



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) 2022

ECONOMICS



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EDUCATION EXAMINATION (ACSEE) 2022**

151 ECONOMICS

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FOREWORD

The National Examinations Council of Tanzania (NECTA) is pleased to issue the Candidates' Item Response Analysis (CIRA) report for Advanced Certificate of Secondary Education Examination (ACSEE) 2022 in the Economics subject. The analysis has been prepared to provide feedback to educational stakeholders.

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

The analysis presented in this report seeks to contribute towards the understanding of possible reasons for the candidates' performance in each question. The general performance of the candidates in Economics was good as 99.73 per cent of the candidates passed the examination. Moreover, out of the 16 tested topics 12 had good performance, 3 topics were performed averagely while the performance of 1 topic was weak. The report highlights some of the factors that made the candidates to score high marks. Such factors include the candidates' ability to adhere to the demands of the questions, identify the tasks of the questions, ability to express themselves in the English language and 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 challenges include the candidates' failure to adhere to the demands of the questions, failure to identify the tasks of the questions 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 improve the candidates' performance in the future examinations administered by the Council.

Finally, the Council would like to appreciate the examinations officers, examiners and those who participated in the data used in processing, analysing, and preparing this report.



Athumani S. Amasi

. 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 2022 in Economics subject. It shows how the candidates performed in each question.

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

A total of 11,652 candidates sat for the ACSEE Economics paper. Among them, 11,574 (99.73%) candidates passed this examination while 31 (0.27%) candidates failed. Generally, the candidates' performance in 2022 has increased by 0.46% compared to the 2021 performance, where 10,515 candidates sat for the examination in which 10,402 (99.27 %) candidates passed and 77 (0.73 %) failed.

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

Special colours are used to categorize the performance, whereby green stands for good, yellow for average, and red for weak performance as seen in figures and the Appendix. Some extracts showing the candidates responses are included to provide a general overview of how the candidates responded in accordance with 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: Population

This was a short answer question in which the candidates were required to explain the following economic concepts. (i) Dependence ratio (ii) An ageing population (iii) Optimum population (iv) Under population and (v) Over population.

The question was attempted by all 11,652 (100%) the candidates, among them 361 (3.1%) scored from 0 to 3 marks, 829 (7.1%) scored from 3.5 to 5.5 marks, and 10,462 (89.8%) scored from 6 to 10 out of the 10 allotted marks. Generally, the performance of the candidates in this question was good since 96.9 per cent scored from 3.5 to 10 marks. Figure 1 shows the distribution of the candidates' scores.

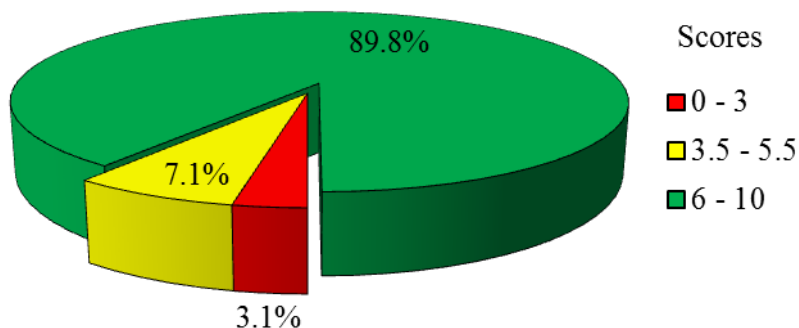


Figure 1: *Candidates' Performance in Question 1*

A total of 10,462 (89.8%) candidates who performed well in this question precisely explained the economic concepts in part (i), (ii), (iii), (iv) and (v). In part (i), the candidates explained dependence ratio as the ratio of aged population (65 and above years) plus young aged (0-15) years to a working population i.e;

$$\text{Dependence ratio} = \frac{\text{youth population (0-15)years} + \text{ageing population (65+)years}}{\text{working population}} \times 100.$$

Other candidates explained that, dependence ratio is a measure of the number of dependants aged 0-14 and 65 and above compared to total population aged 15 to 64.

However, the candidates' scores in part (i) varied because some of them did not exhaust the explanations on the concepts as required.

In part (ii), the candidates who performed well explained an ageing population as the situation where the number of the old people is higher than the other age group. Other candidates explained an ageing population as a structure of population that consists of larger number of old people above 64 years in a population.

In part (iii), the candidates who performed well explained that, *optimum population occurs when the available labour combines with other factors of production to yield the maximum output, optimum population is a population on a given geographical area which directly corresponds to the natural resources available to sustain the whole population.* Also the candidates explained that, *optimum population is the situation in which resources available are equal to the number of people in the population.*

In part (iv), of this questions some candidates who performed well explained that, 'underpopulation occurs when an area falls short of optimum population, as a kind of population where by the number of people are low compared to the amount of resources that are available'. This means that resources are underutilized with the people available. Other candidates explained under population as a situation where by the population is low compared to the availability of natural resources in the country.

In part (v), the candidates who performed well explained overpopulation as a situation where by the number of people in the country exceeds the available natural resources such as land, also it is when there is large number of people in a given geographical area compared to the available resources. Other candidates explained that, overpopulation happens when the resources

available are less than the existing population. A sample of the good responses in parts (i), (ii), (iii) (iv) and (v) is shown in Extract 1.1.

1	<p>i) Dependence Ratio is the mathematical term used showing the ratio of either aged population (65 years and above) or young population, that is (0-15 years of age) to a working population. The Dependence ratio may be high or low. The group depending on others is termed as Dependents. High Dependence ratio is caused by increasing of Aged population due to improved living standards and low Mortality rate. Low Dependence ratio is caused by having few dependents due to low Birth Rates and high mortality Rates among others. The Dependence ratio can be calculated by the formula,</p> $\text{Dependence Ratio} = \frac{\text{Youth Population} + \text{Ageing Population}}{\text{Working Population}}$
	<p>ii) An ageing population is the group of people in the population who are elders, or of old age. Ageing population may range 64 years and above. Ageing population is very common in developed countries like Norway, Switzerland, USA, England and others. This is due to improved health services and sanitation, improved living standard of the people among others, while in Developing countries like Tanzania, Namibia and Zimbabwe the Ageing population is low due to poor provision of social services like water, health, education and others.</p>

1	<p>if also the living standard of the people is very low and High Mortality rate.</p>	
iii)	<p><u>Optimum Population</u>; is the population which can fully utilize its resources in the existing technology.</p> <p>Optimum population can be attained where there is appropriate technology, Good climate conditions, Infrastructures such as roads, railways, Air ports and Harbours.</p> <p>Though optimum population is a rare incidence in most of the world's country especially the developing countries in Africa, Asia and Latin America where the available population fails to utilize the resources available due to low level of science and technology or in some countries like Japan, China and USA where the Resources are overutilized.</p>	
iv)	<p><u>Under Population</u>; is the situation whereby the population of a certain country or region is less than the resources available or fails to utilize the available resources.</p> <p>It is also termed as less than optimum Population. Happens when the available population fails or is less than the resources, meaning that is cannot fully utilize the resources available.</p> <p>This happens mostly in the Developed countries where there is abundant of resources, and</p>	

Extract 1.1: A sample of the good responses to Question 1

In extract 1.1, the candidate was able to explain the economic concepts.

However, the 829 (7.1%) candidates with average performance did not explain all the required concepts. Most of these candidates had a better understanding of the question as they correctly explained some of the concepts. For example; one of the candidates managed to explain the concepts of optimum population and under population but the concepts of ageing population and overpopulation were insufficiently explained.

On the other hand, 361 (3.1%) candidates who attempted this question failed to explain the given concepts due to poor mastery of the subject matter and poor command of the English language. For example, one of the candidates wrongly explained the meaning of ageing population as; *an ageing population refers to the number of people who have high number of years old from 45 years up to 90*. This response indicates that the candidate had insufficient knowledge of the concepts. A sample of the poor responses is shown in Extract 1.2.

1.	i) Dependence ratio refer to the number of people which are depend or not able to practicing social and economic activities example, ageing people, disabled people and young people.	
	ii) An Ageing population refer to number of people who have an high number of years olds from 45 years up to 90 years	
	iii) Optimum population - refer to the level of population in which number of people in a specific area reach to the maximum. This caused by the lack of shortage of areas such as land, example of country which have an optimum population is China.	
	iv) Under population, refer to the situation in which the number of people decreasing in an area example from 15000,000 to 60,000 number of people, and in villages,	

	v) Over population . refer to the situation in	
	which the number of people in a	
	specific area increasing from the original	
	average of number of people . These are	
	caused by the different factors like	
	migration also example of an area which	
	have over population is Dar es Salaam in	
	Tanzania	

Extract 1.2: A sample of the poor responses to Question 1

In extract 1.2 the candidate failed to explain the five concepts by using proper English language.

2.1.2 Question 2: Subject Matter of Economics

In this question, the candidates were required to explain the importance of opportunity cost by giving five points.

The question was attempted by 11,641 (99.9%) candidates; among them, 2,398 (20.6%) scored from 0 to 3 marks, 3,194 (27.4%) scored from 3.5 to 5.5 marks, and 6,049 (52%) scored from 6 to 10 out of the 10 allotted marks. Generally, the candidates' performance in this question was good since 79.4 per cent of the candidates scored 3.5 and above marks. Figure 2 shows the distribution of the candidates' scores.

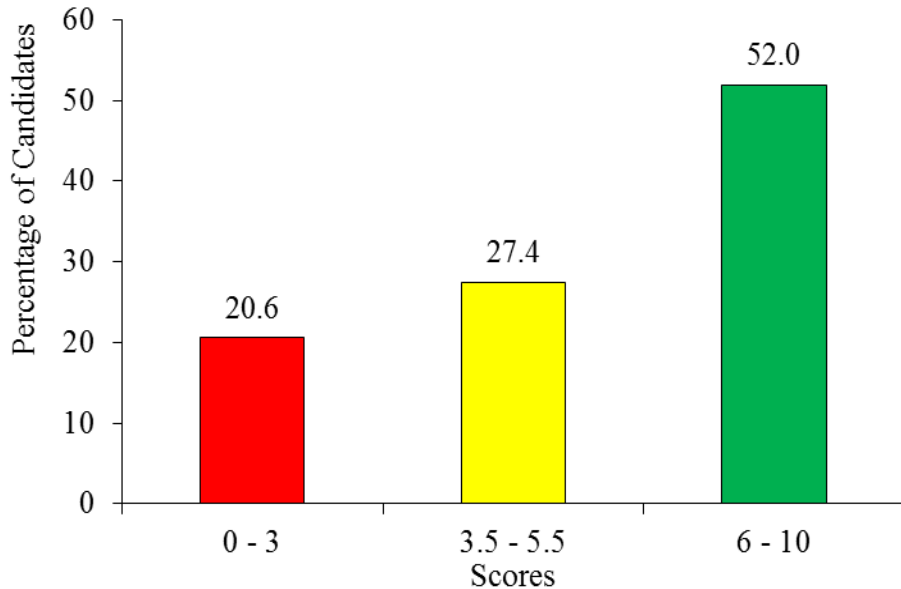


Figure 2: *Candidates' Performance in Question 2*

A total of 6,049 (52%) candidates with good performance understood the requirements of the question, hence managed to explain the importance of opportunity cost which indicate that, they had sufficient knowledge on the particular sub topic. Also they managed to support their points with vivid examples. One of the candidates managed to explain the importance of opportunity cost such as; *used by the government in planning process, helps producers and consumers to make choice on what to produce and what to consume and it is useful in international trade on products for importation and exportation. Other candidates explained that the government uses opportunity cost in determining tax incidence; in determining the burden of taxes on the purchasing power of tax payer.* A sample of the good responses is shown in Extract 2.1.

2.	<p>Helps in decision making, through the concept of opportunity cost the producers can be able to decide on what to produce, where to produce, how to produce, when to produce and for whom to produce, where by through fulfilling the economic problems enables the producers to incur profit, hence is among of the importance of opportunity cost since producer can determine essential goods which are needed by the consumers and how to maximise profits.</p> <p>It enables entrepreneurs in retaining of workers, the Concept of opportunity cost enables the employers in reducing the number of workers in the firms by looking on the output produced since through opportunity cost the entrepreneurs may forego the workers who produce goods with low quality and choose the efficient workers for example in a firm the entrepreneur may look the most efficient workers who produce goods with high quality and reduce the number of those who produce low so as to maximise profits.</p> <p>It enables in allocation of resources, the government may use the concept of opportunity cost in allocation of scarce resources for example rural areas which have shortage of social services to be given the social services so as to reduce the cost of transporting from one area to another in a long period of time like water resources, by doing so it improves the economy of the country.</p> <p>Helps in planning, by using concept of opportunity cost the government may plan for increasing the expenditures so as to compensate and improve the living standard of people for example may plan to produce consumer goods like medicines, and forego to produce capital goods such as machines, war equipments, hence ensures the growth of the economy.</p>
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Extract 2.1: A sample of the good responses to Question 2

However, 3,194 (27.4%) candidates with average score explained a few points. For example, out of the five points a candidate explained partially only three points. Some of the candidates correctly provided relevant explanations to some points on the importance of opportunity cost while others failed due to inadequate knowledge.

On the other hand, the 2,398 (20.6%) candidates who performed poorly in this question failed to explain the importance of opportunity cost to meet the requirement of the question. For example, one of the candidates provided the points like; *it helps to maximize profit also helps to reduce market failures with wrong explanations*. This indicates that, the candidates not only had insufficient knowledge about the opportunity cost, but also failed to integrate the theories and practical application of opportunity cost into the economy. A sample of the candidates' poor responses is shown in Extract 2.2.

2.	Allocation of resources; due to the knowledge of opportunity cost help to allocate the resources to most productive areas, as where they can be useful in both welfare of the people and generating income to the government
	It can be used to determine the level of employment; this is due to the economic activities presence in the society and number of people the level of employment is determined and recorded.
	It can be useful to determine the level of unemployment; as due to the knowledge of opportunity cost the resources are allocated in a certain area. It is easy to determine that if there is presence of what number of employment and the remain number it can be the indicator to show that they are unemployed.
	It help in minimization of cost; this is due to some one making a choice of a want that has greater need or that is of high preference and leave behind the need that is of low demand or preference. example some one needs coca cola and drinking water when he or she is thirst when he select drinking water he can satisfy his or her want and reduce cost of buying both coca cola and drinking water.

Extract 2.2: A sample of the poor responses to Question 2

The extract shows that the candidate failed to explain the importance of opportunity cost.

2.1.3 Question 3: Theory of the firm

This question had two parts (a) and (b). In part (a), the candidates were required to explain why the monopolist cannot charge any price in the market by giving five points. In part (b), demand and cost functions for mobile phone were given, whereby the candidates were required to (i) Find profit maximizing output level (ii) Price of mobile phones and (iii) Maximum profit.

The question was attempted by 7,065 (60.6%) candidates; among them 2,313 (32.7%) scored from 0 to 6.5 marks, 3,314 (46.9%) scored from 7 to 11.5 marks and 1,438 (20.4%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates in this question was good since 67.3 per cent of the candidates scored 7 and above marks. Figure 3 shows the distribution of the candidates' scores in Question 3.

