks and 2,648 (39.1%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of candidates in this question was satisfactory since 87.6 percent scored 7 marks and above. Figure 6 shows the distribution of the candidates' scores.

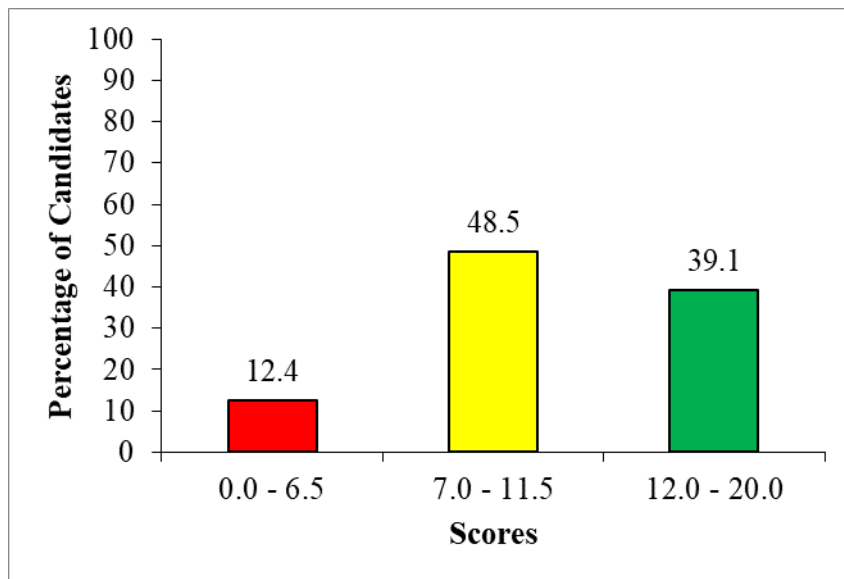
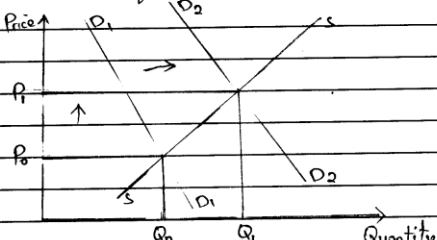


Figure 6: *Candidates' Performance in Question 6*

A total of 2,648 candidates (39.1%) who performed well in this question were able to examine the factors that lead to demand pull inflation. They explained demand pull as the persistent increase in the general price level including the total demand for goods and services in the economy. Next, the candidates explained that during inflation, local currency loses its power since there is too much money chasing a few goods in the economy. Some of the candidates provided the factors such as: *increase in money supply which increases aggregate demand for goods and services in the economy, increase in*

government expenditure which may lead into increase in aggregate demand for goods and services in the economy hence the general price level increases, a rapid increase in the population which exerts pressure on the demand for goods and services which in turn causes upward movement of the general price level. Other candidates provided the factors causing inflation supported by relevant examples such as the case when the government increases wages or collects more revenue from the people through taxation. Similarly, when the government increases armament during the war or spends to improve welfare activities, all such measures lead into demand pull inflation. These candidates explained the causes of demand pull inflation but they did not explain well some points from their responses which determined the scores by each candidate. Extract 6.1 is a sample of the good responses.

G.	<p>Demand pull inflation; is the type of inflation which results into aggregate of demand to be greater than aggregate of supply. This is due to increased wage rate and the level of income which leads to inflation</p>	
		
	<p>The above diagram shows Demand pull inflation as Demand exceeds supply. The following are the factors for Demand pull inflation;</p>	
	<p>Shortage of commodities; When there is shortage of commodities there will be the rise in price this is because the consumer demand much but the commodities are less, this will force the producer to rise the price level which leads to inflation as Demand pull inflation by the ties of shortage of the commodities.</p>	
	<p>Increase in income levels; The level of income of a consumer when increases, this cause demand pull inflation since the consumer will have enough money to demand more and more which will cause the producer to rise up the price level of the commodities since the consumer has high level or increased income which will lead to inflation.</p>	

6.	<p>Increase in Wages of the Labour; When labourers are being increased with the increase in wage rate there will be the increase in purchasing power which will enforce the producer to rise up the price level which leads to demand pull inflation</p> <p>Social evils; such as black market which is the desire for loosing commodities in the market this can cause demand pull inflation since there is consumption of the commodities but are being sold out of the market system as the ^{cause} result of shortage of the commodities in Market and producers will raise the price level</p> <p>Increase in Demand for commodities; This can be as the prestige to producer when there is higher demand for commodities he/she tends to rise up the price for that commodity since it has higher demand level, this will result into persistence of price as Demand pull inflation occurs.</p> <p>Fall in supply of the commodities, When there is fall in production due to the increased in Indirect tax this can cause shortage of the commodities, thus fall in supply for the commodities there is cause of demand pull inflation in the economy.</p> <p>Generally; Demand pull inflation can be controlled by reduction of wage rate, reduction of the income by taxation where by the Demand pull inflation may necessarily lead to loosing of confidence to our currency which may result to printing of new money.</p>	
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Extract 6:1 is a sample of the good responses in Question 6.

On the other hand, the 3,278 candidates (48.5%) who earned average marks managed to provide some required factors causing demand pull

inflation but failed to arrange their points in essay form starting with the introduction, body and conclusion as well as supporting them with examples. Besides, other candidates provided the required number of points for the causes of the demand pull inflation, but most of them had poor explanations and were unable to illustrate them with well labelled diagrams of aggregate demand and aggregate supply curves; therefore, their responses determined the range of their scores.

Contrarily, 841 candidates (12.4%) who performed poorly failed to provide the causes of demand pull inflation neither in essay form nor in any regular pattern. Some of the candidates misunderstood the question and deviated from it by providing the causes of cost push inflation instead of the demand pull inflation. The candidates explained that increase in the cost of production causes the rise in the price of the factors of production such as labour. Therefore, industries failed to cover the costs of production. Furthermore, other candidates provided wrong causes such as the implementation of the monetary policy by the government such as the increase in the discount rate or rather the rate at which the central bank charges the commercial banks. This is wrong because when the discount rate increases the commercial banks increases the interest rate to borrowers and this in turn leads into decrease in the quantity of money in circulation. The responses from the majority of these candidates showed that they understood the requirements of the question, but they failed to exhaust the required number of points or provided unsatisfactory explanations. Their responses demonstrated poor understanding of the causes of demand pull inflation in the economy. Extract 6.2 is a sample of poor responses.

or.	<p>Future expectation of serious shortage. Once consumers are expecting serious shortage of goods especially necessity goods such as food, shelter and clothes then they tend to purchase these goods regardless the increase in prices, therefore if this persists then it results to inflation because supply will remain constant while demand will increase therefore leading to demand pull inflation.</p> <p>The influence of advertisements. Also another cause for demand pull inflation can be due to the effects of advertisements on the commodity which tends to results to increased demand for the commodity. Once demand for the commodity becomes higher than the supply then the producers tends to increase the prices for the commodity and this tends to result into demand pull inflation.</p> <p>The influence of taste of preference and fashion. Also some times some goods such as clothes tend to incur inflation due to fashion and preference which makes consumer to keep on purchasing these goods regardless the higher prices and once the demand becomes higher than supply then the producers tends to increase the prices of the commodity and this tends to result into demand pull inflation in the economy.</p> <p>Economic boom; This refers to the period or stage in the business cycle where by there is the highest level of investment, employment and all the economic systems in the economy are at highest level. Once the economy is at boom stage then it can result to demand pull inflation because there is highest level of employment in the economy.</p>	
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Extract 6.2 is a sample of poor responses in Question 6.

In this extract the candidate failed to provide causes of demand pull inflation in the economy. He/she instead, provided future expectation of serious shortage, the influence of advertisement, the influence of taste/fashion and boom as the general causes of inflation.

2.1.7 Question 7: Population

In this question, the candidates were required to suggest six strategies to be adopted to move the population size of Tanzania towards the optimal level.

The question was attempted by 5,890 (100%) candidates, out of which 2,212 (37.6%) scored from 0 to 6.5 marks, 3,167 (53.7%) scored from 7 to 11.5 marks, and 511 (8.7%) scored from 12 to 20 marks out of the 20 allotted marks. Generally, the performance of the candidates in this question was good, as 62.4 percent scored 7 marks and above. Figure 7 shows the distribution of the candidates' scores.

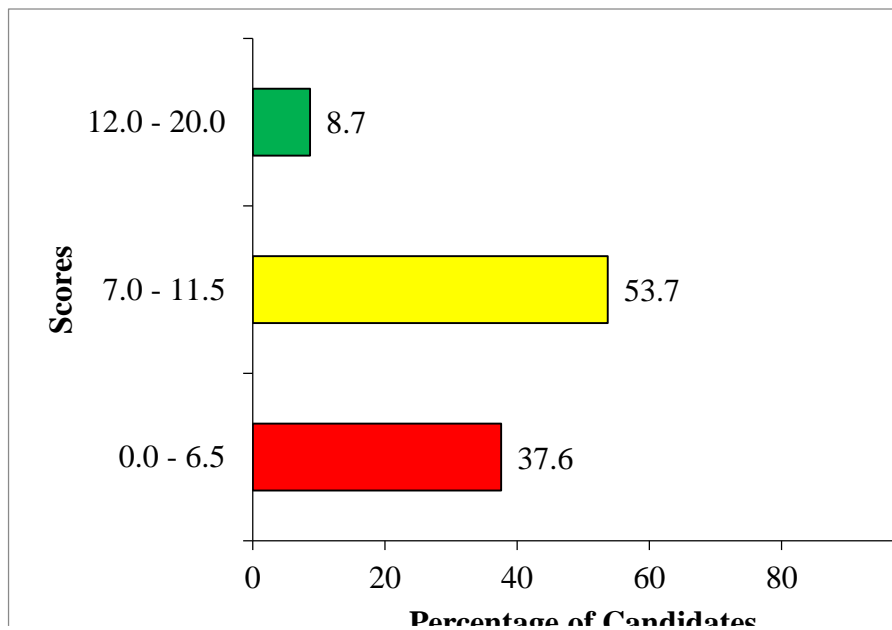


Figure 7: *Candidates' Performance in Question 7*

511 candidates (8.7%) who performed well in this question correctly explained the strategies to be adopted to move the population size of Tanzania towards the optimal level. Population size refers to the total number of people who live in the same geographical area. Most of these candidates defined the optimal level as the level of population where national income per head of population is maximised. Optimum

population is most desirable in view of the sustainable development of the natural resources of the particular country. Most of the candidates in this category organised their work in essay form, arranging their answers starting from introduction, the main body, and conclusion. For example, some of the candidates explain that: *mechanisation of agriculture since agriculture is the backbone of our economy while agricultural production is very low thus to boost up productivity the use of modern farming implements such as tractors, fertilizers, modern seeds and advanced technology is inevitable. Diversification of our economy so that we develop more sectors of the economy sectors such as tourism, fishing, trade and mining are vital for the development of the whole economy and our population to move to the optimal level.* Also, other candidates suggested that all unutilized resources should be effectively utilized to increase productivity as well as the massive investment in the form of education and medical services so as increase productivity. However, clarity and a logical flow of ideas in explaining the strategies, proper presentation of introduction and conclusion part, and the number of correct points examined determined the extent of their scores. Extract 7.1 is a sample of the good responses.

