

[illegible]



TVET NATIONAL EXAMINATION, RTQF LEVEL 5, 2020-2021

INSTRUCTIONS TO CANDIDATES: PART I (Answer Booklet)

1. A candidate should fill in the actual names and the index number on the cover of this questions and answer booklet on the provided place (Black Box).
2. It is illegal for a candidate to write any of his/her names, index number or a school name inside the answer booklet.
3. A candidate should check if all pages of the answer booklet are complete. No candidate should remove or tear any pages or part of it from the answer booklet.
4. A candidate should answer in the language in which the examination is set. (See page **(ii)**)
5. A candidate should sign on the sitting plan when submitting the answer booklet. He/she has also to check if the answer booklet is well sealed.
6. No extra paper is allowed in the examinations room. If a candidate is caught with it his/her results will be nullified.
7. No candidate is allowed to write answers not related to the subject being sat for, otherwise it will be considered as a cheating case.
8. Write your answers on the 12 lined pages (From page 1 of 12 to page 12 of 12).
9. Use the last non-lined pages as draft.
10. Results for any candidate who is caught in examination malpractices are nullified. The cheating can be recognized during examinations administration, marking exercise or even thereafter.

TVET NATIONAL EXAMINATION, RTQF LEVEL 5, 2020-2021

OPTION/TRADE: ACCOUNTING

SUBJECT: Principles of economics

DURATION: 3 hours

INSTRUCTIONS TO CANDIDATES: PART II (Question paper)

The paper is composed of two (2) Sections as follows:

Section I: Attempt all the Twelve (12) questions (60 marks)

Section II: Attempt any Four (4) questions out of Six (6) (40 marks)

Allowed materials:

- Ruler or square
- Calculator

Note:

Every candidate is required to carefully comply with the provided assessment instructions.

Section I : Attempt all the Twelve (12) questions**(60 marks)**

1. The following table shows the factors of production and their respective factors price(rewords). Complete the missing terms.

(5 marks)

| Factors of productions | Rewords (factors prices) |
|------------------------|--------------------------|
| 1. LAND | a. |
| 2. | b. WAGE |
| 3. CAPITAL | c. |
| 4. | d. PROFIT |

2. Write the statement which is true among the following as related to "The price of good X increased and this caused the demand for good Y to increase too".

(5 marks)

- a) X and Y are substitute goods
- b) X and Y are independent goods
- c) Demand for Y is a derived demand from demand for X
- d) X and Y are complementary goods

3. Explain the advantages of a planned economy.

(5 marks)

4. John Stuart wants to establish a coffee processing plant and approach you to provide an advice on what to consider when identifying the suitable place. Explain the factors that should be taken into consideration by John Stuart when deciding on the location of his plant.

(5 marks)

5. How is the price determined in the oligopoly?

(5 marks)

6. Suppose that the market demand for potatoes is given by

$Q=1000-250P$ and the market supply for potatoes is given as $Q=150P$

- a) What are the equilibrium price and quantity for potatoes?
- b) Illustrate your answer graphically

(5 marks)

Do not write anything on this page !