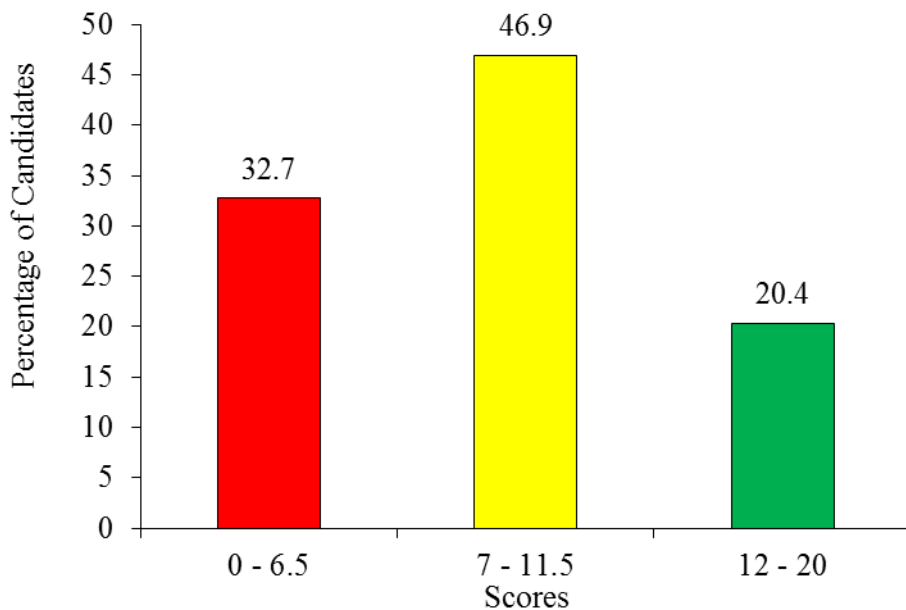


Figure 3: *Candidates' Performance in Question 3*

The analysis shows that, 1,438 (20.4%) the candidates who performed well in this question were able to explain the reasons as to why monopolists cannot charge any price in the market in part (a). Some candidates explained the reasons like; *He/she cannot charge the price below the marginal cost since the aim is to maximize profit, almost all commodities have substitutes of some kind, if the price is too high consumers would shift to substitutes even when they are not close substitute.* Other candidates provided the reasons that private firms which are monopolies are *usually controlled by the law which limits them from earning extremely high profit.* Also they were equipped with mathematical skills since they managed to apply a correct formula to compute profit maximizing output level, price of mobile phones and maximum profit in part (b) (i), (ii) and (iii) respectively. A sample of the good responses is shown in Extract 3.1.

3(a)	Fear of close substitute, this is because when high any price is charged, the government can encourage other new firms to emerge in the market and hence there would be the emergence of competition in the market, that is why they do not charge any price in the market.
	Fear of public reactions, this is because, due to the presence of any price which may be is not stable can force the public to react against those those Monopolists, and due to public action, can results to government regulations.
	Fear of nationalization, since some of monopolies are not under the government and hence when they charge any price, it can call the seriousness of the government and cause the Private sector to be transferred into government ownership.
	Fear of government attention, through charging any price will keep the government putting serious attention to these monopolies and hence to avoid this they avoid to charge any price since government can nationalize the privatized sector to be a public owned sector.
	Generally, due to the emergence of these monopolies reduces wasteful competition and encourage efficiency in the allocation of resources in the economy, example TANESCO allocates electricity effectively.

3(b)	(i)	$Q = 1000 - 10P$ $C = 0.005Q^2 + 500$ Profit maximizing output level, is at $MC = MR$ $Q = 1000 - 10P$ $10P = 1000 - Q$ $P = 100 - \frac{Q}{10}$ $P = 100 - 0.1Q$ but $TR = P \times Q$ $TR = (100 - 0.1Q)Q$ $TR = 100Q - 0.1Q^2$ $MR = \frac{dTR}{dQ} = 100 - 0.2Q$ $MR = 100 - 0.2Q$
3(b)(i)		$TC = 0.005Q^2 + 500$ $MC = \frac{dTC}{dQ} = 0.01Q$ From $MC = 0.01Q$ From $MC = MR$ $0.01Q = 100 - 0.2Q$ $0.01Q + 0.2Q = 100$ $0.21Q = 100$ $Q = \frac{100}{0.21}$ $Q = 476.19 \approx 476.2$ units \therefore Profit maximizing output level is 476.2 units of mobile phones.
3(b)(ii)		price of mobile phones from $P = 100 - \frac{Q}{10}$ but $Q = 476.2$ $P = 100 - \frac{476.2}{10}$ $P = 52.38$ \therefore The price of mobile phones is 52.38
3(b)(iii)		Maximum profit from Profit (II) = $TR - TC$

3b)(iii)	$\text{profit} = (100Q - 0.1Q^2) - (0.005Q^2 + 500)$	
	but $Q = 476.2$	
	$= (100(476.2) - 0.1(476.2)^2) - (0.005(476.2)^2 + 500)$	
	$= 24,943.356 - 1,633.8322$	
	$= 23,309.5238.$	
	\therefore	
	\therefore The maximum profit is $23,309.5238/ =$	

Extract 3.1: A sample of the good responses to Question 3

However, 3,314 (46.9%) candidates with average marks provided some correct responses. For example, in part (a), most of the candidates provided insufficient, and less supported points per the requirements of the question. However, they managed to provide two to three reasons why the monopolists cannot charge any price in the market. In part (b), some of the candidates were good in calculation of profit maximizing output level but were unable to calculate the price of mobile phones in sub part (ii) and maximum profit in sub part (iii). This indicates that the candidates had insufficient knowledge about the Theory of the Firm.

A total of 2,313 (32.7%) candidates who performed poorly in this question misconceived the question. Some of the candidates explained the features of perfect competition like; price is determined by the forces of demand and supply and there is no transport cost in part (a) instead of providing the reasons why a monopolist cannot charge any price in the market. While others provided the points such as; existence of many firms in the market, existence of the single buyers and sellers and one candidate provided the point that monopolist market is an imaginary market and does not exist in the real world of which all of the points were wrong. Also, the candidates in this category had poor mathematical skills, since they failed to proceed mathematically in part (b) hence failed. A sample of the poor responses is shown in Extract 3.2.

Q13	(a) a monopolist can not charge any price in the market due to the following reasons below such as:-	
	→ products are homogeneous	
	→ perfect knowledge of the buyers	
	→ price mechanisms	
	→ the scale of production	
	→ there is no competition	
	→ perfect mobility of the factors of production	
	→ The firm is price taker	
	(b) (i) $Q = 1000 - 10P$	
	$C = 0.005Q_2 + 500$	
	= Profit Maximizing output level	
	$Q = 1000 - 10P = 0.005Q_2 + 500$	
	$1000 - 500 = 0.005Q_2 - 10P$	
	$500 = \frac{0.005Q_2 - 10P}{0.005} = \frac{0.005}{0.005}Q_2 - \frac{10P}{0.005}$	
	$100000 = Q_2 - \frac{10P}{0.005}$	
	(ii) Price of mobile phones	
	$P = Q \times C$	
	$= 100 - P \times 0.005Q_2 + 500$	
	$= 100 - 500$	
	$\therefore P = 500$	

Extract 3.2: A sample of the poor responses to Question 3

The extract shows response from the candidate who could not explain the reasons why monopolist cannot charge any price in the market in part (a). He/she also failed to correctly calculate the profit maximizing output level, price of mobile phones, and maximum profit in part (b).

2.1.4 Question 4: Theory of Demand and Supply

This question had parts (a) and (b). In part (a), the candidates were required to give the meaning of cross elasticity of demand, explain how it is calculated and interpreted. In part (b), the candidates were required to explain why the demand curve slopes downwards from left to right by giving four points.

The question was attempted by 10,957 (94.0%) of the candidates. Among them, 3,106 (28.3%) scored from 0 to 6.5 marks, 3,588 (32.7%) scored from 7 to 11.5 marks, and 4,263 (38.9%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates in this question was good, since 71.7 per cent scored 7 marks and above. Figure 4 shows the distribution of the candidates' scores.

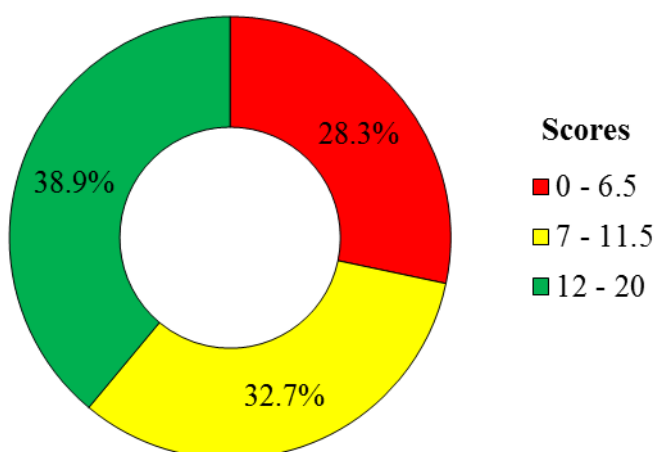


Figure 4: Candidates' Performance in Question 4

The analysis shows that, 4,263 (38.9%) candidates who performed well in this question addressed the demands of the question by precisely explaining cross elasticity of demand, providing correct formula since they were competent in application of mathematical skill on how to calculate and interpret the results. Some candidates provided a correct formula for cross elasticity of demand such as; *cross elasticity of commodity X in respect to another commodity Y is calculated as:*

$$\frac{\text{percentage change in quantity demanded of commodity X}}{\text{percentage change of price of commodity Y}} = \frac{\Delta Q_{dx}}{\Delta P_y} \times \frac{P_y}{Q_{dx}}.$$

Also, they managed to explain how the results obtained can be interpreted. Most of 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 interpreted the results of cross elasticity of demand such as; when it is positive value it indicates that the commodities X and Y are substitute for example, peps and coca cola, when it is negative, commodities are complements for example, car and petrol and when it is zero, the two commodities are not related at all. Other candidates provided interpretation of the result for commodity with positive value that, when the price of X increases consumers reduce the consumption of commodity X since the two commodities X and Y compete in the market and they offer the same utility. He/she provided examples that, the commodities which exhibit this characteristic are like peps and cocacola. Also, most of the candidates applied relevant mathematical formulae in calculating and applying the results. 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 demand to give reasons for demand curve to slope downwards from left to right. For example, some candidates provided the reasons that, it slopes downwards due to; the law of diminishing marginal utility, income effect and substitution effect. While other candidates provided the reasons that it is due to; different uses of a commodity and new consumer price effect. A sample of the good responses is shown in Extract 4.1.

4② Cross elasticity of demand refer to the measure of responsiveness of the quantity demanded of a certain commodity caused by change in price of the related commodity. Cross elasticity of demand shows the quantity demanded changes caused by the price of related good either substitute or complementary good.

Let's consider good Y and good X

Cross elasticity of Demand = $\frac{\text{Percentage change in Quantity of good X}}{\text{Percentage change in Price of good Y}}$

or in symbolic form

$$X_{ed} = \frac{Q_{x2} - Q_{x1}}{Q_x} \times 100\% \div \frac{P_{y2} - P_{y1}}{P_y} \times 100\%$$

$$X_{ed} = \frac{Q_{x2} - Q_{x1}}{Q_x} \div \frac{P_{y2} - P_{y1}}{P_y}$$

$$X_{ed} = \frac{\Delta Q_x}{Q_x} \times \frac{P_y}{\Delta P_y}$$

$$X_{ed} = \frac{\Delta Q_x}{\Delta P_y} \times \frac{P_y}{Q_x}$$

4a-	<p>Cross elasticity of demand can be interpreted in the following ways.</p> <p>When the Cross elasticity is positive then the goods are substitutes since the change in price of one good leads to changes in quantity demanded of another good in the same direction.</p> <p>When the cross elasticity is Negative it means the goods are complementary since the change in price of one commodity leads to inverse or changes of quantity demanded of another commodity in opposite direction.</p> <p>When the cross elasticity is zero it means the goods let's say X and Y have no relationship at all.</p>	
4b	<p>Demand curve refers to the model or curve that shows the quantity of goods and services demanded at a given price. The demand curve slopes downwards from left to right with a negative slope due to various reasons including the law of Demand which states "At ceteris paribus, A decline in price leads to increase in quantity demanded and increase in price leads to decline in quantity demanded". Therefore the curve slopes downward from left to right. The following are the causes that lead to the demand curve to slope downward from left to right.</p>	

-46-	<p><u>Law of Diminishing Marginal utility</u>: The law of marginal diminishing utility states that the satisfaction derived from additional units will initially increase and then reach a point start to diminish. The consumer will buy more of the units only if the price is reduced. Therefore a decline in price would lead to increase in quantity demanded by the consumer therefore causing a Negative sloping curve downwards from left to right.</p> <p><u>Income effect</u>: The demand curve slopes downward from left to right due to the income effect where by when the price of the commodity decreases at constant income the purchasing power of people will increase therefore increase in the quantity they demand but when the price rises the purchasing power decreases hence low quantity demanded thus demand curve slopes downward from left to right.</p> <p><u>Substitution effect</u>: Also presence of substitute goods may affect the demand curve since the increase in price of one commodity will lead to decline in its quantity demanded and thus people would shift to consumption of substitute good and therefore the substitute good with constant price would be demanded more by the consumers thus lead to the demand curve to slope downwards from left to right.</p> <p><u>Presence of low income earners</u>: Low income earners tend to demand more when the price of a certain commodity falls and therefore when the price of a commodity declines, the quantity</p>
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Extract 4.1: A sample of the good responses to Question 4

On the other hand, the 3,588 (32.7%) candidates with moderate performance were able to answer only one part of the question. In part (a), some candidates provided correct formula to calculate Cross elasticity of commodity X in respect to another commodity Y but failed to explain how the results is interpreted. In part (b), some candidates managed to provide

the correct diagram of demand curve but provided less points on why demand curve slopes downward from left to right.

On the other hand, 3,106 (28.3%) candidates who performed poorly failed to show how cross elasticity of demand is calculated and interpreted in part (a) due to the misconceptions of the demand of the question. Some candidates used the price elasticity of demand concept instead of the cross elasticity of demand. Also, they failed to explain the reasons why demand curve slopes downwards from left to right in part (b). For example, one candidate explained the reasons such as; decrease in population, future expectations and economic depression. A sample of the poor responses is shown in Extract 4.2.

4.	(a) Cross elasticity of demand: It is the measure of degree of responsiveness of two point in the demand curve. It is given by $Ced = - \left(\frac{\Delta Q}{\Delta P} \times \frac{P_1 + P_0}{Q_1 + Q_0} \right)$	
	Cross elasticity of demand is calculated by the following steps:	
	Find the slope which is change of the quantity over the change in price of the commodity, by taking base quantity Q_0 minus Q_1 new quantity over change in price which is obtained by taking P_0 price of the base year minus P_1 price of the new year.	
	Because we are measuring the degree of the two points we plus the price of the base and price of the new over the quantity (base) and the new, and After you multiply the product of slope times the product of price over quantity.	
	After we divide with negative outside the bracket to get the value of the cross elasticity of demand.	

	The following is its interpretation after	
	obtaining the answer.	
	If $C.E.d > 1$ then it is elastic demand and	
	if cross elastic of demand is < 1 and greater to zero it is said to be inelastic. If cross elasticity of demand is equal to	
	zero it is said to be perfect elastic of demand, If it is equal to infinity it is said to be perfect inelastic of demand and	
	partly if it is equal to one $C.E.d = 1$ it is said to be	
	unitary.	

Extract 4.2: A sample of the poor responses to Question 4

Extract 4.2 shows that the candidate misconceived the question by using price elasticity of demand instead of cross elasticity of demand to show how cross elasticity of demand is calculated and interpreted in part (a).

2.1.5 Question 5: Production

This question had two parts, (a) and (b). In part (a) the candidates were required to use illustration to show the stages of the law of diminishing marginal returns. While in part (b), they were required to explain five limitations of the law of diminishing marginal returns.

The question was attempted by 5,225 (44.8%) of the candidates. Among them, 2,366 (45.3%) scored from 0 to 6.5 marks, 1,833 (35.1%) scored from 7 to 11.5 marks, and 1,026 (19.6%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of candidates in this question was average, since 54.7 per cent scored 7 and above marks. Figure 5 shows the distribution of the candidates' scores.