7	Population size, refers to the total number of people living in a particular geographical area.	
	Optimum population, refers to the population where by the number of people can be able to utilize the available natural resources. optimum population means that Number of labour is equal to available resources.	
	Tanzania adopted to move the population size towards the optimal level.	
	The following are the strategies to be adopted by Tanzania on changing population size towards optimal level.	
	Family planning, this is through controlling the birthrate of people through family planning the number of people will be able to utilize and this is mostly established area with overpopulation.	

	Introduction of population policy, the 'policy of	
	Tanzania It has based on the increase the number	
	of children because the number of people are	
	to small compare to the available Land and	
	resources.	
	Development of Infrastructure, such as road and	
	Communication system this will make easy production	
	since resources can move freely from one place to	
	another place.	
	Development in the level of the science and	
	technology, since the technology will be up at	
	high level proper utilization may occurs easy	

Extract 7.1 is a sample of good responses in Question 7.

3,167 candidates (53.7%) who scored average marks failed to explain all the required strategies correctly. Others explained the six strategies with less supporting explanations thus leading them to score average marks. This performance indicates that the candidates had poor knowledge about the spatial distribution of the population and sustainable development of the resources to achieve optimal level of the size of the population. Similarly, some of the candidates did not arrange their points in a regular manner starting with the introduction, main body, and conclusion. However, some of the candidates provided all the six required strategies but did not support them with the relevant examples and their role in developing the Tanzanian economy, thus provided partial explanations, which determined their scores.

In contrast, 2,212 candidates (37.6%) who performed poorly failed to explain the strategies to be adopted to move the population size of Tanzania towards the optimal level. Some of the candidates wrongly interpreted the question as they explained the strategies which may be adopted to reduce the rate at which the population growth rate is growing by using artificial and natural family planning methods, the use of capital intensive production technique so as to reduce the demand for labour in production. The use of bylaws to forbid and discourage early marriage. Other candidates explained only one to

three strategies providing partially unsupported explanations. The responses by the majority of the candidates had several weaknesses, but some of the candidates managed to write the introductory part as expected while others wrote the conclusion. Extract 7.2 shows a sample of the poor responses.

7.	Control of Political instability, in Tanzania the government must control misunderstanding among the countries in order to achieve optimal level of population because when there are political instability there are frequently loss of resource from the good condition hence there must be control of political misunderstanding among countries.	
	Control of negative externalities, Also when there are a lot of disadvantages that can occur due to the various production in Tanzania can influence a lot of negative effects like deforestation and water pollution through that effects people can lose natural resources that can able them to achieve optimal level of population.	
	Control of economic activities, Also Tanzania must control economic activities in order to achieve optimal level of population because when there are low production that can be produced can lead to the underpopulation due to the decline of the number of people but when there are high production also leads overpopulation hence must be control economic activities within the country.	
	Generally, The following are the characteristics of population in Tanzania, Pyramidal in shape, must be faced with diseases and challenges, population in Tanzania are dynamic in nature, Age sex ratio because there are both female and male also population in Tanzania can be differ in the level of economic and social development.	

Extract 7.2 is a sample of poor responses in Question 7.

In this extract a candidate failed to explain the strategies to be adopted to move the population size of Tanzania towards the

optimal level. Instead, he/she provided the control of political instability, negative and positive externalities and economic activities as the strategies to achieve the optimal level.

2.1.8 Question 8: Privatization

In this question the candidates were required to analyse six challenges that Tanzania has faced in the process of privatization.

The question was attempted by 8352 (100%) of the candidates, out of which 4,600 (55.1%) scored from 0 to 6.5 marks, 2,688 (32.2%) scored from 7 to 11.5 marks, and 1,064 (12.7%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of candidates in this question was average, since 44.9 percent scored 7 marks and above. Figure 8 shows the distribution of the candidates' scores.

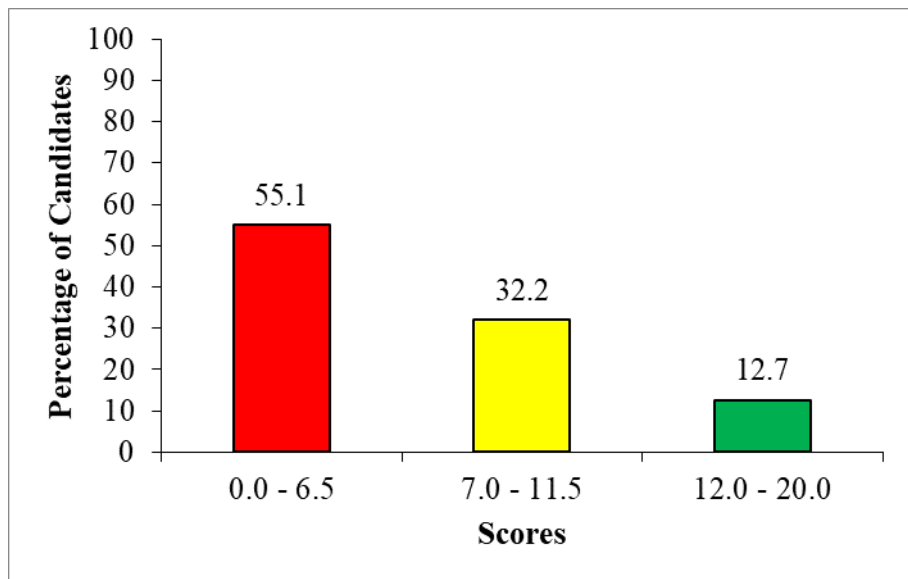


Figure 8: *Candidates' Performance in Question 8*

A total of 1,064 candidates (12.7%) who scored high marks addressed the demands of the question. The candidates analysed the six challenges that Tanzania has faced in the process of privatization. Most of the candidates in this category defined privatization as the process of transferring ownership of a business, enterprise, agency, public service or property from the public sector (state or government) to the private sector or rather (a business that operates for a private profit) or to private non-profit organisations. For example, some of the candidates successfully analysed the valuation of assets whereby it

was found out that valuation estimates in Tanzania were found to be higher than the sale prices in the economy, weak financial system like shallow and narrow financial coverage, small capital market at which long term assets can be exchangeable may constrain the potential investors and bureaucracy has been very detrimental to divestiture and has served to delay it in its efficient take-off whereby the delay has cost the government and the entire project. Furthermore, the candidates explained that inadequate indigenous participation which tend to marginalise the chances of the public enterprises to remain on the hands of the indigenous has led to ownership ambiguity as well as determining which share the proceeds of privatization are allocated to the government is difficult. Other candidates explained about the weak legal regulatory and judicial framework which is still very low to be able to construct and negotiate the best contracts to be entered during privatization as the case in some instances whereby we are forced to break the contract and required to pay a lot of money for compensations as the case for outsourced contract for power generation. The candidates' scores in this group varied because some of them did not exhaust all the required points while others provided the necessary details with relevant examples to only some of the points although most of them arranged their answers in essay form starting with the introduction, the main body and conclusion. This indicates that the candidate had a sufficient knowledge about the process of privatisation in Tanzania and the challenges we are facing to improve our economy. A sample of the good responses is shown in Extract 8.1.

08.	Privatization means the transferring of public	
	enterprises to ownership of private or individual in a	
	country. Privatization in Tanzania can be completely	
	(divestiture) or for specific time. It is true that most of	
	the privatized companies in Tanzania have shown degrees of	
	efficiency and high profitability such as financial ratios.	
	but this process still facing the problem. The following are	
	the arguments that show challenges facing Tanzania in its	
	process of privatization.	

	Difficulties to get the credible buyers. Tanzania is being challenged particularly to get credible buyers who can be efficiently providing social services that are required by the society. For instance Kilimanjaro hotel is a Dor-ar-salam face this challenge hence led to efforts to privatize it, therefore Tanzania face difficulties to get its credible buyers to privatization process.	
	Bureaucratic tendencies. Also this is another constraint that Tanzania face in process of privatization. Most investors who want to invest in public enterprises are being facing with especially during negotiation, they follow many procedures in various officials hence create boredom.	
	Corruption and misuse of public enterprises. The government leaders tend to give false contracts with investors for their own benefit, this discourage the process of privatization since seen to be uneconomical to privatize.	
	Opposition from public and politicians. Some societies reject privatization, this is due to negative connotations. Also due to disadvantages that caused by the involvement. On other hand the groups of politicians in a country tend to discourage the government on the issue of privatization, hence lead privatization difficult.	

Extract 8.1 is a sample of good responses in Question 8.

However, 2,688 candidates (32.2%) who had average scores in this question managed to explain the required points averagely. The candidates understood the demands of the question but demonstrated partial knowledge about the process of privatisation in Tanzania. Similarly, some of the candidates explained inadequately the challenges of privatization and did not arrange properly their responses in the form of essay starting with the introduction, main body, and conclusion. For example, some of the candidates provided less than the five challenges of the privatization process required while others exhausted all the required points but did not provide

sufficient explanations which are supported with the vivid examples in the Tanzanian context.

Furthermore, the 4,600 candidates (55.1%) who performed poorly did not meet the requirements of the question and failed to analyze the challenges that Tanzania has faced in the process of privatization instead, they explained the challenges or problems faced by Tanzania as a result of the operation of the privatized industries, thus greenhouse effects, global warming and desertification. The candidates stated that the big privatised industries such as soap industries produce more carbon dioxide which in turn lead into environmental degradation while the big privatised plantations make excessive use of inorganic fertilizers which accelerate desertification. All these factors cause problems to the Tanzanian economy. Some of the candidates provided the disadvantages of privatisation instead of the challenges of privatisation as they explained that most of the privatised industries employ capital intensive production technique which use more machines in production, thus extending the problem of unemployment. Most of the candidates in this group did not understand the requirements of the question and had inadequate knowledge of analysing the required challenges of privatization. Some candidates confused the challenges and disadvantages of the process of privatization such as a choice to use labour or capital intensive production technique any of these can be advantageous therefore this is not a challenge. Apparently, they had insufficient knowledge of the subject matter. The variation in their marks was caused by their different abilities to give clear explanations with relevant examples. Extract 8.2 shows a sample of poor responses.

\$	Under the government it where now they decided even to produce goods which are harmful to the people such goods includes cigarettes and alcohol where by there before during the public control were not produced but soon due to those private who are profit orientated started to produce those harmful products.	
	Loss of government control and vice, most of the privatized companies due to their greediness have become anti-government in control where by the government now is with no any vice upon them and can not plan anything for them, for example on the issues of taxes these companies due to their greediness are sometimes practice what is called tax avoidance where by they are purposeful do this for their own profit.	
	Collapse of infant local industries, some of the national companies which were either controlled by the government or individuals collapsed due to the emergence of these giant industries where by these local companies failed to enter into competition with these giant industries where by it made them to collapse, for example on the side of quality of products these privatized companies seemed to have a quality products compared to these products of local companies due to some factors such as the use of modern technology therefore this makes these local companies to collapse.	
	Environmental destructions, these giant privatized companies in their production activities such as industrial activities are mostly produce pollutants such as wastes in the land and smoke emissions but because they are just profit orientated and are no longer in the positions of considering the public welfare it where now they decide to dump their wastes on the environment such as in the oceans and other water bodies as well as in the land surface hence increases pollution.	

