

SENGEREMA SECONDARY SCHOOL

ECONOMICS

FORM FIVE HOME PACKAGE 2024/2025

QUESTION ONE

Briefly describe five characteristics of capital.

QUESTION TWO

Study the following table and then answer the following questions

Production possibilities	Quantity of capital Goods	Quantity of consumer Goods	Sacrifice of consumer goods for capital goods
A	0	14	
B	1	12	
C	2	10	
D	3	8	
E	4	6	
F	5	4	
G	6	2	

- (a) Fill in the table by calculating the sacrifice of consumer goods for the capital good.
- (b) Construct the production possibility frontier
- (c) What does production possibility frontier illustrate? Give five points
- (d) Distinguish consumer goods from capital goods

QUESTION THREE

With Example explain five (05) driving factors of production function for private firms

QUESTION FOUR

Write short notes for the following terms

- (a) Economic goods and free goods
- (b) Public goods and private goods
- (c) Wants and needs
- (d) Giffen goods and normal goods
- (e) Microeconomics and macroeconomics

QUESTION FIVE

The following information was extracted from the books of accounts of SEHISCO RICE PRODUCTION COMPANY. Price of labour inputs Tshs 10,000/= unit of labour required are 100 units. Price of capital used is Tshs 100,000/=. Quantity of capital required is 150 units. Total amount of output produced for inputs above is 800 tones. Moreover, the general manager revealed that his company had foregone some interest rate of Tshs 50,000/= which would have been obtained by the company if the money was deposited in the bank during the period. Assume that the firm paid Tshs 200,00/= per kg produced

Calculate

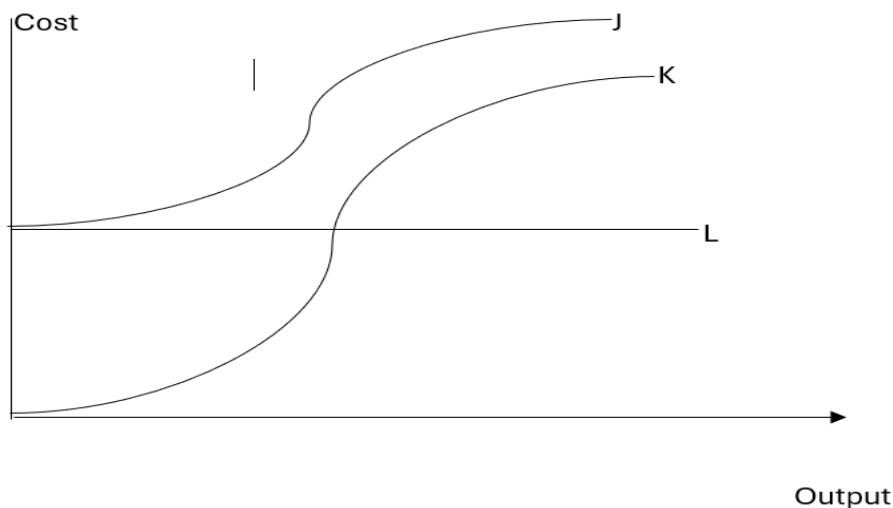
- (a) Total cost of production
- (b) Explicit cost of production
- (c) Implicit cost of production
- (d) Total revenue
- (e) Profit

QUESTION SIX

With examples elaborate five advantages of division of labour in Tanzania economy

QUESTION SEVEN

Study the following graphs and answer questions that follow



- (i) Name the curve J, K and L
- (ii) Explain the variation of J, K and L as output increases

- (iii) Why is K starting from the original axis?
- (iv) Why the gap between J and K uniform?
- (v) Why do curves J and L start from the same point?

QUESTION EIGHT

Briefly describe five disadvantages of large-scale business.

QUESTION NINE

Given

$$AP_L = 40 + 3L - \frac{L^2}{3}$$

- i Express the marginal products Function.
- ii State the number of labours employed in the first stage of production.
- iii How many workers are requiring maximizing output.
- iv Calculate maximum possible level of output.
- v A rational producer can neither produce in stage one or in stage three, provide reason

QUESTION TEN

Consider the following cost and demand function

$$4P+Q=16$$

$$-4/Q=2-AC-0.3Q+0.05Q^2$$

P= Price

Q= Output

AC= Average cost

Required:

- (i) The price and output that maximize profits of a firm.
- (ii) Find the level of output that will maximize total revenue.
- (iii) Find the level of output that will maximize marginal cost
- (iv) Find the level of output that will maximize average cost

QUESTION ELEVEN

Given that $MP_L = 40 + 6L - L^2$, where L = number of laborers and MPL = Marginal product of labor. Find the number of laborers at

- (i) Stage I
- (ii) Stage II
- (iii) Stage III
- (iv) Present your answers using a graph

QUESTION TWELVE

With the aid of diagram explain the stages of production and discuss at which stage a rational producer will produce and why.