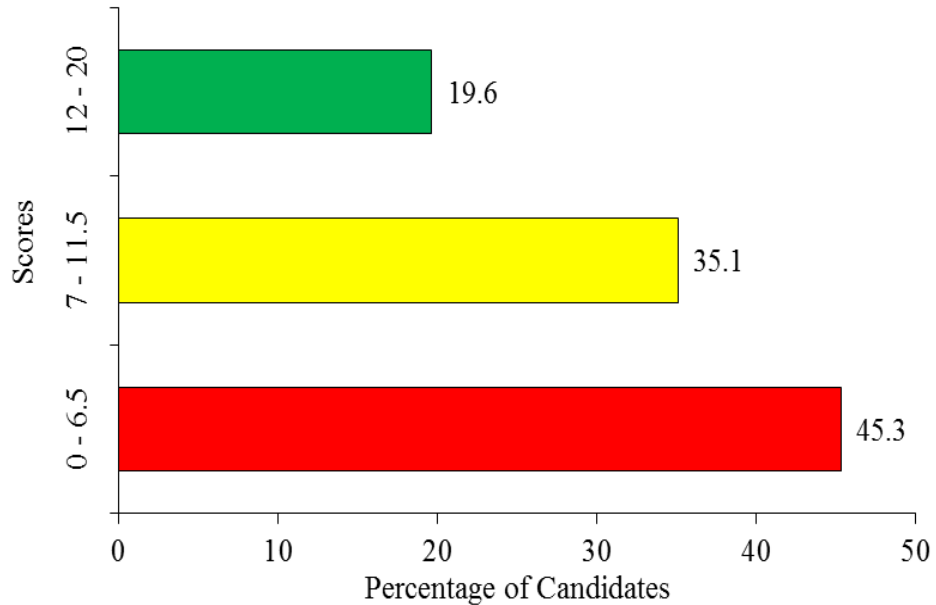
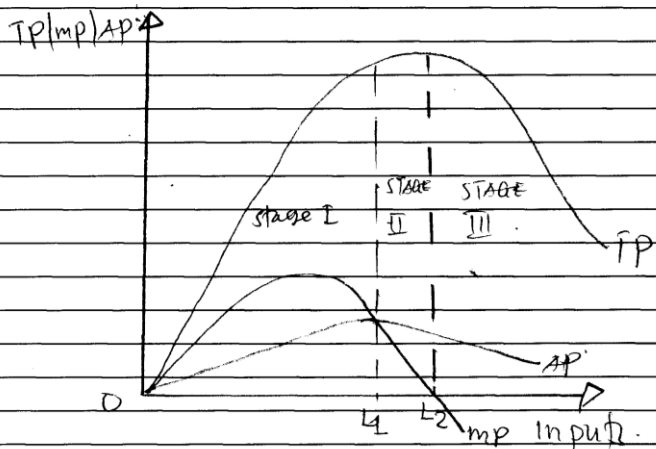


Figure 5: *Candidates' Performance in Question 5*

The analysis shows that, the 1,026 (19.6) candidates who performed well in this question were familiar with the stages of production in relation to the law of diminishing marginal returns. These candidates provided clear illustrations in part (a). In part (b), they managed to provide correct limitations of the law of diminishing marginal returns which indicate their competence in that sub topic. For instance, one of the candidates explained the limitation of the law of diminishing returns as; *change in technology, soil rigidity and long run condition*. Other candidates explained the limitation like; the law is restricted to the land only while in reality can be applied to other factors of production when they are fixed in supply, the theory does not consider other factors of production and unit of variable inputs are never homogeneous. A sample of the good responses is shown in Extract 5.1.

5 (a) The law of diminishing marginal return states that "under ceteris paribus - as more unit of variable factors are added into a fixed factor both marginal product (MP) average product (AP) and Total product (TP) initially increases but reach at a maximum and start to diminish".

The law of diminishing marginal return - explain the following stage of production with illustration.



(i) stage one starts from 0 up to L_1 where $(MP = AP)$ at this stage the law of diminishing return starts to operate at point where - marginal product (MP) is at maximum. - at this stage the rational producer will not operate since the TP is still increasing.

(ii) stage II starts where $(MP = AP)$ at L_1 up to where TP is at maximum L_2 therefore it is a good stage of production. because TP is at maximum.

(iii) stage III starts from L_2 and beyond. at this stage TP starts to diminish and - MP is at negative. - It is not a good stage of production.

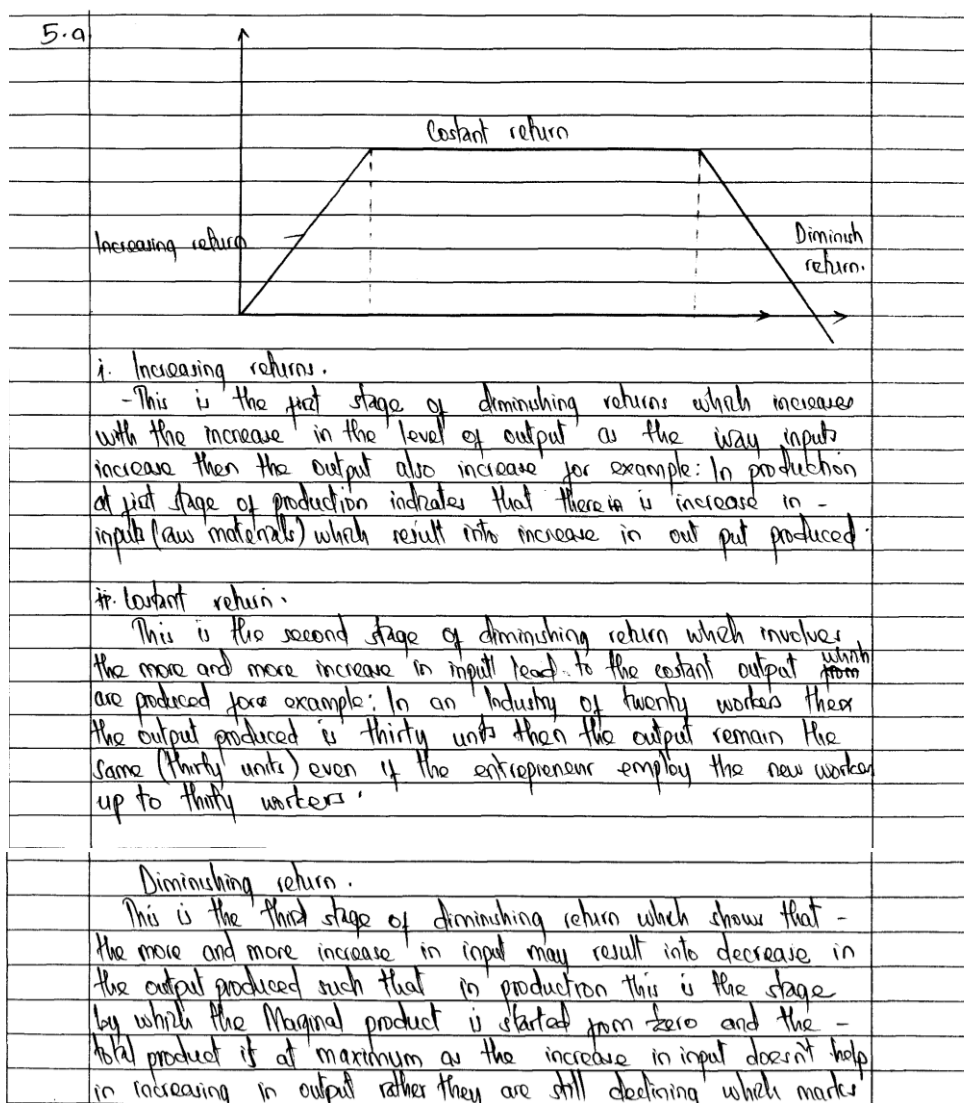
5b.	The following are limitation of law of diminishing return	
	(i) Change in technology. The change in technology may limit the law of diminishing return to operate for example the application of manure and fertilizers may makes the land to still produce therefore diminishing return may not operate.	
	(ii) Soil rigidity. There are some soil with their natural fertility therefore they still producing high quantity every year therefore the law of diminishing return may not operate.	
	(iii) Longrun condition. The longrun condition of production limit the diminishing return to operate because all factors which are fixed factors and variable factors are variables.	

Extract 5.1: A sample of the good responses to Question 5

However, 1,833 (35.1%) candidates with average scores were able to attempt only one part of the question and completely failed to answer the second part of the question i.e. most of them failed to draw and indicate the stages in part (a) but managed to explain the limitations of the law of diminishing marginal returns in part (b). For example, one of the candidates explained the limitations such as; *constant technology, the law cannot be applied when technology is dynamic and short run condition.*

On the other hands, the 2,366 (45.3%) candidates with poor performance failed to understand the demands of the question which could be attributed by inadequate knowledge in that sub topic. Some of the candidates explained the factors affecting demand and supply such as; *government policy, taste and preference and expectations.* While other candidates explained the points like; *ignorance of consumers and advertisement* instead of the limitations of the law of diminishing marginal returns. Also,

they included irrelevant diagram to show the stages and limitations of the law of diminishing marginal returns in part (a) and (b) respectively. A sample of the poor responses is shown in Extract 5.2.



	the end of production activity.	
5b.	<p>It doesn't apply in short run; Law of diminishing return do not operate in the short run period in which some factors are fixed and other factors are variable as this is the period in which a firm obtains super normal profit from its production activities.</p> <p>Depends on the nature of the products; The law of diminishing returns which states that the more increasing in input the level of satisfaction decrease is not applied to some products for example liquor (alcohol) as the increase in inputs is the increase in the level of satisfaction of consumers increases.</p> <p>It is difficult to measure; It is difficult for the firm to know/understand that the diminishing marginal utility has started to operate as it needs very much assessment to know it as some firm may find they are still operating under diminishing return stage.</p> <p>May cause unemployment; Diminishing returns may lead to the closure of some firm as the firm may understand that it obtains less from production by employing much inputs and yet it gets less input which may lead into closure than the employees remain unemployed.</p> <p>Reduces supply of goods & services; Many firms are down & closing due to the operation of law of diminishing return which leads to the reduction of supply of goods and services hence the cost of living may rise due to inflation caused by greater demand of goods than supply.</p> <p>Hence; The application of the law may also help in the reduction of misallocation of resources that at the point of diminishing return then there must be no employment of inputs because it may be misused to unproductive way.</p>	

Extract 5.2: A sample of the poor responses to Question 5

The extract shows a response from the candidate who provided a diagram related to returns to scale instead of the law of diminishing marginal returns in part (a). He/she also failed to explain the limitations of the law of diminishing marginal returns in part (b).

2.1.6 Question 6: Theory of Money

In this question, the candidates were required to examine six circumstances under which increase in money supply in the economy does not lead into the increase in the general price level.

The question was attempted by 7,192 (61.7%) of the candidates, out of which 1,146 (15.9%) scored from 0 to 6.5 marks, 1,476 (20.6%) scored from 7 to 11.5 marks, and 4,570 (63.5%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates in this question was good since 84.1 per cent of them scored 7 and above marks. Figure 6 shows the distribution of the candidates' scores.

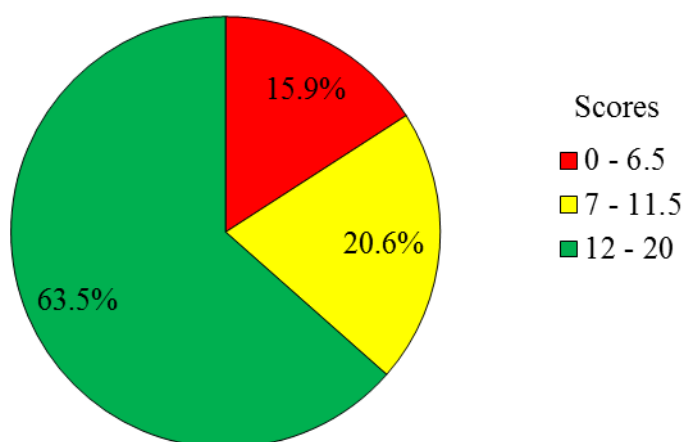


Figure 6: *Candidates' Performance in Question 6*

A total of 4,570 (63.5%) candidates who performed well in this question were able to examine the circumstances under which increase in money supply in the economy does not lead into increase in the general price level. For example, one of the candidates managed to explain the circumstances under which increase in money supply cannot increase the general price level such as; *increase in liquidity preference, strict price control by the government, increase in taxation and use of increased money for importation*. Other candidates explained the circumstances like; *fall in cost of production, when commodities increase more than the increase in money*

supply and increase in the velocity of money. These responses suggest that, the candidates were competent in the circumstances under which increase in money supply in the economy does not lead into increase in the general price level. A sample of the good responses is shown in Extract 6.1.

06.	<p>Money supply is the total amount of money in circulation. It can be said that money supply can be influenced by various ways like level of economic activities in the country, monetary policy and Fiscal policy. All these may influence the increasing in money supply and there are various forms like Narrow money supply. So the following are circumstances in which increase in money supply in the economy does not lead into increase in the general price level.</p> <p>When increase in money supply is followed by increasing in taxation especially Progressive tax, due to this general price level may not increase because increase in money supply through expansionary monetary policy will lead to increase in progressive tax and this tax will be imposed on people's income due to this purchasing power of the people will reduce and hence there will be inflation.</p> <p>When there is price control by the government; when the government controls price by fixing the certain price it means even if the amount of money supply will increase will not lead to increase in general price level because the government has fixed a certain amount of price which will be favourable for both consumer and producer hence there will be no increase in the general price level.</p> <p>When there is income inequality; increase in money supply in the economy will not lead to increase in general price level because there is income disparity among the people. It means there is high amount of money among the rich people and low money to the poor. Such a situation even if the amount of money in the economy will not lead to general price level.</p> <p>When there is hoarding of money; increase in money supply in the economy does not lead into increase in the general price level when a large amount of money is kept and</p>
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Extract 6.1: A sample of the good responses to Question 6

On the other hand, the 1,476 (20.6%) candidates with average scores provided a few points than required number. Out of the six required points, they provided only 1, 2 or 3 points. Some candidates in this category explained the circumstances such as; *increase in the velocity of money, fall in cost of production and price control by the government* with

explanations. Other candidates identified the circumstances but their explanations of the circumstances lacked clarity.

However, 1,146 (15.9%) candidates with poor performance in this question failed to understand the demands of the question. They also lacked sufficient knowledge on the subject matter, since they were unable to examine the circumstances under which increase in money supply in the economy may not lead to increase in the general price level. One of the candidates provided the points like; *increase in foreign investment and increase in government borrowing* which were incorrect. Other candidates provided the incorrect points like; *increase in government expenditure, construction of big projects and when the government gets gifts and grants from the donor countries*. Their responses signalled poor understanding of the circumstances under which increase in money supply in the economy does not lead into increase in the general price level. A sample of the poor responses is shown in Extract 6.2.

6.	i) The increase in foreign investments. This would automatically contribute to the increase of money in the economy for economic motive of investing in different sectors thus won't take effect on increase in the general price level.	
	ii) Increased income distribution. As individuals acquire more income, only their purchasing power increases hence people can afford to buy more commodities even at the same allocated price.	
	iii) Increased government borrowing. As the government earns more money from external sources, the general price level doesn't increase because the borrowed money is specially budgeted by the government to either finance a certain project or run a specific plan but not raising general price levels.	

iii) Increased liquid transactions in the market sectors may not lead to increase in more general price level as people hold more money for Transaction motive on .	
iv) Increased government spending as a result of increased expenditure may not lead to increased price levels. Because the government increases money in	

Extract 6.2: A sample of an incorrect responses to Question 6

The extract shows the response from the candidate who failed to examine the circumstances under which increase in money supply in the economy does not lead into increase in the general price level. He/she instead provided the ways of increasing money supply in the economy.