Extract 8.2 is a sample of poor responses in Question 8.

In this extract, the candidate failed to analyse the challenges of privatization in the Tanzanian economy. Instead, he/she explained

environmental degradation, collapse of local infant industry and loss of government control.

2.2 PAPER 2: ECONOMIC DEVELOPMENT

2.2.1 Question 1: Economic Growth and Development

The candidates were required to describe forms of foreign aid.

The question was attempted by 10,515 (100%) of the candidates. Among them, 2,932 (27.9%) scored from 0 to 3 marks, 3,318 (31.5%) scored from 3.5 to 5.5 marks, and 4,265 (40.6%) scored from 6 to 10 out of the 10 allotted marks. Generally, the performance of the candidates in this question was good, since 72.1 percent scored 6 marks and above. Figure 9 shows the distribution of the candidates' scores.

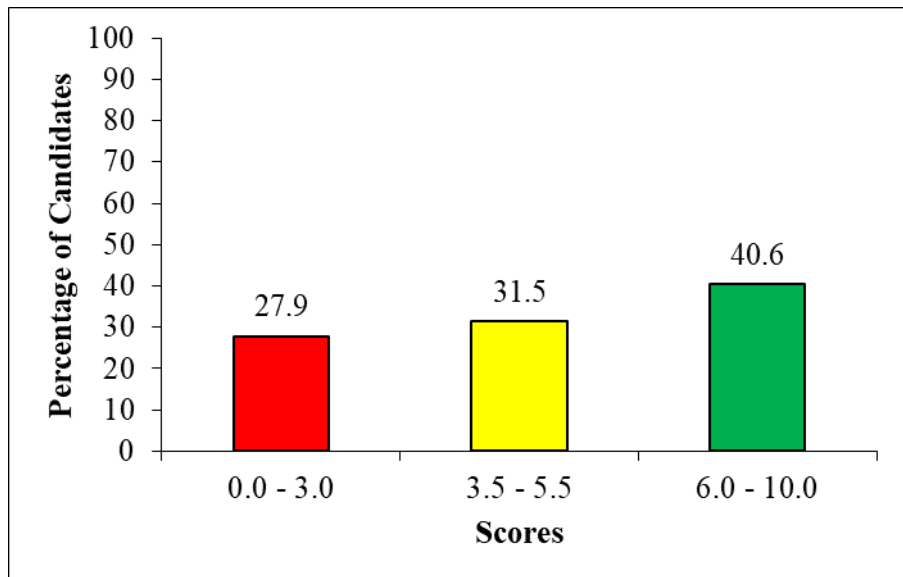


Figure 9: *Candidates' Performance in Question 1*

A total of 4,265 candidates (40.6%) who performed well on this question had sufficient knowledge of the concepts of economic growth and development. They managed to describe the forms of foreign aid. For example, some of the candidates described precisely that foreign aid is a specific amount of money whether in terms of local or foreign currency, capital or consumer goods, military assistance or technical assistance from a donor country given to a recipient country in different forms and agreements between parties concerned. The candidates explained that aid may be given from a donor country to a

recipient country in the form of technical assistance in terms of sending skilled personnel and the related capital equipments. For example, machines and engineers may be sent to a certain country for the development of a specific project. Similarly, there can be a transfer of technology from the donor to the recipient country in the form of computers installed with a specific programme. Their scores in this category varied due to several factors. Example the number of correct responses provided and the degree of accuracy of the candidates' explanations. Extract 9.1 is an example of the candidates' good responses.

1.	Foreign aid is an inflow of subsidized resources from one country, or government to another - for example US aid to Tanzania. Foreign aids are categorized into two types, which are, bilateral and multilateral aids. Foreign aids also contribute to the developing the economies of poor countries. The following are main forms of the Foreign aid received by a recipient country from donor country.	
	Capital aid, is the kind of aid in terms of Capital goods and assets. example of Capital aid is machinery like trucks and other equipments like tractors. Also Capital aid in form of assets includes treasury bills and securities which may provided from one country to another.	
	Financial aid, is an aid given in terms ^{terms} of monetary assets like cash, securities, assets and bonds. Financial aids are raised from one country to another to help the donor countries to improve the exchange rate money market and also the recipient Country can use foreign aid to relieve poverty by breaking the vicious circle of poverty.	
	provision of social services, foreign aids also may be given in terms of goods and services. for example Corona curing equipments from U.S to Uganda is an example of goods and services which are provided by the donor countries. social services include health services and education. w	

	Technical aid is an aid which is raised from donor	
	Countries to recipient countries in terms of techniques of production,	
	Technical aid includes the techniques of prod and methods of production	
	like labour intensive and capital intensive technique of production	
	military aid, is an aid which is given to the	
	Countries especially poor countries to maintain peace peace and	
	security within a country. for example examples of military aid.	
	one military/defense equipments like weapons and soldiers assistance	

Extract 9.1 is a sample of good responses in Question 1.

Furthermore, the 3,318 candidates (31.5%) who performed moderately were able to meet the demands of the question although they provided partial explanation and unsupported points. They provided less than the five forms of foreign aid required. Most of the candidates described two forms of foreign aid and supported them with the required explanations and examples although only to some extent. Other candidates provided the five required forms of foreign aid but explained some of the points partially. In contrast, others gave satisfactory explanations with examples but provided less than the five forms required. Further observations found that some of the candidates' responses contained a few correct forms of foreign aid and a repetition of the same forms. For example, when a candidate gives examples of capital/producer/durable consumer goods and machines in different forms they may be grouped in the same form. Therefore, these candidates might have inadequate knowledge of the forms of foreign aid.

Additionally, the 4,265 candidates (40.6%) with poor performance on this question failed to describe forms of foreign aid. Most of the candidates in this category were unable to meet the demands of the question. Some candidates only mentioned one or two forms of foreign aid without giving required explanation which tends to distinguish one form from another. Others categorised all the foreign aid into two categories which are social and military aid, which lead to their low scores. Other candidates wrongly grouped the foreign aid as financial and nonfinancial aid, contrary to demands of the question.

Thus, these candidates demonstrated partial knowledge of the forms of foreign aid. Repetition of the points was another weakness observed in the candidates' responses. A sample of the poor responses is shown in Extract 9.2.

1.	Foreign aid refers to the aid from another country to another for helping. Foreign aid can be goods or intem of money. Foreign aid comes if there is shortage of essential needs or disasters. For example if there is drought or war. Foreign aid have five forms which conducted when it contributed in developing the economic of the poor countries as follows:
	Rate. Foreign aid sometime considered
	Aim. Foreign aid Considered to the aim of foreign aid. For example if is for helping due to the war it would be it.
	Committee. Foreign aid in order to do well it must be have Committee through that foreign aid can practise well.
	Directly to the targets. Foreign aid is well directed to the special group in order to Satisfy their needs.
	Report. Through giving this foreign aid the report about foreign aid to Specific group must be written.
	Evaluation. After completing for giving this Specific group the evaluation is very important. For example if the member targeted is 100, let's see if all have gain foreign aid.
	Foreign aid is very important in our daily life because it helps to save peoples life. For example in Tanzania there is TASSAF which are allmost save various Tanzanian life.

Extract 9.2 is a sample of poor responses in Question 1.

In this extract, the candidate wrongly described the forms of foreign aid.

2.2.2 Question 2: Economic Integration and Cooperation

The question required the candidates to evaluate the benefits enjoyed by the member states in the economic integration.

The question was attempted by 10515 (100%) candidates. Among them, 254 (2.4%) scored from 0 to 3 marks, 1,684 (16%) scored from 3.5 to 5.5 marks, and 8,577 (81.6%) scored from 6 to 10 out of the 10 allotted marks. Generally, the performance of the candidates in this question was good, as 97.6 percent scored 6 marks and above. Figure 10 shows the distribution of the candidates' scores.

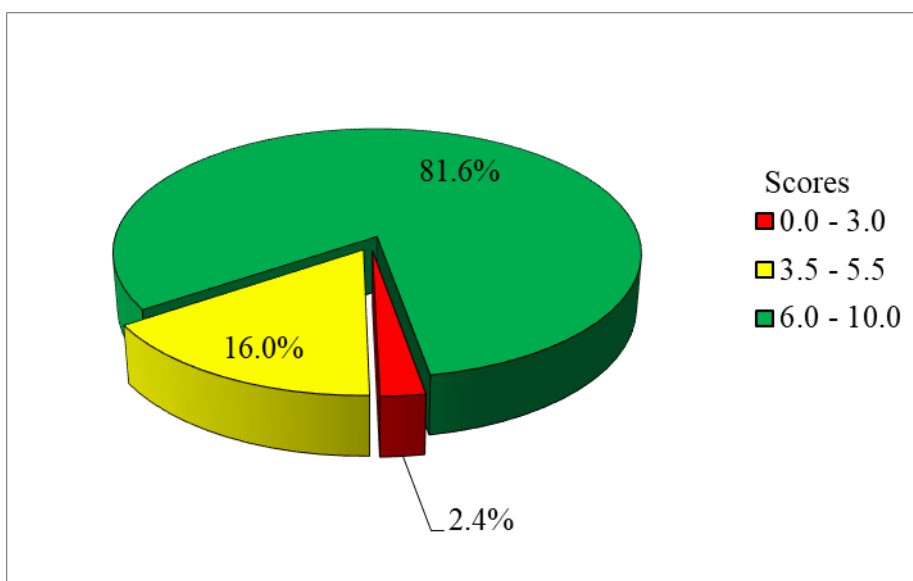


Figure 10: *Candidates' Performance in Question 2*

The 8,577 candidates (81.6%) who had good performance on this question understood its requirements. They managed to evaluate the benefits enjoyed by the member states in the economic integration. Most of them explained that when the member states specialize in the production of those commodities in which they are more efficient. Thus, import from the member states, the goods they can produce inefficiently and enjoy the benefits of specialisation through trade creation. The member states may enjoy both internal and external economies of scale, whereby the increase in the size of the market may require the members to embark on large scale production to meet both domestic and foreign market. In case of increased social welfare and security, the candidates explained that member states may enjoy

common military assistance by creating one military force which can increase peace and harmonize the interests of member states. Other benefits which were discussed by the candidates include collective bargaining power in the international trade as well as improving their diplomatic relations among themselves. However, some of the candidates in this category failed to provide the necessary details with examples as required by the question while others provided less than the five points required. Consequently, these candidates failed to achieve full marks in this question. Extract 10.1 is a sample of good responses.