2.1.7 Question 7: Privatization

In this question, the candidates were required to substantiate the contention that “Privatization is vital in improving the Tanzanian economy”.

The question was attempted by 10,794 (92.6%) of the candidates, out of which 85 (0.8%) scored from 0 to 6.5 marks, 1,345 (12.4%) scored from 7 to 11.5 marks, and 9,364 (86.8%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of candidates in this question was good since 99.2 per cent scored 7 and above marks. Figure 7 shows the distribution of the candidates’ scores.

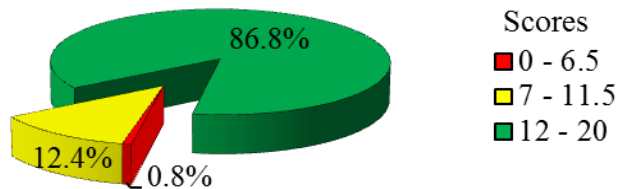


Figure 7: Candidates' Performance in Question 7

A total of 9,364 (86.8%) candidates who scored from 12 to 20 marks addressed the demand of the question. The candidates provided five advantages and five disadvantages of privatization policy in Tanzania. The candidates who performed well in this question used appropriate English language, provided examples to support their points as well as logical flow of their arguments. Most of them provided the advantages of privatization as; *increase in government revenue, helps to attract capital, helps to increase in national income and helps to increase employment in the country*. Also, they provided the disadvantages of privatization such as; *leads to emergency of monopolies, corruption, create the problem of unemployment and income gap in the economy*. A sample of the good responses is shown in Extract 7.1.

Q7.	Privatization refers to the process of transferring public enterprises or assets into private enterprises. Privatization policy was introduced in Tanzania by international Monetary funds and World Bank for the vital purpose of develop the Economy of Tanzania and other developing countries. Privatization has advantages and disadvantages to our economy. The following are the advantages of Privatization Policy in Tanzania:
	Improvement of social services provision, due to the policy of privatization the provision of social services has increase because both government and private sector they are all aim in provision of services to society for example private schools, private hospitals and other private sectors that provide services to people.
	Source of employment opportunities, Privatization facilitated the employment opportunities because the presence of many private sector contribute to the development of employment because people has employed to various private sectors such as in schools and private hospitals.
	It is source of government revenue, Privatization of public enterprise cause the reduction of government expenditure but on other hand private sectors contributes much of the government revenue through various tax collection.
	It improve living standard of people, The living standard of people is raised through various goodness or advantages brought by private sector for example through provision of employment to people cause the living standard of people to raise and general welfare of people increase.
	It encourage investment, due to the presence of privatization policy can lead to the attraction of foreign investment because foreign people had demand much to invest in Tanzania do because of andwise privatization policy can lead to the increase in investment.
	The following are the disadvantages of Privatization Policy.
	It may lead to inefficient, when the government reduce intervention and supervision it may cause the private sector to perform under quality and hence cause the private sector to be inefficient in production of goods and services.

09	<p>It may lead to unemployment, since private sector depends on itself may decide to choose technique of production may be either labour intensive technique or Machine intensive techniques. If it is Machine intensive techniques then it will lead to the unemployment.</p> <p>It may lead to misallocation of resources, since the private sector are operate in the country it is not difficult to make the wastage of resources because have right to produce and may operate inefficiently and hence cause wastage of resources.</p> <p>It may lead to income inequality, Privatization may lead to the income inequality because some private sector may lead to the high prices where by some may not afford. For example there are some private schools which have high cost which discriminate poor and favour rich people and hence cause income inequality.</p> <p>It may lead to the rise of monopolies, Privatization may lead to the rise of monopoly in various sectors in production of goods and services where by one single firm or sector become monopoly over others. For example private schools such as Tengerika international school has been a monopoly among big international schools in Tanzania.</p> <p>In general, The privatization policy have both advantages and disadvantages but it has contributed much to the development of Tanzania Economy.</p>	
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Extract 7.1: A sample of correct response to Question 7

On the other hand, 1,345 (12.4%) candidates managed to provide a few points on advantages and disadvantages of privatization. These candidates understood the demands of the question but demonstrated partial knowledge about the advantages and disadvantages of privatisation policy in Tanzania. For example, one candidate managed to provide two advantages and three disadvantages without supporting examples.

However, 85 (0.8%) candidates who performed poorly did not meet the requirements of the question and failed to provide the required advantages and disadvantages of privatization. This is due to insufficient knowledge. For instance, one of the candidates substantiated the contention by giving advantages like; *influence development of different sectors, and prevent the government to get total loss* which are incorrect. A sample of the poor responses is shown in Extract 7.2.

7.	<p>Privatization refers to the situation where by government transfers its property from public into private ownership. Privatization is the method used by different countries like Tanzania for aim of achieving economic goals or future expectation. Privatization is categorized into different types such as cost sharing, partial privatization and others but if it applied in a country can lead to different impacts its either positive or negative.</p> <p>However the following are the advantages of privatization.</p> <p>It influence development of different sectors. Due to privatization the development of different sectors in our country is possible. Sectors such as industries may be developed since privatization influence the increase in investment rate.</p> <p>Influence the rise on the government revenue. Due to the privatization in our country can lead to the rise of government revenue since the privatization involves the act of contributing or paying taxes to the government since there's private ownership of properties which that influence the rise of government's total revenue.</p> <p>Influence the development of our technology. The act of privatizing is so vital to our country as it influence the development and change of our local technology since the privatization involves the externalities in our country where those acts as facilitators of change in our technology.</p> <p>Influence the development of transport and communication systems. As there's privatization in our country also the use of development of our systems of transport and communication is possible as those transport and communication would be improved as to facilitate</p>
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7.	to the operation of their activities.	
	It prevents the government on the risk of getting total loss. Due to privatization helps to prevent the country or the government from a risk of getting a total loss in different issues, such as operation of agencies or project which may be unsuccessful.	
	Apart from advantages also the following are the disadvantages of privatization policy.	
	May lead to decline of our Economy. Due to the privatization may lead to problem of decline in our Economy since resources would be owned privately and not by the government where that can lead to security of source resources for obtaining our national income.	
	Can lead to decline of our local industries. Also the privatization policy is disadvantageous as it can influence the decline of our local industries. Since this policy gives opportunity for foreign investments and importation of goods which may interfere over residents' traders.	
	Can lead to the increase in unemployment rate. The privatization policy is disadvantageous as it influence the increase in rate of unemployed people since mostly consider limitation of labour and also labour or worker's security is low.	
	Can lead to Overdependency. Due to this policy can lead to the overdependency on different issues or sectors such as Economically, Socially but also on technology. This is because this policy offers these private agency or privatizers to operate mostly on our country than residents or the governments as that shows there's extremely dependency.	

Extract 7.2: A sample of an incorrect response to Question 7

The extract shows the response from the candidate who provided wrong explanations on the advantages and disadvantages of privatization.

2.2.8 Question 8: Environmental Economics

In this question, the candidates were required to give six causes of externalities in the economy to justify the statement that, “Interaction between economic system and development is one of the major reasons for the existence of externalities”.

The question was attempted by 5,287 (45.4%) candidates. Among them, 2,618 (49.5%) scored from 0 to 6.5 marks, 1,738 (32.9%) scored from 7 to 11.5 marks, and 931 (17.6%) scored from 12 to 20 out of the 20 allocated marks. Generally, the performance of the candidates in this question was average since 50.5 per cent of them scored 7 marks and above. Figure 8 shows the distribution of the candidates’ scores.

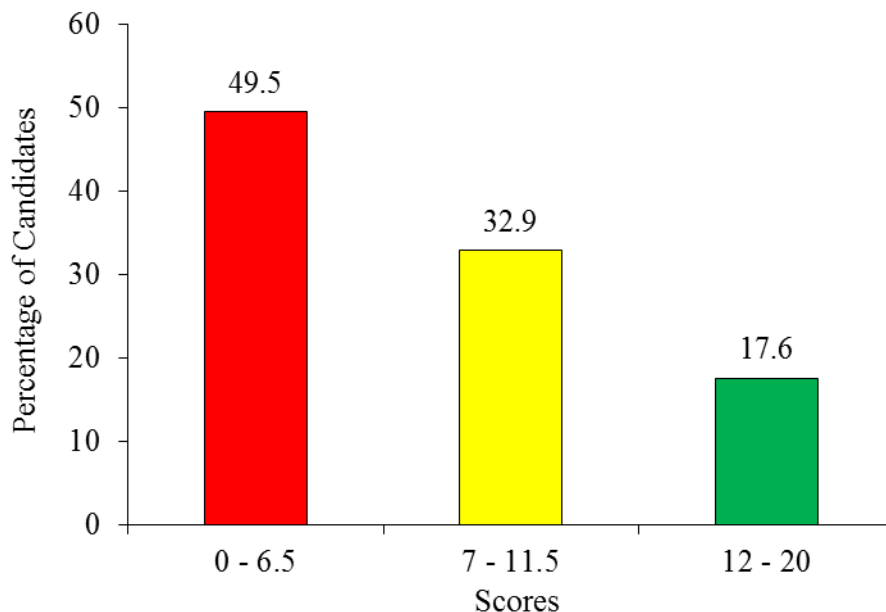


Figure 8: *Candidates' Performance in Question 8*

The analysis shows that the 931 (17.6%) candidates who performed well in this question addressed the demands of the question. They justified the causes of externalities based on the interaction between economic system and development as a major reason. For example, one of the candidates justified the causes of externalities as; ‘*interdependence between producer*

and consumers, market failure, presence of public goods and interaction between the economic activities and environment'. Other candidates provided the causes as; interdependence of production and consumption. A sample of the good responses is shown in Extract 8.1.

8.	<p>Externalities' refers to the results or impact obtained by the third party of the economy or consumption. for instance the impact obtained by the user of Cigarettes after using them not only that but also impact obtained by the user of alcohol after using them. There are two type of Externalities which are Positive Externalities and negative Externalities by which positive Externalities, is advantageous compared to negative Externalities which are very dangerous. The following are the causes Externalities in the Economy.</p> <p>Market failure' refers to the results which occurred when forces of demand and supply failed to determine actual price of the product in the Market. This accelerated much to the occurrence of Externalities and May leads to the occurrence of Positive Externalities or negative Externalities hence the Market failure accelerated to effects to third party of Consumption because it may leads to higher price to final Consumer as well as negative externalities hence Market failure May accelerated to the occurrence of Externalities in the Economy or effects to the third party of production.</p> <p>Public goods, the free provision of goods and services by the government May accelerated to the occurrence of externalities not only that but also provision of low payment example provision of payment of low school fees to public school May leads to Externalities not only that but also payment of low money to health center hence leads to the occurrence of negative externalities not only that but also positive Externalities to some occasion hence public goods May leads to occurrence of externalities.</p>
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8.	<p>Lack of developed Market: the existence of absence of enough well developed Market may accelerated to the increase of externalities in the economy and it may accelerated to the occurrence of negative externalities in the economy for instance lack of developed Market for agricultural product not only that but also Market for the industrial product hence may affects the Consumer negatively as well as producer hence May leads to the occurrences of externalities.</p> <p>Interaction between Economic system and the Environment: this may accelerated to the occurrence of externalities to the Environment for example may lead to the environmental pollution and degradation for example the activities like industrial activities may accelerated to the occurrences of the industrial pollution hence affect the environment. Due to that externalities can occurred because of the interaction between environment and Market system in the economy.</p> <p>Interaction between production and consumption: the interdependencies between production of goods and services for example industrial production and Consumer for instance the user of cigarette may accelerated to the occurrences of negative externalities in the economy. More especially to the third party of production like to the Consumer of the cigarette hence the interdependencies between production and consumption may leads to externalities.</p> <p>Lack of property right: the absence of property rights may accelerated to the occurrences of externalities for instance negative externalities.</p>
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8	<p>lities because an individual can failed to operate well on the production activities for example lack of ownership right of the industries may accelerated to decline in production hence that lack of right of owned property in the economy affect the third party of the economy who is consumer hence may lead to negative externalities in the economy.</p> <p>Generally, Externalities can be controlled through different ways such as taxation to the negative externalities, subsidies to positive externalities, Formulation of laws, provision of pollution permit due to that the government can do so in order to avoid negative impact of externalities more especial negative externalities through imposing higher taxes for example higher taxes to the user of cigarette so as to avoid negative impact caused by the use of cigarette.</p>	
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Extract 8.1: A sample of correct response to Question 8

However, the 1,738 (32.9%) candidates who performed moderately in this question partially explained the required points. Most of the candidates provided two to three points with insufficient explanation.

On the other hand, 931 (17.6%) candidates provided incorrect causes of externalities, suggesting that, they failed to understand the demands of the question. For example, some candidates provided ways of controlling externalities such as; *subsidies and taxation for negative externalities* and for positive externalities he/she provided; *formulation of the law and provision of pollution permit*. Other candidates grouped the externalities as positive and negative which is contrary to the demands of the question. A sample of the poor responses is shown in Extract 8.2.

8.	Externalities, Refers to the positive or negative benefit obtained in the economy due to certain economic activities, social and political activities taken in the certain place. The following are the causes of externalities in the economy.
	Development of science and technology, due to the change of science and technology in different sector it has influenced the occurrence of externalities in the economy for example Development of science and technology in transport system has lead to both positive benefit such facilitates quicker movements of people and negative externalities such as air pollution.
	Government Policy, Through government policy which established in the country may lead to externalities for example the policies of industrialization has lead to high contribution of externalities in the economy both positive and negative.
	Privatization policy, Through Transfer of ownership from public to private or individual it has contribute to the externalities such private companies and sectors imports harmful products which lead to negative externalities. Such these these imports goods which are harmful cocaine, alcohol and other harmful drugs.
	Globalization, Through Globalization state have been benefited positively and negative where Globalization involve interaction of people from different place to another for example there come of people from different country visit Tanzania brings they are culture which affected Tanzanian people.

8.	Also Misuse of social medias which cause to reduce labour force such most of youths waste their time in social medias instead of working.
	International trade, through exchange of goods and services from different countries has lead to externalities. Such in this trade not all states are benefited other states are harm. Receives negative externalities. for example less developed countries receive high negative externalities than the more developed state.
	Generally the externalities can be solved through introduction of taxes and quota which will help to reduce the negative externalities produced by firms. also government should enact laws which based on preservation of environments such as Afforestation and proper dumping of waste.

Extract 8.2: A sample of an incorrect response to Question 8

In extract 8.2, the candidate failed to justify the causes of externalities in the economy. Instead, he/she explained ways to reduce the negative externalities in the economy.

2.2 PAPER 2: ECONOMIC DEVELOPMENT

2.2.1: Question 1: Economic Growth and Development

In this question the candidates were required to explain five characteristics of economic growth in a country based on Rostow model of economic development.

The question was attempted by 11,651 (100%) candidates. Among them, 3,641 (31.3%) scored from 0 to 3 marks, 4,289 (36.8%) scored from 3.5 to 5.5 marks, and 3,721 (31.9%) scored from 6 to 10 out of the 10 allocated marks. Generally, the performance of the candidates in this question was

good, since 68.7 per cent scored 3.5 marks and above. Figure 9 shows the distribution of the candidates' scores.