Q2.	<p>Economic integration, refers to the combination of selected economies so as to trade freely among the member countries, economic integration involve the integration basing only in trade in which base on some forms like free trade area, custom unions and common market. The following are the benefits which can be enjoyed by the member state through economic integration.</p> <p>Expansion in the size of the markets, through the economic integration between member countries, it help to the member countries to expand its markets through the free movement of factors of production and free movement of commodities. The increase of remove all trade barriers among the member countries.</p> <p>Technological transfer, also the members can enjoy the technological transfers because of removal of trade barriers among the member countries. In case due to allow of commodities and factors of production to transfer from one country to another hence the technological transfer.</p> <p>Creates employment opportunities, in economic integration basing on trade only for this case help the member countries to create the good environment to its citizens among these lives to create job opportunities because in the integration people from country can move to another country due to common market establishment.</p>	
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Q2.	Mass production, also economic integration
	help the member countries to increase the production of goods and services and this is done due to the increase in factor of production and enable and stimulate a country to produce more in order to be benefited to production in the integration process example Tanzania can increase production in maize in order to earn more revenue.
	Political and social understanding, the economic integration helps to the member state to be benefited if when they are engaged in integration by specialization and division of commodities, selling and buying products from other countries hence members benefit from social and political understanding so this is the one of the benefits of member state in economic integration

Extract 10.1 is a sample of good responses in Question 2

However, the 1,684 candidates (16%) who had average performance on this question outlined the benefits of economic integration and cooperation, but they provided inappropriate explanations. Most of them outlined less than the five benefits required, while those who exhausted all five benefits provided unsatisfactory explanations. Some of the candidates concentrated on the economic benefits and ignored the military and social benefits. Thus, some of the candidates did not understand the meaning of economic integration and cooperation. Accordingly, they partially explained some points. This indicates that the candidates had insufficient knowledge about this particular topic. Their partial knowledge is evident in their respective scores.

On the different note 254 candidates (2.4%) who performed poorly in this question misunderstood the requirements of the question and provided incorrect responses about the forms of economic integration instead of the benefits of economic integration in the community. For example, some of the candidates explained the establishment of the

preferential trade area by removing trade barriers in the region. Some of the candidates deviated from the question, that instead of the benefits, they explained about uneven distribution of the benefits whereby some few rich member countries accumulate more wealth and become richer while the other poor member countries become poorer and fail to meet even the basic needs of their people. Apparently, they had insufficient knowledge about the concepts of economic integration and cooperation. Further analysis of the responses of the candidates showed that some of them understood the requirements of the question, but they failed to give the number of points required. Additionally, others deviated from the question and explained the disadvantages instead of the benefits of economic integration. A sample of poor responses is shown in Extract 10.2

02.	Trade liberalization, member states	
	in any regional intergration such as	
	commESA, SAC and WADC are accompaig	
	ned by the removal of trade barriers such	
	tax and tariffs hence people are allowed	
	to trade anywhere within intergral	
	boundaries hence increase in production.	
	Security economies, for any country	
	continue production security has to be ensured	
	therefore the member states possess a single	
	army which includes sharing of troops and	
	soldiers and are used for any attack	
	Provision of loans and developmental	
	activities, regional intergration banks such	
	as East African Community Developm	
	ent Bank (EACDB) is responsible for	
	provision of loans with low fixed interest	
	so as to enhance the development of	
	member states.	
	Assistance in case of danger and	
	natural hazards, such as Earthquake,	
	floods, famine and volcanic eruption	
	where these international regional intergr	
	ations contributes some amount to be	
	presented to affected member state.	
	Fighting and eradication of poverty,	
	this is done through establishment	
	of various programs such as rejection	
	of colonialism and its all forms.	

Extract 10.2 is a sample of poor responses in Question 2.

In this extract the candidate provided areas of cooperation instead of the benefits of economic integration.

2.2.3 Question 3: National Income

The question had parts (a) and (b). In part (a), the candidates were required to calculate changes in consumption and savings.

In part (b), the candidates were required to elaborate determinants of consumption.

The question was attempted by 9,956 (100%) of the candidates. Among them, 2,491 (25%) scored from 0 to 6.5 marks, 2,405 (24.2%) scored from 7 to 11.5 marks and 5,060 (50.8%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of candidates in this question was good, as 75.0 percent scored 7 marks and above. Figure 11 shows the distribution of the candidates' scores.

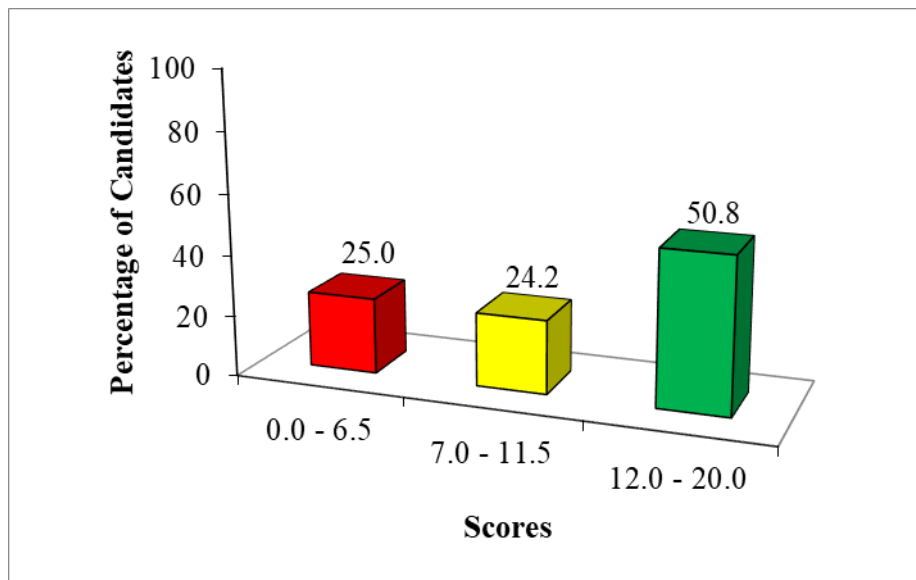


Figure 11: *Candidates' Performance in Question 3*

A total of 5,060 candidates (50.8%) performed well in this question. They understood the requirements of the question due to their sufficient knowledge about national income in the subtopic of consumption and savings. This indicates good mastery of the subject matter in the particular topic. Most of the candidates who had a sufficient mathematical knowledge and skills correctly calculated the changes in consumption and savings in part (a) and filled in the blank

spaces provided. In part (b), most of the candidates who attempted this question managed to explain the determinants of consumption, such as: *The changes in the interest rates whereby low interest rates attract people to borrow for consumption while higher interest rates make people reduce consumption, Changes in income distribution influences the consumption pattern since a lower income gap enables the majority to increase consumption while a higher income gap enables only the minority to afford increase in consumption, Government expenditure when it increases also consumption increases and decrease when government expenditure decreases and Changes in the wage level as the increase in the wage level leads into an increase in consumption while the decrease in the wage level leads into the decrease in consumption.* The variation of marks among the candidates was caused by the individual ability, accuracy, and mathematical skills to calculate, interpret, and provide the necessary details in responding to the question. A sample of the good responses is shown in Extract 11.1.

3.(a)						
	Year	Disposable income	Consumption (C)	Saving (S)	Change in Consumption	Change in Saving.
	1990	90,000	80,000	10,000	-	-
	1991	82,000	72,000	10,000	-8,000	0
	1992	170,000	150,000	20,000	78,000.	10,000.
	1993	260,000	230,000	30,000	80,000.	10,000.
	1994	350,000	310,000	40,000	80,000.	10,000.

(b)	The following are determinant of Consumption:-	
	(i) Income of the people.	
	-The increase in income led to increase in level of consumption because purchasing power of consumers will increase and decrease decrease in income led to decrease in consumption. From the table above in year 1990 con income was 90,000 and consumption, but in 1991 income decline to 82,000 and consumption decline to 72,000.	
	(ii) Savings.	
	-The increase in saving led to the decline in amount of Money to be used in Consumption. and also decrease in saving led to increase in consumption.	
	(iii) Price of commodities.	
	-The increase in price led to decline in consumption and the decrease in price of commodities lead to increase in consumption in the economy.	

Extract 11.1 is a sample of good responses in Question 3.

On the other hand, the 2,405 candidates (24.2%) who had an average performance demonstrated inadequate arithmetic skills. Hence, they applied the wrong formulae to calculate either the changes in consumption or savings and got wrong answers in part (a). Most of the candidates in this category managed to provide correct responses in part (b). They gave a sufficient number of points with examples. In this part, some of the candidates explained less than the five points required on the determinants of consumption in the economy while those who exhausted all the five points provided unsatisfactory explanations to some of the points. The weakness observed led to low scores of the candidates in this question.

Furthermore, 2,491 candidates (25%) with the lowest marks failed to use the data provided to calculate the changes in consumption and savings in order to give the economic interpretation and the information required in part (a) due to their poor mathematical knowledge and skills. In part (b), some of the candidates managed to explain at least one or two factors which determine consumption. In contrast, others provided all the five required points, but they provided unsatisfactory or partial explanations. For example, some of the candidates gave incorrect answers by explaining that *Consumption is determined by the autonomous consumption which refers to the type of consumption which must be consumed by anybody to survive*. This shows that the candidates lacked sufficient knowledge about the concepts of consumption and savings. Other candidates for instance, incorrectly stated that the level of consumption is directly proportional to the level of savings. Therefore, when consumption decreases in the economy savings also will decrease. Conclusively, the responses given by each candidate determined their respective scores. Extract 11.2 is a sample of poor responses.

30	Year	Disposable income	Consumption	Saving (\$)	change in consumption (\$)
	1990	90,000	80,000	10,000	0.8888
	1991	92,000	72,000	10,000	0.12195
	1992	170,000	150,000	20,000	0.88 23.5
	1993	260,000	230,000	30,000	0.88 46
	1994	350,000	310,000	40,000	0.88 5 71

3 (b)	Consumption refers to all used within the specific time. This consumption would be per day or week or month. The following are determinants of consumption.
	Domestic consumption. These are all consumption which done for domestic uses. For example maize vegetable and meat.
	Shelter consumption. These are all consumption which done for buying clothes for example shoes and clothes.
	Transport consumption. These are all consumption which are used for travelling from one place to another. For example from home to the office.
	Essential need consumption. These are all consumption which are provided for essential needs like education for children and health.
	Emergency consumption. These are all consumption which are provided for emergency issues for example for wedding and helping others.
	Consumption is very important and can not avoided due to its specially. No life no consumption no life.

Extract 11.2 is a sample of poor response in Question 3.

In this extract the candidate failed not only to calculate the changes in consumption and savings but also to explain the determinants of consumption in the economy.

2.2.4 Question 4: Financial Institutions

The question had parts (a) and (b). In part (a), the candidates were required to explain the process of credit creation by the commercial banks.

In part (b), the candidates were required to explain the factors which limit the process of credit creation in the commercial banks of Tanzania.

The question was attempted by 7,677 (100%) of the candidates; among them, 3,351 (43.6%) scored from 0 to 6.5 marks, 3,491 (45.5%) scored from 7 to 11.5 marks, and 835 (10.9%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of candidates in this question was average, since 56.4 percent scored 7 marks and above. Figure 12 shows the distribution of the candidates' scores.