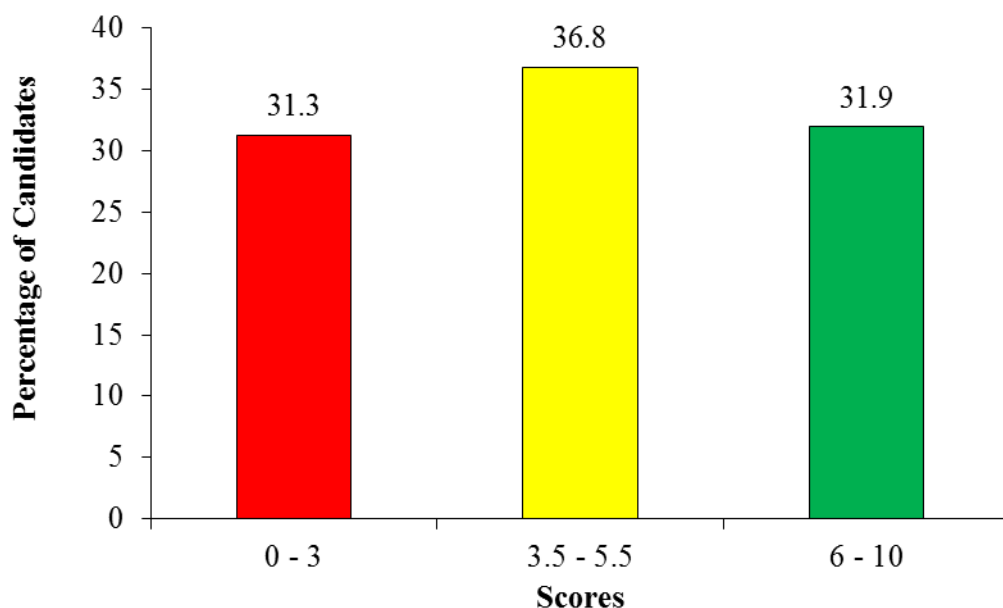


Figure 9: *Candidates' Performance in Question 1*

A total of 2,862 (31.9%) candidates who performed well in this question had sufficient knowledge of the concepts of economic growth and development.

They correctly explained the characteristics of the economic growth in a country based on Rostow model of economic development. For example, some of the candidates explained precisely the characteristics such as; *diversification of the industrial base, higher level of investment and improvement in production techniques*. Other candidates provided the characteristics like; *rapid development of the transportation infrastructure and improvement in technology*. Their scores varied due to several factors; for example, the number of correct responses provided and the degree of accuracy of the candidates' explanations. A sample of the good responses is shown in Extract 9.1.

1	<p>Economic growth is the increase in the volume of goods and services produced in a country. The following are characteristics of the economic growth in a country;</p> <p>Increase in production; for a country to have economic growth should increase the quantity of goods and services produced hence lead to mass production example in industries and agricultural sectors due to production stimulates consumption.</p> <p>Raise of Employment opportunities; not at full employment but the job opportunities should expand in order to reduce unemployment and raise per capita income and increase utilization of iddle resources like land</p> <p>Development of infrastructures; such as roads, railway lines, communication networks and airports in order to facilitates movement of factors of production, widen market and attract investment level. example in Tanzania construction of SGR - standard gauge railway.</p> <p>Improvement of social services; such as health, education, electricity and water supply in order to promotes people welfare and improve living standard and income redistribution to reduce income gap.</p>	
1	<p>Improvement of technology; in different social and economic sector like in industries the use of machines, in agriculture the use of pesticides and fertilizers and in social services like ICT, computer and modern tools in order to increase production volume of goods and services</p> <p>Therefore; Economical growth is the one which lead to economic development in which both quantity and quality of goods and services increases therefore for a country to reach economic development should firstly achieve economic growth.</p>	

Extract 9.1: A sample of correct responses to Question 1

However, 4,289 (36.8%) candidates with average scores explained a few points out of the five required points. For example, some candidates explained only three points. This indicates that, the candidates had insufficient knowledge on the sub topic. Other candidates in this group provided the five characteristics but backed them with partial explanation.

On the other hand, 3,641 (31.3%) candidates with poor performance in this question failed to explain the characteristics of Rostow model of economic growth. Most of the candidates in this category were unable to meet the demands of the question. Some misinterpreted the question and others lacked competence in the subject matter which was exposed by irrelevant explanations of the characteristics of Rostow model of economic growth. For example, one candidate explained the characteristics of Rostow model of economic growth incorrectly as; *it occurs more rapidly, it does not take account in technology and it occurs in a short period of time*. A sample of the poor responses is shown in Extract 9.2.

01	Rostow model of economic development. This is the model which established by the American economist. The Rostow theory explain much about economic development also Rostow theory explain five stages which any country should passes which are traditional society, transitional stage, take off stage, maturity stage and the last one is Mass of Consumption all 7 this explained by American economist.
	The Characteristics of Rostow model of economic development. and economic growth in the country.
	low productivity (Surplus). This is among of the Characteristics which was explained by Rostow. It is due to low productivity, due to all production are done collectively (or by all people in the country).

in the country.

No expansion of trade :- Also this is among of characteristics which was explained by the economists, when there traditional society always all goods which are produced are consumed by all means for subsistence and not for trade.

Absence of classes in the society :- Also this is among of the characteristics, which was explained by the economists, where there is not classes among the people in the society all resources are common and owned by all people collectively.

Low saving and investment :- Also this is among of the characteristics that introduced by the economists, when there is low saving and investment in the country especially in take off stage and maturity stage of economic development.

Low per capital income and living standard of the people in the country :- Also this is among of the characteristics, which were introduced when there is low per capital income and living standard of people in the country.

hence, :- The Rostow model of economic development although has its own strength but has certain limitations which are the economists fail to explain the nature, causes and effect of economic growth and development and is not applicable in less developed countries such as Tanzania.

Extract 9.2: A sample of an incorrect response to Question 1

In this extract, the candidate wrongly explained the characteristics of Rostow model of economic growth.

2.2.2: Question 2. Public Finance

In this question the candidates were required to briefly elaborate the five main components of direct taxes.

The question was attempted by 11,649 (99.9%) candidates. Among them, 6,499 (55.8%) scored from 0 to 3 marks, 2,288 (19.6%) scored from 3.5 to 5.5 marks, and 2,862 (24.6%) scored from 6 to 10 out of the 10 allotted marks. Generally, the performance of the candidates in this question was average, as 44.2 per cent of the candidates scored 3.5 and above marks. Figure 10 shows the distribution of the candidates' scores.

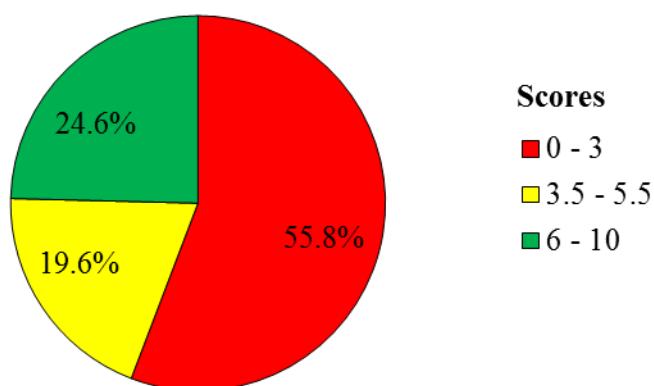


Figure 10: *Candidates' Performance in Question 2*

A total of 2,862 (24.6%) candidates who scored from 6 to 10 marks managed to elaborate the main components of direct taxes. They understood the demands of the question and had a good mastery of the subject matter. Most of the candidates in this group arranged their answers in essay form starting with the introduction, the main body, and conclusion. They managed to elaborate the five main components of direct taxes. For example, some of the candidates elaborated the components such as; *individual taxes, presumptive taxes and capital gain tax*. Other candidates elaborated the components like; *withholding taxes, estate duty and corporation tax*. A sample of the good responses is shown in Extract 10.1.

Q.		
	<p>Direct Tax. This is a type of tax which is levied by the government on individual income and its compulsory by law. This type of tax is levied on person income. The following is a type of Direct Tax or component of Direct Tax.</p>	
	<p>Property Tax. This is a type of tax which is charged by the government directly to a person property. This is termed as component of direct tax because it is charged on person property directly for example. Land, Building etc.</p>	
	<p>Pay as You Earn (P.A.Y.E) or Income Tax. This is a type of tax or direct component of tax which is charged according to the person income. For example in Tanzania P.A.Y.E is in proportional way a person pay according to what earn.</p>	
	<p>Corporate Tax. This is a type of direct tax component in which a person who own company must pay directly to the government. This is charge on income earned by company. For example of company which are pay corporate is Azam Company.</p>	
	<p>Capital gain tax. This is a type of tax which is levied by the government directly to individual on the capital which is earned by individual. So this component of direct tax is charged on capital gain.</p>	
	<p>Surtax. This is a component of direct tax which the tax is paid by high income earner. This tax is charged on the high income earners by the government. So as to reduce the income inequalities.</p>	
	<p>Generally all those discussed above are the components of direct tax. Also government get revenue also in other source like gift and gratuity, and investment areas.</p>	

Extract 10.1: A sample of correct response to Question 2

Moreover, the 2,288 (16.6%) candidates with average scores mentioned some of the components of direct taxes but provided partial elaborations. For example, out of the five components, the candidates elaborated one or two components without support of vivid examples. Some of the candidates in this group repeated the same point with different explanations. Also,

some of the candidates did not organise their answers in essay form starting with the introduction, the main body, and the conclusion which claimed their marks off.

However, 2,862 (24.6%) candidates with poor performance failed to interpret the demands of the question. They misconceived the question and elaborated the features and canons of taxation instead of the components of direct taxes. This was due to failure to understand the demand of the question and lack of competence in a sub topic. For example, one of the candidates incorrectly elaborated the canons of taxation such as; *it is specific, certainty, simplicity, equality and convenience* instead of the components of direct taxes. Other candidates provided the features such as; *it is compulsory payment, it is economical, it is collected by the government officials, it is convenient means and it is difficult for individual to avoid* instead of the components of the direct taxes. A sample of the poor responses is shown in Extract 10.2.

Q2:	Direct tax: is the kind of taxation which are charged directly to the income of an individual. There are many forms of government revenue like tariffs, quotas and taxes to different organization. The following are some of components of direct tax.	
	Licenses: is one of the direct tax which is directly - charged to the income of an individual for the purpose - of ownership of properties like car, motorcycle and - house, so this is one among of the source of direct tax within our country.	
	fees: is another kind of direct tax which is charged directly to the income of an individual for the purpose of getting knowledge for example are school fees for both secondary and university students are the example of fees paid as revenue.	
	Fines: There is amount of money payed to the government due to the law broken or doing illegal business within the country that also are used by the government as source of direct tax.	
	Interest from borrowing: Also interest charged on loans using money is one of the direct tax charged in order to increase amount of revenues within the country and hence to the economic developments.	
	Grants and loans: Also are the source of government revenue through direct-tax because are collected directly to the income of an individual person and through that it lead to the economic and political development within the country.	

Extract 10.2: A sample of an incorrect response to Question 2

In extract 10.2, the candidate provided sources of government revenue through direct taxes instead of the components of direct taxes.

2.2.3: Question 3: National Income

The question had three parts (a), (b), and (c). The candidates were required to study carefully the data in the table provided then answer the questions that follow. In part (a), the candidates were required to convert the data into cumulative percentage and draw Lorenz curves for 2000 and 2010. In part (b), they were required to interpret the information revealed by the curves. While in part (c), they were required to suggest five measures which are adopted to reduce income inequality in the economy.

The question was attempted by 10,312 (88.5%) candidates. Among them, 1,232 (12.0%) scored from 0 to 6.5 marks, 3,756 (36.4%) scored from 7 to 11.5 marks, and 5,324 (51.6%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates in this question was good, as 88.1 per cent scored 7 marks and above. Figure 11 shows the distribution of the candidates' scores.

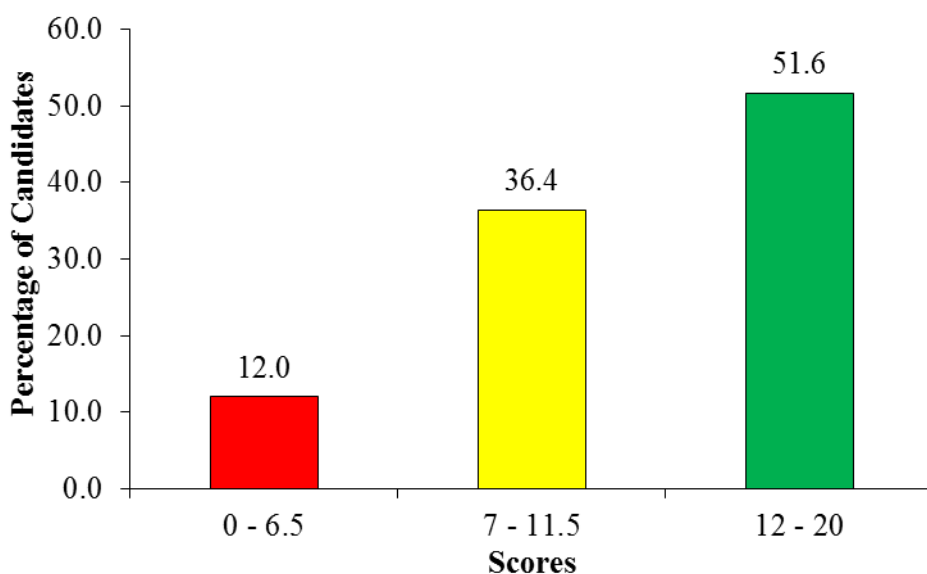
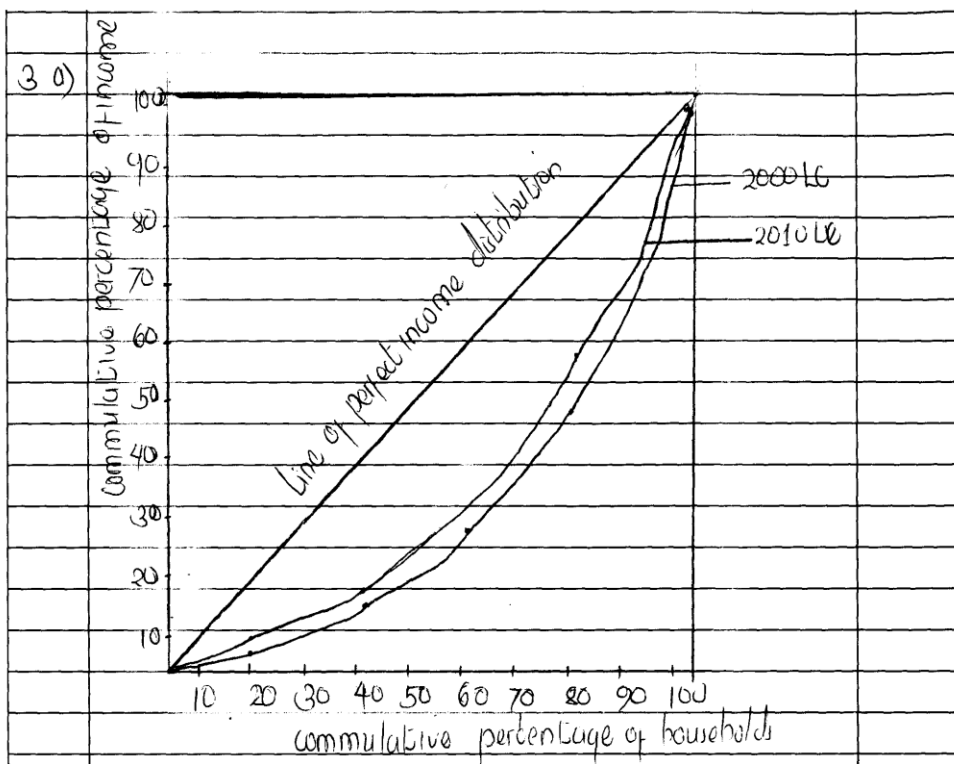