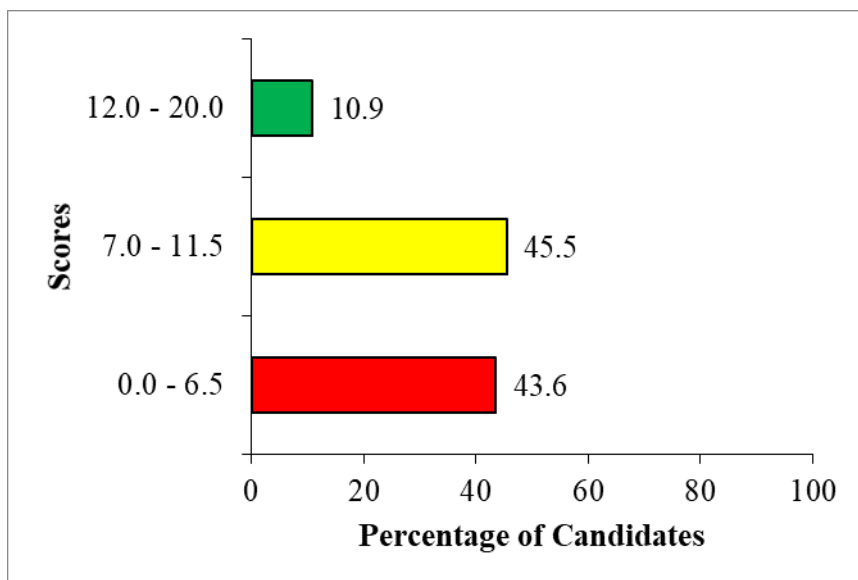


Figure 12: *Candidates' Performance in Question 4*

835 candidates (10.9%) who performed well in this question managed to calculate, identify, interpret, and explain the process of credit creation. The candidates understood the requirements of the question and demonstrated their knowledge in calculation and interpretation of the process of credit creation. For example, some

of the candidates managed to calculate and illustrate all the procedures, practically how the initial deposit of 1,000/=TZS, is created to get the total amount of 5,000/= TZS, through credit creation in part (a). These transactions include the mathematical skills and ability to calculate, interpret, and identify the procedures of credit creation in the regular system of credit creation and their relevant practical examples in the daily transactions of the commercial banks in the economy.

In part (b), most of the candidates tried to explain those factors which limit the process of credit creation in the developing countries such as: *In the developing countries, people save money in their homes and pockets rather than depositing them in the banks as well as the activities of different network systems such as Tigo-pesa, M-pesa, Airtel Money etc. These will pose a challenge to make the commercial banks to work hard because savings habits may increase the process of credit creation or decrease when they are poor. High interest rates discourage borrowing and how interest rates paid to depositors discourage saving, therefore, the commercial banks will be required to compete in reducing the interest rates and improve savings in the economy since the lower the interest rates the greater the process of credit creation and vice versa. Furthermore, in the developing countries there few creditworthy customers to borrow money; the commercial banks are required to increase efficiency so as to attract more creditworthy customers since more creditworthy customers increase credit creation and vice versa.*

Nevertheless, the candidates' scores in this question varied due to several factors, including their accuracy in the calculations, interpretations of the findings, and extraction of the required economic information. Extract 12.1 shows a sample of good responses.

04.	@ The following are the stages of the credit creation process.	
	Firstly, Person A deposits the amount of money to the bank and then goes away with other known activities. Deposited 1000/=	
	Secondly, the cash ratio of the bank plays its part and hence, the amount deposited reduced by 200/= since the cash ratio is 20%.	
	Thirdly, the bank gets the new loan after making constant 200/= of the person: A in any case that person needs money is given from 200/= But the remaining 800/= is given to a person who is in the need with money.	
04.	⑥ The following were the factors which influence the credit creation process in developing countries like Tanzania:-	
	Demand for loan; Thus, the process of credit creation to occur hence, the loans in the required bank must be demanded. Hence, increase in demand for loans leads to the presence of credit creation process.	
	The value of collateral security; Thus, the presence of high valuable collateral security leads into the presence of the credit creation process. But the absence of collateral	

Extract 12.1 is a sample of good responses in Question 4.

However, 3,491 candidates (45.5%) with average marks demonstrated adequate arithmetic skills and application of relevant formulae. The candidates identified the requirements of the question. However, they failed to provide correct responses to the whole question. They managed to calculate in the stages of credit creation but some of them failed in giving the last answer and interpretation. In part (b), most of the candidates identified one or two factors which limit the process of credit creation. However, most of the candidates failed to give interpretation and one practical example of the process of credit creation. This is due to the fact that the candidates failed to integrate their theoretical knowledge in the classroom and the practical application of the knowledge in the commercial banks within the Tanzanian economy.

Furthermore, 3,351 candidates (43.6%) who performed poorly in this question failed to calculate in the different procedures of the process of credit creation, to interpret the findings, and extract the economic information required. Some of the candidates instead of identifying the calculation in the process of credit creation and the final procedure of calculating the total amount of money created, they mixed up and got wrong answers. In contrast, others provided the correct factors which influence the process of credit creation but with partial explanations and unsupported examples, while others deviated from the question and explained even those factors which influence economic growth instead of credit creation. This suggests that they had insufficient knowledge about the concepts of credit creation and the factors which influence the process in the Tanzanian economy. A sample of poor responses is shown in Extract 12.2

4b)	Credit Creation: Also called credit	
	Multiplier refers to the process of the bank	
	to provide the loan at any time due to	
	excess reserve. Commercial bank contributes	
	at the higher level of the credit creation	
	due to the provision of loan in the bank	
	system. The following factor influence the	
	process of credit creation. In the developing	
	countries like Tanzania:	
	Rate of Saving: Through the	
	increase of the rate of saving the bank can	
	accumulate the capital / deposit that can	
	influence the provision of the loan to the	
	people so that can involve the provision	
	of the loan because of the saving.	

	Political stability: Therefore the existence of peace and security. It is involved at the level of the commercial bank to attract the credit creation because of the elaborate the potential of that loan in the level economic development and the demand of the loan.
	Economic growth: Through the influence the development of production. If the people demand the loan in order to increase production toward the will enable the bank to provide the increase at the function of the credit creation.
	Peace and security: Due existence of the peace of the place the Monetary act activities can conduct the difference that can be able to the development of the bank to

4b)	bank to the providence of the credit creation so that it be influence the control and conduct the activities without any contradiction.
	Enough Capital: Through the bank sustained the enough of the capital enable to the conduct the credit creation in the level so that can acquire the different step that able to the providence of the loan to the people that can increase the ability of provide loan.
	Low per capital income: Due to the through in the developing countries people it can low per capital income that can influence the demand of the loan and the commercial it provide for the so that can interper the improvement of the level of the income it be develop at the level so as to attract the basic need due to the loan.
	Expand production; Therefore the people demand the loan because of the need to the expand of the production activities so that can involve in the credit so bank enable to the increase of the production of the difference capital in the production so that influence the credit Multiplier.

	Finally: Therefore the increase	
	of the due power of the saving that can	
	influence the attribution of the attitude of	
	bank is the achievement of the provision	
	of that loan so that can led at the it	
	the bank fail to provided loan It fail in the	
	level of Make the profit because of the	
	loan of the people return with interest.	

Extract 12.2 is a sample of poor responses in Question 4.

The extract shows the candidate failed to explain the factors which influence the process of credit creation, instead, he/she explained the factors which influence the economic growth of a nation.

2.2.5 Question 5: International Trade

The question had parts (a), (b), (c), (d), (e), (f), and (g). In part (a), the candidates were required to calculate the visible balance for both years, then interpret their answer. In part (b), the candidates were required to calculate the invisible balance for both years. In part (c), the candidates were required to give three examples of invisible trade. In part (d), the candidates were required to calculate the net capital inflow for both years and give an example of capital flows. In part (e) the candidates were required to determine the net transfer and give examples of transfers. In part (f), the candidates were required to calculate the current balance and in part (g), the candidates were asked that “Is it always the case that balance of payments accounts must balance? Give a reason for your answer.”

The question was attempted by 3,353 (100%) of the candidates, out of which, 1,552 (46.3%) scored from 0 to 6.5 marks, 1,278 (37.5%) scored from 7 to 11.5 marks, and 523 (16.2%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates on this question was average, since 53.7 percent scored 7 marks and above. Figure 13 shows the distribution of the candidates’ scores.

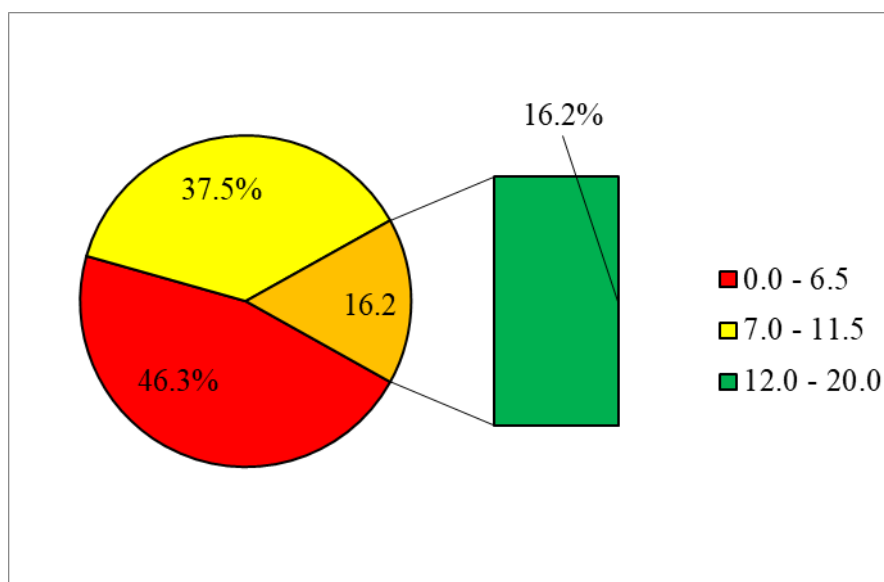


Figure 13: *Candidates' Performance in Question 5*

A total of 523 candidates (16.2%) performed well in this question. The candidates were familiar with the mathematical calculation skills and application of different formula in the theories of international trade. They were able to use correct formula to interpret the terms of trade and balance of trade. They managed to calculate the visible and invisible balance of trade and comment whether the balance of trade is favourable or unfavourable. For example, in part (a), (b), and (c) some of the candidates managed to; calculate both visible and invisible balance of trade, comment and give examples of invisible trade. Others in part (d) and (e) correctly, calculated net capital inflow and net transfers as well as giving examples of transfers. Similarly, in part (f) and (g) the candidates calculated current balance of trade and commented why balance of payments account must balance. The reason why candidates had good performance in this question is thought to be that were exposed to many trade and commercial transactions in their daily life. This implies that the candidates had acquired sufficient knowledge about terms of trade and balance of payments in the economy. However, the marks scored by each candidate varied due to their differences in accuracy. A sample of the good responses is shown in Extract 13.1.

05	(a) The visible balance for both years	
	In 1994 = $100,000,000 - 90,000,000$	
	\therefore visible balance = $10,000,000$	
	In 1995 = $50,000,000 - 120$	
	\therefore visible balance = $49,999,880$	
	\therefore the visible balance = export goods - import goods	
	\therefore Then Both have favourable balances.	
	(b) The invisible balance for both years.	
	= export services - import services	
	In 1994 = $50,000,000 - 150,000,000$	
	\therefore invisible balance = $-100,000,000$	
	In 1995 = $180,000,000 - 100,000,000$	
	\therefore invisible balance = $80,000,000$	

Extract 13.1 is a sample of good responses in Question 5.