Figure 11: *Candidates' Performance in Question 3*

A total of 1,232 (11.9%) candidates performed well in this question. They understood the requirements of the question due to their sufficient knowledge about national income. These candidates had good mastery of the subject matter. Most of them had sufficient mathematical knowledge and drawing skills. They correctly converted the data into cumulative percentage and managed to draw the Lorenz curve for 2000 and 2010 in part (a) and interpreted the information revealed by the curve in part (b). In part (c), most of the candidates in this category suggested the five measures to be adopted to reduce income inequality in the economy such as: *'to employ progressive taxation system, provision of subsidies to farmers, use of price discrimination and increase investment in favour of the rural areas to reduce regional imbalances in development'*. The variation of marks among the candidates was a result of the individuals' 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)		
	Cumulative percentage of income households	Cumulative percentage of income
	$\frac{1}{5} \times 100 = 20\%$	2000 2010
		3.9 5.3
	$\frac{2}{5} \times 100 = 40\%$	12.5 16.9
		26.3 34.4
	$\frac{3}{5} \times 100 = 60\%$	45.6 58.5
	$\frac{4}{5} \times 100 = 80\%$	100 100
	$\frac{5}{5} \times 100 = 100\%$	
LORENZ CURVE TO SHOW INCOME DISTRIBUTION IN 2000 AND 2010		
Scale:		
V.s 2cm = 510%		
H.s 2cm = 10%		



b) In 2000 there were high income inequality because the Lorenz curve was far from the line of perfect income distribution but in 2010 the income inequality was very low because it was near to the line of perfect income distribution.

c) Income inequality: Refers to the difference between the very rich and very poor (caused by difference in Education and professional, difference in human abilities and talents, chances of accessibility to illegal activities such as prostitution and corruption). It may make people become very rich while others become poor. The following are measures which can be adopted to reduce income

30	Education reforms; A government should made reform in education system by introduce education for self reliance which prepare a person to be self employed and not depends on employment to the government	
	Provision of employment; Also the government should provide employment to unemployed people so that they may reduce income inequality among the people in the country because you may found majority are unemployed that's why their are poor.	
	Improvement of infrastructures; Also infrast ructures should be improved especially in rural areas so that it may facilitate easy movement of people and goods from area of production to the market so as they may sell their farm products.	
	Progressive tax system; Also the government may introduce progressive tax system where by that tax should be based on level of income the higher should be taxed high income and the lower should be taxed lower (PAYE) it means pay as you earn.	
	Improve in land tenure system; Also the government should control on the ownership of the land in which the owner of the land should be given right on the land because the rich always they exploit the poor peasant in term of land ownership.	
	Generally those are the measures which should be adopted to reduce income inequality in the country also the government should provide subsidies and credit	

Extract 11.1: A sample of the good responses to Question 3

The extract shows a response from the candidate who managed to suggest the measures like; education reforms, provision of employment, improvement of infrastructure and progressive income tax to reduce income inequality in the economy.

A total number of 3,756 (36.4%) candidates with moderate scores were able to attempt only part (c) of the question but completely failed to attempt part (a) and (b). Most of them gave a sufficient number of points in part (c). However, some of the candidates suggested less than the five measures to be

adopted to reduce income inequality in the economy. The weakness observed led the candidates to score low marks.

On the other hand, 5,324 (51.6%) candidates who performed poorly were unable to apply mathematical and drawing skills to draw and interpret the Lorenz curves. As a result, they failed to suggest measures which can be used to reduce income inequalities. For example, one candidate provided wrong response to reducing income inequality such as; *promotion of export, to control imports, to control population and adoption of the devaluation policy*. Other candidates suggested incorrect measures like; *combating corruption, use of monetary policy, privatization and employment opportunities*. A sample of the poor response is shown in Extract 11.2.

3@			
Income Recipients (percentage) Quintiles	percentage share in the each year		
	2000	2010	
Lowest fifth	3.9	5.3	
Second fifth	8.6	11.6	
Third fifth	13.8	17.5	
Fourth fifth	19.3	24.1	
Top fifth	54.4	41.5	
	100.0	100.0	
To convert data into percentage (cumulative percentage).			
Income Recipients	2000	2010	
Lowest fifth	3.9	5.3	
Second fifth	8.6	11.6	
Third fifth	13.8	17.5	
Fourth fifth	19.3	24.1	
Top fifth	54.4	41.5	
	100	100	

Q3.	Income inequality; Refers to the unequal income distribution to the people in the economic, through income inequality where by there will be with rich people with high income earning and low income earners group of poor people in the society.
	The following are the measures which can be adopted to reduce income inequality in the economy.
	To control the balance of payment problem; The amount of exportation should be high compare to the rate of importation of goods in the state in order to maximize profit through exportation and hence leads to the measures of income inequality.
	To control problem of Unemployment; Also the government should ensure that there is the availability of full employment in the society in order to enable people to earn income and hence to reduce income inequality to peoples in the nation.
	To control the problem of political instabilities; Condition of political instabilities such as war, corruption should be well controlled in order to enable the government to deal with production activities and hence will reduce income inequality to peoples through various development in economic sectors.
	To control the problem of inflation; Also the government should control economic activities and put good plans and implementation on the sector in order to have good control of the market price to not rise and hence it will provide the measure to the Unequal income distribution.
	Therefore when the government in the nations will encourage people to reduce overdependence ability they wanted every individual to lie on his or her ability of producing so that they can improve their living standard in the community.

Extract 11.2: A sample of the poor responses to Question 3

The extract shows a response from the candidate who failed not only to convert the data in cumulative percentage but also failed to draw Lorenz curve and interpretations in part (a). In part (b), he/she failed to suggest measures to income inequality correctly.

2.2.4: Question 4: International Trade

The question had two parts (a) and (b). In part (a), the candidates were required to state theory of (i) absolute advantage and (ii) Cost comparative advantage. In part (b), a table of countries producing maize and rice was given (i) candidates were required to give the reasons which country has cost comparative advantages in production of maize and (ii) which country has cost comparative disadvantages in production of rice and (iii) candidates were required to briefly elaborate in six points the significance of the cost comparative advantage in the economic development of the countries in trade.

The question was attempted by 10,899 (93.5%) candidates; among them, 2,354 (21.6%) scored from 0 to 6.5 marks, 5,632 (51.7%) scored from 7 to 11.5 marks, and 2,913 (26.7%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates was good, since 78.4 per cent scored 7 and above marks. Figure 12 shows the distribution of the candidates' scores.

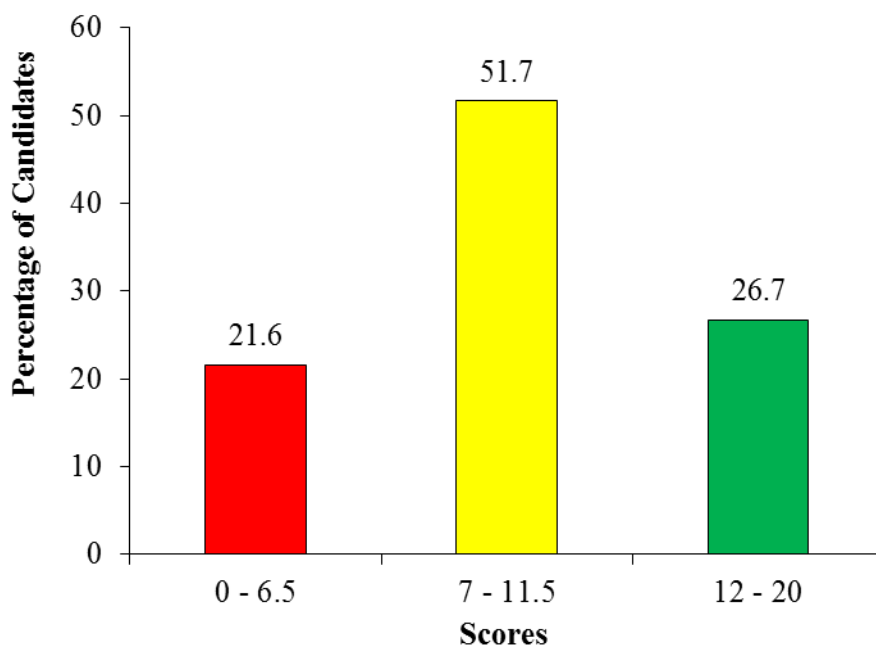


Figure 12: *Candidates' Performance in Question 4*

A total of 2,913 (26.7%) candidates performed well in this question. The candidates were familiar with the theories of absolute and comparative advantages in part (a). They were able to state the theories of absolute and comparative advantages. In part (b), they managed to use a table to explain which country has comparative advantages in production of maize in (b) sub part (i), and which country has comparative disadvantages in rice production in sub part (ii). Also, in sub part (iii), the candidates explained well the six points on the significance of the cost comparative advantage in the economic development of the countries in trade. For example, in part (a), (i) and (ii), some of the candidates managed to state the theories as required. Others in part (b) (i) and (ii) managed to calculate the cost comparative advantage in the production of maize and cost comparative disadvantage in the production of rice by giving reasons. Similarly, in part (iii) the candidates managed to elaborate the significance of the cost comparative advantage in the economic development of the country in trade. For example, one candidate elaborated the significance of the cost comparative advantage such as; *'it provides the basis for trade, it enables consumers to purchase goods not made in their country and it enables the country to utilize the idle resources to satisfy foreign demand'*. Other candidates provided the significance like; *'it will give firms access to larger markets, it enables a country to specialize in the commodity in which it has least opportunity cost and enabling the principle of division of labour to be extended to the international arena'*. The candidates' good performance in the question could have been attributed by their knowledge with trade and commercial transactions in their daily life. This implies that the candidates had acquired sufficient knowledge about theories of international trade. A sample of the good responses is shown in Extract 12.1.

4 bii)	$\text{Opportunity cost} = \frac{80}{120}$ $= 0.67.$										
	for the Production of Rice.										
	$\text{Opportunity cost} = \frac{\text{Maize foregone}}{\text{Rice produced}}$ $= \frac{120}{80}$ $= 1.5$										
	In Burundi										
	for the Production of Maize										
	$\text{Opportunity cost} = \frac{\text{Rice foregone}}{\text{maize produced}}$ $= \frac{40}{40}$ $= 1.$										
	for the Production of Rice										
	$\text{Opportunity cost} = \frac{\text{maize foregone}}{\text{Rice produced}}$ $= \frac{40}{40}$ $= 1.$										
	Table of summary for opportunity cost.										
	<table> <tr> <th>Country</th><th>Maize O. cost</th><th>Rice Opportunity cost</th></tr> <tr> <td>Uganda</td><td>0.67.</td><td>1.5</td></tr> <tr> <td>Burundi</td><td>1</td><td>1</td></tr> </table>	Country	Maize O. cost	Rice Opportunity cost	Uganda	0.67.	1.5	Burundi	1	1	
Country	Maize O. cost	Rice Opportunity cost									
Uganda	0.67.	1.5									
Burundi	1	1									
	<p>∴ Uganda has a cost comparative advantage in the production of maize because Uganda has a low opportunity cost of</p>										

4b(i)	0.67 units in the Production of maize has compared to Burundi.	
ii	Uganda has a cost comparative disadvantage in the Production of rice as compared to Burundi. Because Uganda has a high opportunity cost of 1.5 units as compared to Burundi of 1 unit.	
4b(iii)	The following are the significance of the cost comparative advantage in the economic development of the countries in trade.	
	It help in controlling of misuses of the resources, due to the theory of comparative advantage it enable a country to allocate the resources effectively where by each country can specialise in the Production of a certain Products by using low opportunity cost. So, this is a significance of using comparative advantage theory.	
	It help in Specialisation of the country, for instance, through the theory of comparative advantage a country can specialise in a certain Products and also another country can specialise in the Production of a certain in which they can engage in trade by each country to specialise in the production by using low opportunity cost.	
	It reduces the go production costs, for example if Tanzania has a opportunity cost of 1.5 and Uganda have a opportunity cost of 2 it means that Uganda can reduce it's cost by allowing Tanzania to produce such particular kind of Products. for instance, this is one of the advantage.	
	Technological transfers, through the theory of the comparative advantage it enable the transferring of technology by encouraging the country with low opportunity cost.	

Extract 12.1: A sample of the good responses to Question 4

The extract shows a response from a candidate who managed to state the theories of absolute and comparative advantages in part (a). Also, he/she managed to use a table to explain which country has comparative advantages in production of maize in (b) sub part (i), and which country has comparative disadvantages in rice production in sub part (ii). And in sub part (iii), the candidate explained well the significance of the cost

comparative advantage in the economic development of the countries in trade.

On the other hand, 5,632 (51.7%) candidates with average scores were able to state the theories of absolute advantages and cost comparative advantages in part (a) of the question. In part (b) (i) and (ii) some candidates managed to calculate but failed to give reasons on the findings. In addition, part (b) sub part (iii) other candidates, managed to elaborate two to three points out of six significances of cost comparative advantages in the economic development of the countries in trade. This suggests that they had insufficient knowledge of the topic.

Furthermore, 2,354, (21.6%) candidates with poor performance misconceived the question and failed to address its requirements of the question. Most of the candidates in this category lacked mathematical and calculation skills as well as knowledge and techniques in giving reason from the findings. For example, some of the candidates provided incorrect significance of the cost comparative advantage like; *it helps a country to acquire desirable technology, help to solve balance of payment problem, increase the employment opportunity and it act as a source of importation*. While other candidates provided the responses by mentioning the points only without explanation such as; *it controls the importation of harmful goods, it protects domestic infant industries, it controls imported inflation and it help to collect revenue to the government*. This suggests that the candidates had insufficient knowledge of the theories of international trade. A sample of the poor responses is shown in Extract 12.2.

4a/	i) Absolute Advantage theory - Refers to the theory that explain that or state that a country can specialize in a certain production without opportunity cost, trade will take place and a country can gain from each other through absolute advantage.
	ii) Cost Comparative Advantage - this is the theory that state there is a trade and a country can specialize on the production of the certain commodity when there is a opportunity cost of a certain commodity.
4b.	i) The country which has cost comparative advantage in the production of maize is <u>Ruganda</u> because it is able to specialize in the production of Maize through the opportunity cost in which rice should be sacrificed.
	ii) The country which has cost comparative disadvantage in the production of rice is <u>Ruganda Burundi</u> because it has failed to sacrifice one type of products through the opportunity cost, instead it produce in similar quantity of both maize and Rice.
4b.	iii) It help the country in economic planning, the comparative cost advantage help the government in economic planning in which the government will be able to develop her sector of economy like agriculture and others. It help the country to know which goods should be sacrificed, In a trade both country should gain from a trade as the opportunity cost a country under the comparative cost advantage is being able to know which goods should be sacrificed so as to gain from a trade and to specialize from a certain production.

Extract 12.2: A sample of the poor responses to Question 4

Extract 12.2 shows a response from a candidate who failed to state the theory of absolute advantage and cost comparative advantage as well as failing to mention countries which have comparative advantage in the

production of rice and maize in part (a) sub part (i) and (ii). Also he/she provided incorrect significances of the cost comparative advantage in part (b) (iii).

2.2.5: Question 5: Financial Institution

This question had two parts (a) and (b). In part (a), the candidates were required to distinguish the following economic concepts: (i) Assets of a commercial bank from Liabilities of a commercial bank (ii) Reserve ratio from cash ratio (iii) Liquidity ratio from legal reserve requirement. (iv) Bank rate from rediscount rate and (v) Solvency from bankruptcy. While in part (b), the candidates were provided with a table showing a commercial bank's initial capital, percentage of minimum legal reserve requirement ratio and loanable amount to the customers. The candidates were required to study carefully the data in the table and then fill in blank spaces.

The question was attempted by 2,078 (17.8%) of the candidates; among them, 1,383 (66.6%) scored from 0 to 6.5 marks, 544 (26.1%) scored from 7 to 11.5 marks, and 151 (7.3%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates on this question was weak, since 33.4 percent scored 7 marks and above. Figure 13 shows the distribution of the candidates' scores.