Furthermore, the 1,278 candidates (37.5%) who performed moderately were good in calculation but failed to comment on the findings. Some of the candidates had insufficient knowledge on the balance of trade and transactions in the balance of payments. For instance, some of the candidates were able to calculate visible and invisible trade, but failed to calculate net capital inflow while others calculated well net capital inflow but failed to comment on the current balance and balance of payments account. In addition, those who were good in calculations unsatisfactorily explained some of the points without vivid examples. As for the balance of trade and balance of payments, some of the candidates failed to distinguish them since balance of trade excludes invisible trade while balance of payments include invisible trade. This indicates that they had insufficient knowledge of the topic.

However, the 1,552 candidates (46.3%) with poor performance misconceived the question and failed to address the requirements of

the question. Most of them in this category lacked mathematical and calculation skills as well as knowledge and techniques in interpretation and extracting the required economic information from the findings. For example, some of the candidates failed to use the correct formula to get the required value while others managed to get the value but were unable to explain its significance in terms of the balance of trade whether they are favourable or unfavourable. In addition, others partially explained on the findings after the calculation in the economy while others skipped some parts of the question or the whole question altogether. This indicates that the candidates had insufficient knowledge of the theories of international trade. Extract 13.2 shows a sample of poor responses.

5ca)	Visible balance in 1994 = $\frac{\text{Export} - \text{Import}}{\text{Import goods}} \times 100$	
	$= \frac{100,000,000 - 90,000,000}{90,000,000} \times 100$	
	$= 11.1$	
	= Unfavourable visible balance.	
	$= \frac{\text{Export services} - \text{Import services}}{\text{Import services}} \times 100$	
	$= \frac{50,000,000 - 150,000,000}{150,000,000} \times 100$	
	$= -33.3$	
	= Unfavourable visible balance	
	Visible balance in 1995 = $\frac{\text{Export goods} - \text{Import goods}}{\text{Import goods}} \times 100$	
	$= \frac{50,000,000 - 120,000,000}{120,000,000} \times 100$	
	$= -41,666,666.67$	
	= favourable visible balance.	
	$= \frac{\text{Export services} - \text{Import services}}{\text{Import services}} \times 100$	
	$= \frac{180,000,000 - 100,000,000}{100,000,000} \times 100$	
	$= 80$	
	= favourable visible balance.	

5(b)	Invisible balance in 1994 = $\frac{\text{Import goods}}{\text{Export goods}} \times 100$	
	$= \frac{90,000,000}{100,000,000} \times 100$	
	$= 90$	
	$= \frac{\text{Import services}}{\text{Export services}} \times 100$	
	$= \frac{150,000,000}{50,000,000} \times 100$	
	$= 300$	
	Invisible balance in 1995 = $\frac{\text{Import goods}}{\text{Export goods}} \times 100$	
	$= \frac{120}{50,000,000} \times 100$	
	$= 0.00024$	
	$= \frac{\text{Import services}}{\text{Export services}} \times 100$	
	$= \frac{100,000,000}{180,000,000} \times 100$	
	$= 55.6$	

Extract 13.2 is a sample of poor responses in Question 5.

The extract shows the candidate failed to calculate visible and invisible balance of trade.

2.2.6 Question 6: Marketing and Distribution

In this question, the candidates were required to analyse six factors to be considered when choosing a mode of transport.

The question was attempted by 8,941 (100%) of the candidates. Among them, 293 (3.3%) scored from 0 to 6.5 marks, 1,564 (18.6%) scored from 7 to 11.5 marks, and 6,986 (78.1%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of candidates on this question was good, since 96.7 percent scored 7 marks and above. Figure 14 shows the distribution of the candidates' scores.

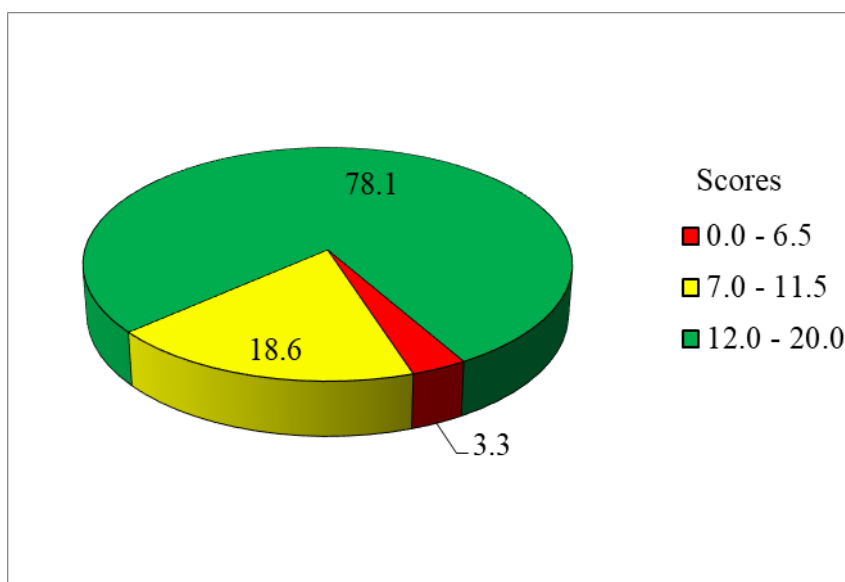


Figure 14: *Candidates' Performance in Question 6*

The 6,986 candidates (78.1%) with high scores in this question understood the requirements of the question. The candidates analysed the real practical situation of transport in Tanzania and suggested the factors to consider when choosing a mode of transport. For example, some of the candidates suggested factors like; *The bulkiness of goods since bulky commodities are always efficiently transported by using water and railway while other commodities are transported by using road and air transport, the available transport links, whereby may wish to use one mode but unfortunately there may be links in the country or region, you may wish to make a trip to your village through air transport but there is no link then that affects the one's choice.* Other candidates suggested that the social and economic status of an individual is also very important, for instance the President may use any type of transport to be able to meet more people within a short period of time unlike an individual who wants to meet his/her friends. These candidates failed to score full marks because they provided explanations which did not contain some of the key concepts in some points. Besides, some of them did not write the introduction and conclusion parts in their responses. The weaknesses observed from the candidates' responses varied from one candidate to another, affecting their range scores. Extract 14.1 shows a good response from one of the candidates.

6.	<p>Transportation is one among the aids to trade than can be defined as the physical transfer of goods and services as well as passengers from one place to another. it includes essentials such as way, unit of carriage, method of propulsion and Terminals. Basically there are three forms of transport which include; Land, Air and water transport. All these forms are of great potential, however one may decide to choose a best one by considering a number of factors.</p> <p>Some among the factors considered in choosing a mode of transport include:-</p> <p>Distance Covered: Before choosing a mode of transporting goods one has to take into account upon the distance covered from the point of Initiality to that point of destination. This will be favourable for the owner of goods to determine the best mode which would provide safety, convenience and so. For example for a long distance water or Air transport will be suitable while for a short distance land transport will be economical.</p> <p>Cost of Transportation: This refers to the charges embraced in transferring goods from one point to another. The cost of transportation has to be relative to the value of goods. The cost incurred has to be reasonable enough in relation to goods. For example it is cheaper to transport goods by land transport than it is with air transport.</p> <p>Speed/Urgency: This is also among the factors considered on the choice in that, the urgency of the goods in reaching destination is also taken into account in choosing the mode of transport. For example if the goods are urgently needed then a faster means such as air transport will be suitable but if the goods are not urgently needed then water transport will be suitable.</p>
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6.	Nature of Goods; Goods may be perishable, fragile or of different other sorts. For Perishable products such as vegetables, fruits, milk and so which are ought to get spoiled in near future thus a faster means of transport like Air for long distance, land transport for short distance will be suitable. But if the products are fragile such as glass, thus a slower means of transport will be required.
	Weight of the Goods; Some goods are of heavy weights such as cars while other are of light weight like cloth. Hence for heavy weighted goods i.e. Abnormal loads water transport will be of potential for security and convenience of the goods while for light goods Land and Air mode of transport will be suitable.
	Value of Goods; Goods of high worthy like Gold, Jewellries and so are ought to be transported in a faster means and a mode that will provide maximum security so as to reduce the risk of theft while for low value goods such as copper, coal and so land transport will be economical.
	Conclusively, the above are among the factors to be considered in transporting of goods, thus a trader is ought to make evaluate on what mode to use by observing the above criteria.

Extract 14.1 is a sample of good responses in Question 6.

Moreover, the 1,564 candidates (18.6%) with average scores supplied partial explanations without exemplifying the modes of transport under discussion that can be used by an individual or group of the people to move from one place to another. The candidates correctly considered different factors, but in some places failed to choose the mode of transport due to some seasonal factors such as seasonal roads during the rainy periods and strong winds in the ocean and these are only temporal. Others took into consideration both the general social and political trade barriers such as tariffs, quotas, total ban, embargo and conditions in the regional economic integration and cooperation which are applicable

only in some countries. Some of the candidates in this group repeated the same points which had already been awarded marks, only with different explanations. However, some weaknesses were observed in their explanations, such as failure to provide all the basic information required, failure to put their answers in essay form starting with the introduction, main body, and conclusion. These weaknesses led them to score less marks than others.

Furthermore, the 293 candidates (3.3%) with poor performance failed to understand the demands of the question, as they misconceived the question and explained the social and political factors instead of considering the factors to be considered when choosing a mode of transport. Some of the candidates had insufficient knowledge and skills in the field of transport. For example, some candidates wrongly suggested that air transport is suitable for the rich people while road transport is for the poor people. However, many candidates in this category described one to two factors in particular while the factors to be considered work in a combination. For instance, if an individual wants to go to a village by car but the place is located in a mountainous geographical area, he/she may be forced to go on foot due to the lack of roads. The disparities observed on their scores were due to the accuracy of their correct points, the number of correct points per question's demand and good presentations of introduction and conclusion parts. This shows that the candidates had inadequate knowledge of the subject matter. Extract 14.2 is a sample of poor responses.

06	labour, also when choosing a mode of transporting	
	goods, should have labour, that can help in transporting	
	goods for example labour help to carry goods. Therefore	
	labour also is the factor which considered when choosing	
	a mode of transporting goods.	
	government support, also should get gover support	
	from government when want to transport good from one	
	area to another area for example government should	
	reduce taxation for export goods. Therefore government	
	Support also is the factor which considered in choose	
	a mode of transporting goods.	

06.	Transporting goods is the situation of move goods from one place to another for consumption. There are factors which must be considered when choosing a mode of transporting goods for example to transport cotton from Tanzania to Kenya. so the following are the factors which must be considered when choosing a mode of transporting goods. Those are as following.	
	Capital, when you want to transporting goods from one place to another, should have enough capital for transporting goods for example when you want to transport good outside of the country you should pay tax also when you enter in another country also you should pay tax and their ^{your} worker you pay them wages. so through all these you you should have enough capital	
	Good transport and communication, good infrastructures like roads, railways, airport make the transportation be easily to be transported, so good transport and communication also is the factor must be considered when choosing a mode of transporting goods.	
	Market, also when you choosing mode of transporting goods also you should consider the presence of market for getting your goods. Therefore market also is the factor which considered when choosing a mode of transporting goods.	
	political stability, when choosing a mode of transport also you should consider consider presence of political stability, because when there political stability you can transport goods well and when there political instability you can't do because will not say due to the war- for example Ethiopia there political instability that's why their people migrate. so political stability also is the factor which must considered when choose a mode of transporting goods.	