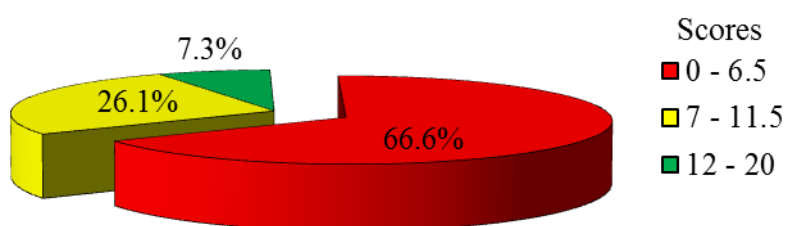


Figure 13: *Candidates' Performance in Question 5*

1,383 (66.6%) candidates who performed poorly failed to meet the requirements of the question, since they were unable to make distinction between the given economic terms in part (a) due to incompetency in the subject matter. Also, most of the candidates failed to apply the correct formula for the arithmetical question in parts (b), since they were unable to operate the data given in the table systematically, thus they ended up with wrong answers in the blank spaces. In part (a), sub part (i) for example, some of the candidates provided incorrect distinction between the economic concepts such as;

asset of a commercial bank refers to the ability of the commercial bank to recover the loss occurs in a business while liability of a commercial bank cannot be recovered by a commercial bank, (ii) Reserve ratio refers to the ratio deposited in the commercial bank that remains after credit creation while cash ratio refers to the ratio deposited in the commercial bank that is not created by commercial bank, (iii) liquidity ratio refers to the ratio that insures the ability of the commercial bank to change into cash while legal reserve requirement is the reserve deposited in the commercial bank that is not an asset, (iv) bank rate refers to the rate set by the central bank used to control money supply in the circulation while rediscount rate refers to the rate set by commercial bank on borrowing and depositing of money and (v) solvency refers to the failure of the commercial bank to lend and advance loans to the customer while bankruptcy refers to the failure of a central bank to advance loans and monetary policies to the commercial bank.

Other candidates failed to apply the correct formula for the arithmetical question of parts (b) to find the percentage of minimum legal reserve requirement ratio and loanable amount to the customers, thus ended up with the wrong answers. This suggests that they had insufficient knowledge about the economic concepts from the topic of financial institution. A sample of the poor responses is shown in Extract 13.1.

5. (a) (ii)	Liquidity ratio, refers to the ratio between the amount of money hoarded by a person before saving time, While Legal reserve requirements, this refers to the legal and permitted amount of money that is to be kept as reserve requirements.
(iv)	Bank rate, this refers to an amount of interest that a bank charges for borrowing, While Discount rate, refers to the rate at which the bank decides to lower for the borrowers in a bank that is given.
(v)	Solvency, refers to the situation at which the bank achieves from the banking system in a given period of time, While Bankruptcy, means the time when the bank undergoes loss in its banking systems.

5 (b)	A FILLED BANK OF DATA		
C/no	Commercial Bank Initial Capital	% of minimum legal Reserve Requirement	Loanable amt. to the customer
1	1000.00	10.00	100.00
2	2000.00	80.00	1600.00
3	3000.00	15.00	450.00
4	4000.00	30.00	3200.00
5	5000.00	15.00	750.00
6	6000.00	90.00	5400.00
7	7000.00	20.00	1400.00
8	8000.00	20.00	6400.00
9	9000.00	10.00	900.00
10	10000.00	90.00	9000.00

Extract 13.1: A sample of the poor responses to Question 5

The extract shows a response from a candidate who failed to distinguish the economic concepts in part (a) (i), (ii), (iii), (iv) and (v). Also, he/she failed to use appropriate formula to calculate the percentage of minimum legal reserve requirement ratio and loanable amount to the customers to fill in the blanks in part (b).

Furthermore, 544 (26.2%) candidates with moderate scores were not able to do better in all parts of the question, rather they gave partial explanations in making distinctions between economic concepts in part (a) sub part (i), (ii), (iii), (iv) and (v). Also, some candidates 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.

Moreover, 151 (7.3%) candidates who performed well in this question were able to distinguish the given economic concepts in part (a) sub parts (i), (ii), (iii), (iv) and (v). Also, the candidates managed to apply mathematical formula to compute data and fill in the blanks in part (b). This implies a good mastery of arithmetical skills. For example, some of the candidates managed to distinguish the economic concepts such as; in sub part

(i) assets of a commercial bank are possession of the bank plus claims on other financial institutions and claims of its clients while liabilities of commercial bank are claims against the assets of a business in sub part (ii), reserve ratio is a fraction of total deposits that remains in the bank to meet depositors' cash demand while cash ratio is the fraction of total deposits that remains in the bank to meet customers' cash demand in sub part (iii), liquidity ratio is the ratio of current assets to current liabilities while legal reserve requirement is the fraction of total deposits that commercial banks are required by law to deposit with the central bank in sub part (iv), bank rate (discount rate) refers to the interest charged on commercial bank by the central bank when commercial bank borrow from the central bank as the lender of last resort while a rediscount rate is the difference between the face value of approved short term securities of commercial bank and what the central bank actually pays for the security in sub part (v), solvency is the ability of the business to pay debts and remain operating while

bankruptcy is legal proceeding under which the property of insolvent debtor is taken for the benefit of his/her liabilities even if his/her creditors. A sample of the good responses is shown in Extract 13.2.

5a.	i Assets of the commercial banks. are the belongings of the commercial bank - such that these are the things that a commercial bank own. example is the deposit of commercial bank to the other bank, Banker's draft and loan to the customers.	
	While.	
	Liabilities of the commercial banks are the debts of the commercial bank. Example is the deposit from customer. In a current current account, fixed deposit and saving account, also deposit of the other bank to the commercial bank.	
	ii. Reserve Ratio.	
	That is ^{ratio of} cash that set aside to meet any unforeseen contingencies. Such that reserve ratio is greater than the cash ratio.	
	While.	
	Cash ratio	
	Is a ratio that used to set aside cash collected in the commercial bank to be used by the customers. The cash ratio is less than reserve ratio.	
	iii. LIQUIDITY RATIO.	
	Is a ratio that used to keep cash in the bank for the daily use. Such that this is used to meet the daily demands of the customer and it is above the res legal reserve ratio and requirement.	
	While.	
	Legal reserve in requirement.	
	Is the amount that central bank instruct that every commercial bank to have so that it could be able to meet the requirement of the customers.	

5.iii	Such as to be able to meet different customer demands for money.	
5.iii	Bank rate from rediscount rate. Bank rate is a rate that the commercial bank charges as interest from the customer who ask for the loan in the commercial bank. While. Rediscount rate. Is a rate that central bank charges to as interest to the commercial bank as a result of the loan that the commercial bank ask from central bank. Rediscount rate is low than the bank rate.	
5.ii. v. SOLVENCY.	Is a situation where a person or a firm is able to pay all his/it debt and remain with the cash to continue its operations. While. BANKRUPTCY. Is a situation where a person is not able to pay his debts. But that he has no cash to be able to pay all his debts. In this case he has to sell all properties to be able to pay his debts.	

5b.	JIN.	COMMERCIAL BANK'S PERCENTAGE OF INITIAL CAPITAL	LOAN AMOUNT
		MINIMUM CAPITAL	TO RUN COMMERCIAL BANK
1	1000	10	900.
2	2000	20.	1600.
3	3000	15	2550.
4	4000	20.	3200
5	6000 5000	15	4250.
6	7000 6000	10.	5400
7	7000	20	5600.
8	8000	20.	6400
9	9000	10	8100.
10	10000.	10.	9000

Extract 13.1: A sample of the good responses to Question 5

2.2.6: Question 6: Marketing and Distribution

In this question the candidates were required to assess six factors which hinder the efficient running of marketing and distribution of commodities in the Tanzanian economy.

The question was attempted by 9,338 (80.1%) candidates. Among them, 182 (2.0%) scored from 0 to 6.5 marks, 2,587 (27.7%) scored from 7 to 11.5 marks, and 6,569 (70.3%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates in this question was good, since 98.1 per cent scored 7 and above marks. Figure 14 shows the distribution of the candidates' scores.

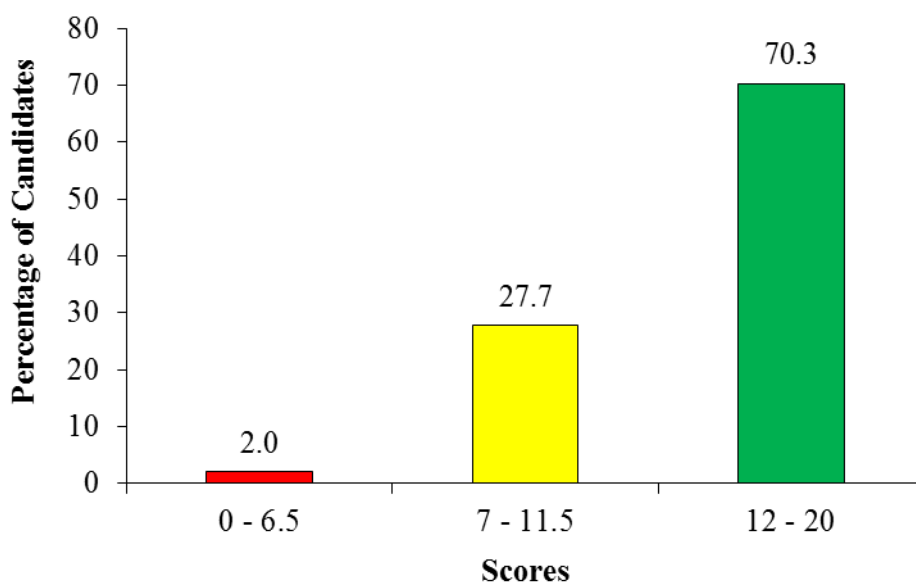


Figure 14: *Candidates' Performance in Question 6*

6,569 (70.3%) candidates who scored high in this question understood the requirements of the question. They assessed the factors which hinder efficient running of marketing and distribution of commodities in the Tanzanian economy. The candidates provided correct points supported with vivid examples. This implies that the candidates in this category were competent in marketing and distribution. For instance, some of the candidates assessed factors like; *poor management, price fluctuation and*

foreign competition. Other candidates assessed factors like; *protectionism, poor development of the social and economic infrastructures and the occurrence of natural hazards such as drought, floods etc.* A sample of the good response is shown in Extract 14.1.

6)	Marketing; refers to the whole process of collecting and advertising of the products or commodities in the market. Distribution; refers to the whole process of transporting commodities and products from the area of production to the area needed for consumption. Marketing and Distribution services are a great influence to the economic prosperity of Tanzanian economy although they are faced with various challenges and obstacles. The following are the factors that hinder efficient running of marketing and distribution of commodities in Tanzanian economy;
	Poor quality of the products; The products produced in the country especially the agricultural products are of poor quality due to the use of low technology which leads to limited mechanization hence lead to the poor quality of agricultural products; in the market areas, the poor quality products face stiff competition from other countries hence leading to the inefficiency of the marketing and distribution of commodities.
	Poor infrastructures; The poor means of transport and communication in Tanzania are still poor and inefficient where by they limit the transportation of products from the area of production up to the market areas hence limit the efficiency of marketing and distribution activities. Most of the roads in Tanzania are seasonal in nature where by during the rainy season, they are impassable hence limiting the transportation of the commodities to the market areas.
	Inadequate market research; The marketing and distribution activities have the sole objective and role of facilitating the market research for the agricultural products either domestic or international market. The marketing boards in Tanzania still have not yet done enough market researches to the external market about the needs and demands of products hence limiting the efficiency of marketing boards.

6)	<p>The problem of price fluctuation; The marketing and Distribution system also faces the problem of price fluctuation for the agricultural products, where by the price for the agricultural products in the international market is low; also price fluctuation is caused by the seasonal nature of the agricultural activities hence the price fluctuations lead to the inefficiency of the marketing and distribution system in Tanzania.</p> <p>Competition from the private sectors; The Tanzanian economy under the marketing and distribution for the agricultural products is stiff competition from the private crop buyers who usually buy agricultural products to the farmers on cash basis with no bureaucratic tendencies. This limit the bargaining power of the peasants through their cooperatives hence hinder the efficient running of the marketing boards.</p> <p>Inadequate storage facilities; The marketing boards are concerned with the buying of the agriculture products from the farmers and peasants, therefore they collect mass of products where by they perform storage function before supplying them to the external and internal markets. The marketing and distribution activities perform the side function of storage but still the storage facilities are insufficient leading to the deterioration in the peasants produce in the country.</p> <p>In nut shell; The marketing boards in Tanzania have the side function of administering and running various activities concerning with marketing and distribution for the agricultural products, although they face various obstacles but they have succeeded to reduce the rate of price fluctuation hence stabilizing the farmers' incomes, increase the size of the market, yield more government revenue, promote development of infrastructure, facilitating market research.</p>	
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Extract 14.1: A sample of the good responses to Question 6

However, the 2,587 (27.7%) candidates who scored averagely provided partial and insufficient explanations on the factors which hinder successive marketing and distribution. Some of the candidates provided some correct

points while other points were incorrect. For example, one candidate assessed correctly the factors such as; *price fluctuation in the agricultural products and inadequate financial resources* while other candidates provided the points which were incorrect like: *corruption and embezzlement of funds, lack of proper knowledge to the farmers and lack of emphasize from the government*. Also some of the candidates did not follow the instructions requiring writing an essay with the introduction, main body, and conclusion. This led them to score less marks.

Furthermore, the 182 (2.0%) candidates with scores from 0 to 6.5 marks were unable to assess the six factors which hinder the efficient running of marketing and distribution of commodities in Tanzania. They were unable to provide relevant explanations of the points concerned. Also, they misinterpreted the need of the question due to incompetency in the subject matter as well as English language barrier. Some of them managed to assess only two points out of the six required points. A sample of the poor responses is shown in Extract 14.2.

6	Marketing and distribution refers to the processes that involve producing, packaging grading and advertising the products. In Tanzania the marketing and distribution of goods and services have been performing so rarely causing other sectors like agriculture to perform poorly also. The followings are the factors which hinder the efficient running of marketing and distribution of commodities in the Tanzanian economy;	
	Low volume of production in Tanzania, the Tanzanian economy has not much invested on the production of high quality goods and services, so it has become inefficient for the marketing and distribution of goods and services due to low productivity in Tanzania.	
	Uneffectiveness of marketing and distribution organs, also the organs which have been dealing with the processes of marketing and distribution of goods and services have been ineffective in their works thus they have brought down other sectors through lacking of their services and goods.	

6	The poor linkage between rural and Urban areas, also the poor linkage between the urban and rural areas have been hindered the efficient of the proper marketing and distribution of goods and services because there is a gap between rural and Urban areas.
	Lack of the emphasize from the government on the marketing and distribution of goods and services, the government itself have been the source of the inefficient system of marketing and distribution of goods and services in the economy since it lacks an emphasize from the government itself.
	Corruption and embezzlement of funds, also the people working on this system of marketing and distribution of goods and services have been corrupters and even the funds to efficient, the system are been embezzled, something which has killed the marketing and distribution of goods and services in the economy.
	To summarize, the followings should be done for the proper working of the system of marketing and distribution in the economy: improvement of the infrastructural facilities so as to ensure transportation of goods and services to the rural areas, the government should emphasize on production of goods and services to increase volume of goods and services in the economy.

Extract 14.2: A sample of the poor responses to Question 6

In extract 14.2, the candidate failed to assess the factors which hinder efficient running of marketing and distribution of commodities in the Tanzanian economy.

2.2.7: Question 7: Planning

In this question, the candidates were required to support by giving six points the argument that, “poor development of the social and economic infrastructures in rural areas is one of the major problems facing planners in the developing countries”.

The question was attempted by 2,684 (23.0%) candidates; among them, 290 (10.8%) scored from 0 to 6.5 marks, 669 (24.9%) scored from 7 to 11.5 marks, and 1,725 (64.3%) scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates was good, as 89.2 per cent scored 7 marks and above. Figure 15 shows the distribution of the candidates’ scores.

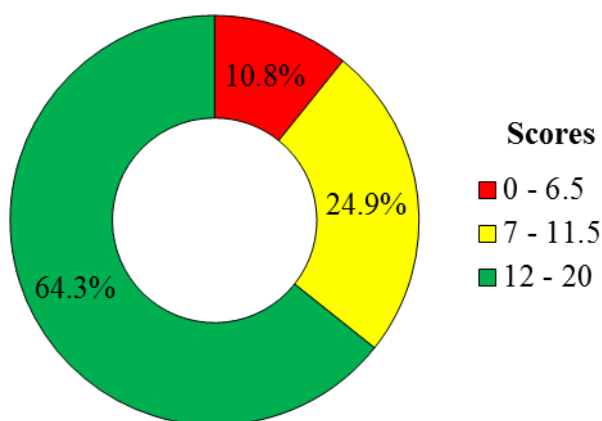


Figure 15: *Candidates’ Performance in Question 7*

1,725 (64.3%) candidates who scored high marks managed to justify the argument. The candidates understood the demands of the question and provided the problems encountered by planners. For example, some of the candidates provided the problems such as; *lack of reliable information, lack of qualified personnel, presence of a large private sector and lack of control in terms of climate and foreign aid*. Other candidates provided the problems faced by planners like; *poor development of social and economic*

infrastructures especially in rural areas, ineffective planning machinery, political interference and over-ambitious and fluctuating inflation rates. Therefore, the candidates demonstrated good mastery and competence in marketing and distribution. Nevertheless, some candidates in this category 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 category. A sample of the good responses is shown in Extract 15.1.

7.6.	Economic planning is the deliberate government effort to make good allocation of productive resources in the country for gain in the present or future. A good economic plan is supposed to be comprehensive, consistent and ensure optimal use of resources. Poor development of the social economic infrastructures especially in rural areas is one among the major problems facing planners but it is not the only problem other problems include.	
	Lack of accurate data. It is hard for planners to make plans which are accurate because they lack data which is true and fair. For example in collecting ages of people in the community most people lie about their ages this makes the data collected unable to help in formulating plans which would lead to economic development.	

7	<p>Lack of enough funds, in order to properly carry out planning a lot of funds are required for different purposes like paying of workers, buying machines like computers, and funds for conducting research on different matters. Therefore lack of funds makes planners unable to perform many activities and hence makes the planning process to fail.</p> <p>Corruption, corruption involves the use of public funds by government leaders for private gains. Many funds are usually set aside by the government to aid the process of making and implementing plans but these funds are not taken to their place of use but are embezzled by government leaders. Hence this leads to failure in economic planning in the country. For example funds set out for construction of roads are usually embezzled which makes most roads inefficient.</p> <p>Lack of a good planning machinery. In socialist countries the planning machinery is the Central Planning Authority. In order to perform planning activities with efficiency the planning machinery must provide support to planners. Therefore due to a poor planning machinery planners lack support, they lack funds, they lack expertise for checking and implementing plans and they also lack a body to make implementation.</p> <p>Political instabilities. planners cannot do planning in a country with constant wars, strikes and rebellions because of lack of security and also because in such a condition the government spends much money on providing defense and security to its citizen than focusing on economic development. For example in countries like Sudan effective planning cannot be done due to political instabilities.</p>	
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7.	Lack of commitment, many plans especially	
	In LDC's usually fail because of lack of commitment	
	by the government and individuals in performing them.	
	This usually discourages planners because all their	
	efforts of planning goes to waste because nothing	
	is implemented. For example the Government	
	planned to provide many employment opportunities in the	
	past year but it couldn't be achieved due to lack of	
	commitment.	
	To sum up, in order to get a good	
	plan there are some conditions which have to be	
	followed. Firstly & development of objectives and policies,	
	Making a good planning machinery, having political commitment,	
	combating corruption and proper allocation of funds in	
	planning.	

Extract 15.1: A sample of the good responses to Question 7

However, 669 (24.9%) candidates with average performance did not manage to provide all the required problems facing the planners. Most of these candidates understood what the question requires as they correctly argued on two or three problems while the rest of the points were incorrect. Others just listed the required points without providing supportive explanations.

On the other hand, 1,725 (64.3%) candidates performed poorly. This indicates that they had insufficient knowledge of the subject matter. They provided irrelevant points and wrong examples. For example, one of the candidates explained the points like; *makes difficult to reach remote areas and it hardening transportation of planners* which were incorrect. A sample of the poor responses is shown in Extract 15.2.

7. It has been noted that poor development of the social and economic infrastructures especially in the rural areas is one of the major problems facing planners in the developing countries. This can be validated using the following explanations:

It makes difficult to reach remote areas, government efforts to improve all country's areas becomes difficult as available infrastructures do not reach to remote areas hence becoming difficult also to planners to reach up to remote areas.

It hardening transportation of planners, also hardship in transport makes difficult to planners to reach the areas where they are needed to make certain plans. This becomes a problem to the planners.

It causes underdevelopment of a country, ~~also~~ in order planners to get success in their plans they require large capital. If a country has poor infrastructures means National income will be low hence become difficult to the planners to make successful plans.

It causes failure of exploitation of energy resources, also due to poor social and economic infrastructure energy resources has been so much difficult. As the means to reach and transport the energy resources are poor.

7. It causes ignorance to the citizens, but also due to absence of enough schools many citizens of Tanzania have been ignorant and for this reason they fail to follow policies made so as to enhance successful execution of economic plans.

It causes eruption of diseases, due to poor social and economic infrastructure such as hospitals many diseases have been failed to be treated this is due to poor technology and hence both planners and citizens become sick hence a plan come into failure.

Generally, poor development of the social and economic infrastructures especially in the rural areas is the one of the major problems facing planners in the developing countries hence the governments should improve their social and economic infrastructures so as to facilitate planners to meet objectives and successions required for their development.

Extract 15.2: A sample of the poor responses to Question 7

In extract 15.2, the candidate failed to give the points to support the argument stated.

2.2.8: Question 8: Structure of Tanzanian Economy

In this question, the candidates were required to substantiate in six points the contention that, “The industrial sector plays a significant role in the economic development in Tanzania”.

The question was attempted by 11,238 (96.5%) candidates. Among them, 10 (0.1%) scored from 0 to 6.5 marks, 505 (4.5%) scored from 7 to 11.5 marks, and 10,723 (95.4%) percent scored from 12 to 20 out of the 20 allotted marks. Generally, the performance of the candidates in this question was good, since 99.9 per cent scored 7 marks and above. Figure 16 shows the distribution of the candidates’ scores.

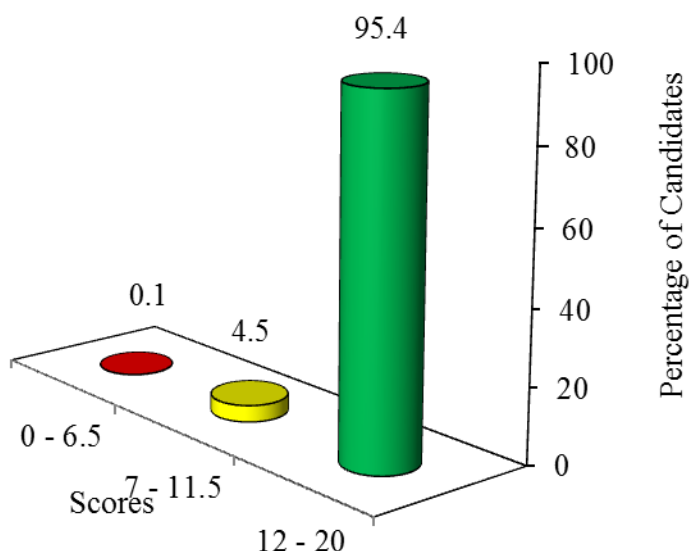


Figure 16: *Candidates’ Performance in Question 8*

A total of 10,723 (36.9%) candidates who scored from 12 to 20 marks managed to substantiate the contention by giving six points about the significant role played by industrial sector in the economic development in Tanzania. These candidates understood the demands of the question. Some of the candidates argued that;

it enables diversification of the economy, income earned from industrial products is likely to increase as prices rise, industrial products or manufactured goods are subject to less price fluctuations and also industries are a source of employment. Other candidates managed to state that; it increases savings, investments, promotes specialization of labour and it helps to generate foreign exchange in the economy.

Candidates in this group demonstrated a good mastery and competence in industrial sector. A sample of the good responses is shown in Extract 16.1.

8	Industrial Sector is one among important sectors in the economy where it involve transforming of raw materials into finished goods. It has several advantages in the economy as follows: It provide greater revenue to the government. This is because industrial products are imposed excise duty when they are produced. Also they are subjected to several indirect taxes like Value Added tax (VAT) as well as Sales tax. Industries submit greater revenue to the government since they are subjected to Corporate tax which is charge 30% on profit of Industries and Companies. Revenue collected helps the government to improve social servicing in the society like Health and education. Industrial Sector helps to improve Balance of Payment of the country. This is because industrial products fetch higher prices in the world market and hence enable a country to receive greater foreign currencies. This helps to reduce the effect of unfavourable Balance of Payment in Tanzania. It provide employment opportunities to the local population. Example in Tanzania large percentage of employment opportunities come from Industries. This is because Industries require all type of labourers like Mental, physical, Skilled, Semi-skilled as well as unskilled labours. Drivers, machine operators, engineers, accountants and managers are employed in several industries in Tanzania which therefore help to decrease poverty in the country. Industrial Sector promote Technological improvement in a country. Since Industries import better Machines for production, it increase country's level of technology which therefore help to increase quality and quantity produced of goods produced in the country.
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Extract 16.1: A sample of the good responses to Question 8

However, the 505 (4.5%) candidates with average scores in this question substantiated the argument stated by providing less than the six points as per the question's requirement. Most of them provided three to four correct roles while the rest were incorrect, hence earned the average scores. The observations made on the responses of the candidates in this category revealed that, they understood the subject matter, but they failed to present their points in the required format of an essay and their points were backed up with partial explanation.

Most of the candidates in this question scored above average. However, a very few 10 (0.1%) candidates who scored the average failed to provide complete explanation on the roles of industrial sector on the economic development of Tanzania. This implies that either the candidates failed to understand the demands of the question or they were incompetent in the particular sub topic. For instance, one of the candidates misinterpreted the question by providing incorrect roles such as; *lack of capital, poor market, poor government support, and poor infrastructure*. Some of the candidates provided the points such as; *shortage of raw materials, lack of fund and lack of labour*. These candidates misinterpreted the question by providing the challenges faced by industrial sector instead of the roles played by the industrial sector. A sample of the poor responses is shown in Extract 16.2.

Qn 8	Economic development; refers to the situation where by an economy become self dependant since the country itself able to obtain the her economic activities.	
	The following bellow are the factors that challenges the industrial sector to insure the economic development in Tanzania	
	Low quality of produce; The industries which are in Tanzania are those of low scale which produce low product with low quality hence fails to compete in the market hence the sector fail to develop.	

	Corruption and embezzlement; Also this is another cause factor to such contention where by the managers who rule (leaders in some of institutions) are use to corrupt and use the gains for their self benefits and not for the benefit of the economy hence the industrial sector fail to rich the expectations.	
	Price fluctuation; This also can resulting to under development of country economically from where the price fluctuation cause about falling down for demand of some of goods in the society hence the industries fail to develop the economic development.	
	problem of research; Also this can be the reason encountered where by poor research done in providing the allocation of resources resulting to poor production in the industries hence fail to develop the economic development.	
	Debt and burden; Also this is a factor which cause the sector to fail developing the economic development where by because of many debt the now industry use to produce for the aim of fixing the debt rather than making it's own development.	
	Generally; The government should create the favourable environment to insure the small scale industries are provided capitals hence for the need of developing economy of Tanzania.	

Extract 16.2: A sample of the poor responses to Question 8

In this extract, the candidate failed to explain the roles played by industrial sector to the economic development of Tanzania, instead he/she provided the challenges faced by industrial sector in the economic development of Tanzania.

3.0 ANALYSIS OF THE CANDIDATES' PERFORMANCE PER TOPIC

The ACSEE 2022 Economics subject had 16 topics. The topic-wise analysis shows that, the candidates had good performance in 12 topics, average performance in three topics, and weak performance in 1 topic.

The well performed topics include: *The Structure of the Tanzanian Economy* (99.9%), *Privatization* (99.2%), *Marketing and Distribution* (98.1%), *Population* (96.9%), *Planning* (89.2), *National Income* (88.6%), *Theory of Money* (84.1%), *Subject Matter of Economics* (79.4%), *International Trade* (78.4%), *Theories of Demand and Supply* (71.7%), *Economic Growth and Development* (68.8%) and *Theory of the Firm* (67.3%). The good performance in these topics was attributed by the candidates' adequate knowledge of the concepts related to the topics, adherence to instructions, ability to identify the demands of the questions, and good command of the English language.

Furthermore, the analysis shows that three topics were averagely performed. These topics were: *Production* (54.7%), *Environmental Economics* (50.5%) and *Public Finance* (44.2%). The reasons for average performance were; partial background in mathematics to some students, misconception of some concepts, partial knowledge about the concepts related to the questions, insufficient explanations or unsupported points, and poor command of the English language.

The analysis further shows that, the topic; *Financial Institutions* (33.5%) is the topic which had weak performance out of the 16 topics examined in the 2022. Poor performance in this topic was attributed to wrong interpretations of the requirements of the question and inadequate knowledge on the topic. The performance of the candidates in the topics tested is summarized in the Appendix.

4.0 CONCLUSION AND RECOMMENDATIONS

4.1 Conclusion

The general performance of the candidates in the Economics subject for the 2022 Advanced Certificate of Secondary Education Examination (ACSEE) was good. The candidates performed well in this examination because they managed to identify the demands of the questions, good command of the English language, followed the given instructions, and had sufficient knowledge as well as competence in the subject matter. However, the analysis revealed that, other candidates did not perform well because of wrong interpretations of the requirements of the questions and inadequate knowledge on arithmetic and drawing skills.

4.2 Recommendations

In order to improve the performance of prospective candidates in this subject, it is recommended that:

- (a) School administrators should ensure the availability and proper use of internet facilities or online materials and facilitate study tours, guest speakers with subject teachers as an alternative source of teaching and learning activities. This will broaden the students' understanding and enable them to acquire knowledge and skills in different areas of the subject.
- (b) Subject teachers should equip themselves with learner centred teaching and learning methods. They should also equip themselves with knowledge on current economic issues and apply them in teaching and learning of Economics. This will develop interest or motivate students in the learning process.
- (c) Students should be encouraged by the subject teachers to do many exercises to gain experience in applying various formulas/concepts in answering questions as well as revising all the topics to make sure that they understand the concepts thoroughly.

Appendix

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

S/n	Topic	No.of questions	Percentage of candidates who scored the average of 35 or above	Remarks
1	The Structure of the Tanzanian Economy	1	99.9	Good
2	Privatization	1	99.2	Good
3	Marketing and Distribution	1	98.1	Good
4	Population	1	96.9	Good
5	Planning	1	89.2	Good
6	National Income.	1	88.1	Good
7	Theory of Money	1	84.1	Good
8	Subject Matter of Economics	1	79.4	Good
9	International Trade	1	78.4	Good
10	Theories of Demand and Supply	1	71.7	Good
11	Economic Growth and Development	1	68.8	Good
12	Theory of the Firm	1	67.3	Good
13	Production	1	54.7	Average
14	Environmental Economics	1	50.5	Average
15	Public Finance	1	44.2	Average
16	Financial Institutions	1	33.5	Weak