Extract 14.2 is a sample of poor responses in Question 6.

In the extract, the candidate failed to explain the factors to be considered in choosing a mode of transport, instead he/she explained about good infrastructures and political factors.

2.2.7 Question 7: Public Finance

In this question, the candidates were required to explain six roles played by borrowed funds in the economic development of the developing countries like Tanzania.

The question was attempted by 6,975 (100%) of the candidates; among them, 156 (2.2%) scored from 0 to 6.5 marks, 1,499 (21.5%) scored from 7 to 11.5 marks, and 5,320 (76.3%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of candidates on this question was good, since 97.8 percent scored 7 marks and above. Figure 15 shows the distribution of the candidates' scores.

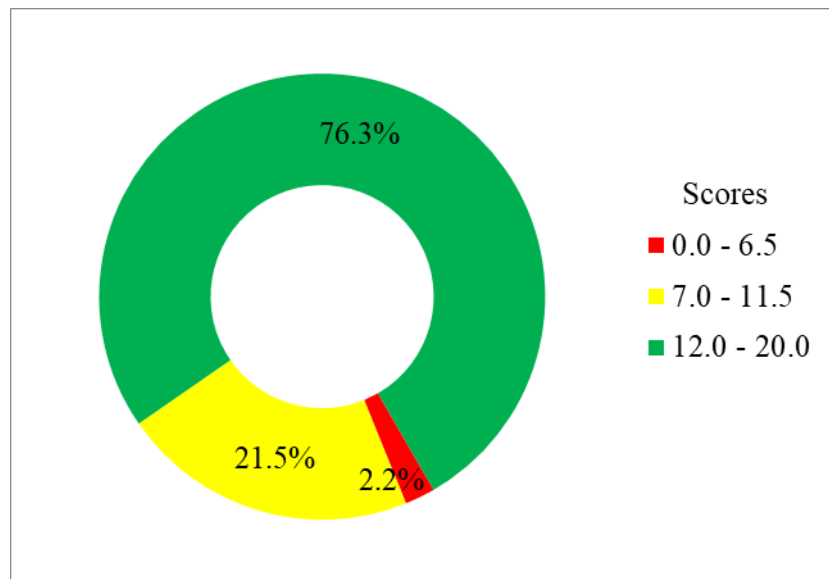


Figure 15: *Candidates' Performance in Question 7*

As pointed out above, 5,320 candidates (76.3%) got high marks, they understood the demands of the question and had a good mastery of the subject matter. Most of the candidates in this category arranged their answer in essay form starting with the introduction, main body, and conclusion. They managed to explain the role played by the borrowed funds in the economies of the most less developed countries like Tanzania. The candidates explained clearly that borrowing refers to the process whereby the government is raising money from both within and outside the country in order to finance and invest in the economy. For example, some of the candidates explained that: *external borrowing is an important source of foreign currencies to the government which may be used to import raw materials, capital goods and advanced technology or rather highly qualified personnel and enable a country to produce those goods which were unable to produce, while internal borrowing may encourage the government to borrow from the*

private sector which may enable it to earn some interest after the maturity of the debt as well as selling the securities such as treasury bills which in turn may be used to control money supply and inflation in the economy. Other candidates explained that borrowing enable the government to finance its budget without imposing more taxes since taxation is the main source of government revenue. This is particularly true to the developing countries which depend more on the donor countries. Nevertheless, clarity and a good flow of ideas on the explanations to the points, the number of correct points examined, proper presentation of introduction and the conclusion part determined the differences in their scores. Extract 15.1 shows a sample of the good responses.

7.	<p>Development: Refers to the increase in the quantities and qualities of the goods and services that are produced in the country over a certain period of time. Government obtain its revenue from various sources both internal and external such as taxes, licences, fees, borrowing from public, profit making and grants and gifts. Tanzania Government borrow both within the country and outside of the country and the debts refers to internal and external public debts. The following are the roles played by borrowed funds in the economic development of the developing countries like Tanzania.</p> <p>Creation of employment opportunities: For example: Development of infrastructures and industries in Tanzania due to the borrowed funds it has led to the increase in employment opportunities to the citizens of the country as well as reduction of unemployment rate. Also this has led to the increase in government revenue due to the collection of tax.</p> <p>Provision of social services: For example: Health and education services are provided by the government in terms of medical facilities and education facilities. Since the borrowed funds are allocated to reproductive activities so as to increase the level of revenue for the public sector the goods that are produced are provided by the means of cash to the public as well as free services to elders and children. Hence role of public funds in the economic development.</p>	
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7.	<p>Improvement of infrastructures: For example: roads, railways and airports so as to improve and develop different economic sectors on the country, also the public funds that obtain from other nations or in the country promotes the development of transport system which give the assurance on the movement of goods and services in the nations and outside the country hence, development of trade.</p> <p>Utilization of resources: For example: Minerals, land and forests resources due to the employing of capital towards the resources through utilization of resources it results towards the development of trading activities since the resources are then used as raw materials for various industries which results to the production of large quantities of goods and of highest quality.</p> <p>Diversification of the economy: For example: Industrial sector, agriculture and in tourism industry where by due to the presence of the funds Tanzania among of developing countries has led to the investment in various economic sectors over an area due to this it plays great role of increase in the government revenue as well as advancement on the application of science and technology which hence it led to the development of the economy. Due to the presence of borrowed funds all economic sectors expand and develop.</p>
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7.	<p>Increase in production: Since the funds are used as capital in various sectors when they are installed into the sector it results to the production increase, since the science and technology that is used it will led to the production level to increase in the country. Also the quality of the goods and services that are provided by the industries tend to be of high quality.</p> <p>Generally: Borrowing of funds if may results into increase in taxation to the people, discourages savings and debt burden.</p>
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Extract 15.1 is a sample of good responses in Question 7.

Moreover, the 1,499 candidates (21.5%) with average scores in this question managed to explain unsatisfactorily some roles played by borrowed funds in the developing countries without vivid examples. Others outlined less than the six points required. They failed to analyse and defend their points with relevant examples. They might have failed to integrate their theoretical knowledge of borrowed funds under the respective governments with their activities in the economies of the developing countries. However, some of these candidates explained unproductive use of the borrowed funds, lack of accountability and responsibility as well as corruption in part of our political leaders in a negative way and considered such points as challenges, which is contrary to the demands of the question. Similarly, poor arrangement of the introduction and conclusion as well as partial explanations of the arguments in the main body made the candidates scores to vary.

Furthermore, the 156 candidates (2.2%) with poor performance failed to address the demand of the question. Some of the candidates misconceived the question by providing the problems resulting from public borrowing instead of the roles played by borrowed funds in the economies of the developing countries. Others provided inadequate explanation of the roles played by the borrowed funds and they did not support their explanation with vivid examples in the respective countries including Tanzania. In addition, others misunderstood the question as they provided points about public debt or others, contrary to the demands of the question as exemplified by the candidate who wrote; *Also to ensure value of natural resource of the country is greater than borrowing value, this means to limit borrowing through avoid of government expenditures. Among of the role of borrowed funds is to limit unwanted borrowing.*

Not only but also it brings priorities to economic sectors like water supply and electrical supply and other sectors which stimulate economic positively. Example in Tanzania their is REA which deals with supply of electric in rural areas. Also to prepare plans and policies to conduct economic sectors means that roles to be played with borrowed funds to ensure good plans and policies to conduct economic sectors. This shows that the candidate had not only poor knowledge about the roles played by the borrowed funds to the Tanzanian economy, but also poor command of the English

language in expressing himself/herself. Some candidates mixed up the correct and incorrect responses. They failed to distinguish the roles played by the borrowed funds in the economies of the developing countries and the problems as well as challenges resulting from borrowing funds. Also, some candidates' responses indicated several weaknesses. However, some candidates managed to write the introductory and the conclusion parts. Extract 15.2 illustrates a poor response of a candidate.

2.	Public debt refers to the amount of money which are borrowed by the government either within the country or from externally. Most developing countries like Tanzania was depending on borrowing in order to sustain their economy. The following are the effects or roles played by borrowed funds in the economic development of the developing countries like Tanzania.
	Over dependence, this is the first effect also started by public borrowing through the country to be over dependence for foreign borrowing. The situation of country to be dependency for borrowing it may lead to decrease the government expenditure due to decline in money circulation within the country.
	Burden to the citizen and government; this is another effect associated by public borrowing through the occurrence of burden to the citizen and to the government. The system of borrowing it lead to increase the burden to the country and may lead the citizen to pay this burden in form of indirect tax that imposed to the goods or services without certainty.
	Fall in government expenditure; this situation occur due to when the government to want to repay debt in form of conversion means to give new loan in form of low interest rate by repay previous loan for higher interest rate. This situation lead the government to decrease their expenditure like for health, education and for payment of wages that leads to fall in government expenditure.
	Fall in level of investment; this also effect caused by public borrowing through the decline in the level of investment. The investment will fall due to decline in money circulation in the economy and decline

7. a. In government expenditure that may lead to fall in income to the people and the investment will decline.
Increase in tax level; this is also situation that occur to the economy by rising in tax level. The government should impose higher taxation in order to increase revenue and rise in national income that may lead rise in price level of goods and commodities and may cause inflation to the economy.
Decrease in money circulation to the economy; this situation occur due to fall in government expenditure and fall in investment that may lead the decrease in money circulation to the economy. This action is harmful to the economy because it may lead the decline in the life standard living.
Generally there are different effect caused by public borrowing like the fall in investment may lead the decline in industry to cause the unemployment problem in the country like Tanzania has a dependency for borrowing either internally or externally.

Extract 15.2 is a sample of poor responses in Question 15.

In this extract, the candidate failed to explain the roles played by the borrowed funds to the economy of the developing countries as he/she provided the problems resulting from public borrowing.

2.2.8

Question 8: The Structure of the Tanzanian Economy

In this question, the candidates were required to explain the factors which hinder the development of the agricultural sector in Tanzania.

The question was attempted by 5,099 (100%) of the candidates. Among them, 1,696 (33.3%) scored from 0 to 6.5 marks, 1,521 (29.8%) scored from 7 to 11.5 marks, and 1,882 (36.9%) percent scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of candidates in this question was good, since 66.7 percent scored 7 marks and above. Figure 16 shows the distribution of the candidates' scores.

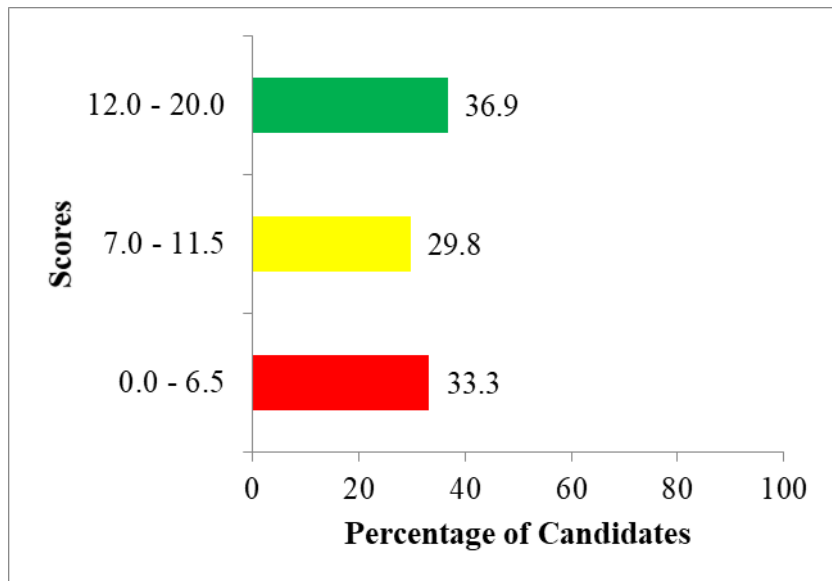


Figure 16: *Candidates' Performance in Question 8*

1,882 candidates (36.9%) who scored high marks managed to explain the factors which hinder the development of the agricultural sector in Tanzania. The candidates understood the demands of the question and analyzed properly the factors which influence production in the agricultural sector. The candidates explained that agricultural production is the primary sector which deals with farming, livestock keeping, and other activities which tend to produce primary products such as mining and fishing. Some of the candidates explained that, *the poor social and economic infrastructure such as poor storage, transport and irrigation systems hinder a smooth storage and transfer of the agricultural products from the production centres which are mainly located in the rural areas to the urban marketing centres where they are highly demanded. Similarly, the transportation of the agricultural modern implements such as seeds, inorganic fertilizers and insecticides from the urban centres to the rural areas is also hindered especial during the rainy season. Also poor irrigation systems hinder production during the dry period while lack of the storage facilities lead into many crops to be destroyed after harvest.* In contrast, rural urban migration tends to reduce labour force which is highly demanded for generating employment in the agricultural sector. Therefore, the seasonal nature of the agricultural employment contributes to many individuals seeking for jobs in

alternative sectors that provide relatively stable income, hence attracts rural urban-migration. For example, in some of the regions in Tanzania, youths provide their labour force only during the rainy season and this is one of the factors which act as a stumbling block in the agricultural production. In addition, agricultural products from the developing countries are faced by protectionist barriers in the developed countries. Such protectionist measures limit the growth of the agricultural exports in developing countries and the potential that such benefits would provide. Consequently, the candidates indicated a good mastery and competence in agricultural production. Nevertheless, a few candidates in this group did not support their points with vivid examples in some of their points and this led into variation of scores among the candidates in the group. Extract 16.1 shows a sample of good responses.

08	Agriculture refers to the process which involve the keeping of animals and the cultivation of the crops. There are various factors that block the improvement of agricultural sector in the economy of Tanzania. It is true that poor infrastructure is one of the major factors which act as a stumbling block in improvement of agricultural sector in Tanzania economy. But not only poor infrastructure is the major factor, there are also other factors that block agricultural improvement.	
	The following are the factors that act as a stumbling block in improvement of agricultural sector in the Tanzania economy.	
	Low technology ^{used} in production process- As Tanzania is known as one of the developing country the technology that is mostly used is low where by some farmers use simple tools like hoes in their process of production. This leads to low quality of output which hinders the improvement of agricultural sector.	
	Climatic change. In Tanzania climate tend to change. Due to the poor climatic change it causes problem to farmers. Example where there is excessive rainfall crops do get destruct also when there is no rainfall or little rainfall then crops fail to grow and leads to block in improvement.	
	Existence of pests and diseases- In Tanzania there are some diseases that attach the crops and also there are some animal diseases which causes death. Through the existence of such diseases it makes the agriculturalist to fail to develop their sector hence the sector fails to improve.	
	Price fluctuation in the market. Sometimes these agricultural products are do	

08:	faced by the problem of price, where by this can be caused by poor quality of their products. Through price fluctuation when money earned is low then they cannot effectively develop the agricultural sector because of less money obtained. This make them to gain loss.	
	Lack of enough capital. Capital is one of the important factors for development of any sector. In Tanzania some of the agricultural sectors have less capital which makes them fail to implement and fulfill their needs. This can be caused by less government support. Through absence of capital for running various activities then these sector fails to improve.	
	Absence of reliable market. Market is an area where goods are taken to be sold. Most of developing countries including Tanzania have the problem of market where by there is no reliable market where the products can be sent and sold. This can lead to the stagnation of the agricultural sector improvement.	
	Generally the above mentioned are some of the factors that act as a stumbling block in the improvement of agricultural sector in the Tanzania economy. Despite of those factors there are some measures that the government of Tanzania can use in order to help in improvement of the sector. Example of such ways are provision of subsidy, use of modern agricultural practices like tractors, modern irrigation this can help to improve the sector.	

Extract 16.1 is a sample of good responses in Question 8.

However, 1,521 candidates (29.8%) who had average scores in this question explained less than the six required factors which hinder a smooth development of the agricultural production of the economies of less developed countries. Others failed to clearly explain and support their points with examples. Apparently, the candidates lacked sufficient knowledge of the topic. The observations made on the responses of the candidates in this group revealed that they were knowledgeable about the subject matter, but failed to present answers in the required format of an essay and the

provision of the points with partial explanation and lack of relevant vivid examples and arguments to support the points required by the demand of the question.

Moreover, the 1,696 candidates (33.3%) who scored poorly failed to give the factors which hinder the development of the agricultural production of the economies of less developed countries like Tanzania. Some of the candidates misunderstood the question and provided incorrect points as they explained the effects of low production of food crops in the economy. Most of the candidates who performed poorly demonstrated a poor understanding of the subject matter. They had poor command of the English language and interpreted the question wrongly. For instance, one of the candidates wrote that, *one of the factors is low labour availability, due to the existence of few labour available for working discourage improvement of private sector because labour is scarce and many private sector for example industry need labour for working many activities also this discourage foreign investment come to invest in many sector because of low labour availability hence this is a challenge to agriculture sector.* Another candidate wrote *“Lower level of production in the agriculture limits mobility of the agricultural sector. Agents of production used in the agricultural sector fail to move geographically and occupationally from one point to another. This include labour and land and so on. And this cause a problem raw materials have failed to move from their areas of production to zone of consumption thus undermining the sector.*

This indicates that the candidates had insufficient knowledge about agricultural production which is the backbone of our economy and a greater percentage of the Tanzanians are employed in this sector. However, some candidates managed to explain at least two factors which hinder smooth development of the agricultural production as well as the introductory and conclusion parts of the responses. These weaknesses made the candidates to score different marks. Extract 16.2 shows a sample of poor responses.

8	ment revenue and income due to the absence of taxes which are collected in industries and markets due to absence of raw material in industries and low goods in markets	
	leads to increase in famine, due to the poor infrastructure for transport of goods and raw materials from one place to another. It can lead to famine to the people who are living in towns because they fail to get the agricultural products due to poor roads for transporting of goods.	
	leads to unemployment problem, in developing countries like Tanzania leads to unemployment when people who are employed in industrial and agricultural products are leave their works in industries also leads to unemployment to the people who are employed as drivers of train, lorries and cars.	
	Despite of poor infrastructure causes different problems in agricultural sector also it can lead to the decline in economic growth as a whole because the developing countries depend much on agricultural products and sectors	

Extract 16.2 is a sample of poor responses in Question 8.

In this extract, the candidate failed to give the factors which hinder smooth running of the agricultural sector in the economy as he/she provided the problems resulting from the fall in production in the agricultural sector.

3.0 ANALYSIS OF CANDIDATES' PERFORMANCE PER TOPIC

The ACSEE 2021 Economics subject had 16 topics. The topic-wise analysis shows that 11 topics had good performance while the remaining 5 topics had average performance.

The topics with good performance include: *Employment and Unemployment* (99.0%), *Public Finance* (97.8%), *Economic Integration and Cooperation* (97.6%), *Marketing and Distribution* (96.7%), *Theory of Money* (87.6%), *National Income* (75.0%), *Production* (73.5%), *Subject Matter of Economics* (72.1%), *Economic Growth and Development* (72.1%), *The Structure of the Tanzanian Economy* (66.7%) and *Population* (62.4%). The good performance in these topics could be attributed by the candidates' adherence to the required instructions, identification of the demands of the questions, and adequate knowledge about the topics examined.

The five averagely performed topics were: *Financial Institutions* (56.4%), *International Trade* (53.7%), *Theories of Demand and Supply* (51.6%), *Market* (51.0%) and *Privatisation* (44.9%). The average performance was due to poor background in Mathematics to some students, misconception of some concepts, inadequate knowledge about the concepts related to the questions and insufficient explanations or unsupported points and poor command of the English language.

A comparison of candidates' performance per topic for ACSEE 2020 and 2021 shows that, in the 2021 examination, there has been a noticeable improvement in candidates' performance on the *Production* topic compared to the 2020 examination in which it was poorly performed.

4.0 CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

The general performance of the candidates in the Economics subject for the 2021 Advanced Certificate of Secondary Education (ACSEE) was good. The candidates performed well in this examination because they managed to identify the demands of the questions, adhered to the required instructions and had a sufficient knowledge of the subject matter. In contrast, a few candidates performed poorly because of the wrong interpretations of the requirements of the questions, inadequate knowledge on computations and lack of skills in providing the required economic information after computations.

4.2 Recommendations

To improve the performance of prospective candidates in the topics with average performance, the following are recommended:

- (a) Teachers and students should be encouraged to use participatory methods of teaching and learning in mathematical derivations, graphs charts and drawings especially in the topics of *Theories of Demand and Supply and Market* to get experience in applying various formulae, concepts and principles in answering questions. They should also be advised to revise all the topics to make sure that they understand the concepts properly.
- (b) Subject teachers should strive to equip themselves with learner centred teaching and learning methods such as Jig saw technique or think pair and share in teaching topics like *Financial Institutions and International Trade*. They should also equip themselves with knowledge about current economic issues and apply them in teaching and learning Economics. This will build interest or motivate students in the learning process.
- (c) Subject teachers should conduct debates, plenary discussions and presentations to ensure that questioning and discussion elicit students' thinking should be built on them, leading to great clarity and precision to the topic of *Privatization*.
- (d) School administrators should work with subject teachers to facilitate internet services and study tours for Economics students to the Commercial Banks, Trade Fair Competitions and Markets. They should invite guest speakers or experts as part of teaching and learning activities to allow practical skills and broaden students' understanding.

Appendix

Analysis of Candidates' Performance in Each Topic

S/n	Topics	No.of questions	Percentage of candidates who scored the average of 35 or above	Remarks
1	Employment and Unemployment	1	99.0	Good
2	Public Finance	1	97.8	Good
3	Economic Integration and Cooperation	1	97.6	Good
4	Marketing and Distribution	1	96.7	Good
5	Theories of Money	1	87.6	Good
6	National Income.	1	75.0	Good
7	Production	1	73.5	Good
8	Subject Matter of Economics	1	72.1	Good
9	Economic Growth and Development	1	72.1	Good
10	The structure of the Tanzanian Economy.	1	66.7	Good
11	Population	1	62.4	Good
12	Financial Institutions	1	56.4	Average
13	International Trade	1	53.7	Average
14	Theories of Demand and Supply	1	51.6	Average
15	Market	1	51.0	Average
16	Privatization	1	44.9	Average

