

AHMES SECONDARY SCHOOL
FORM FIVE HOLIDAY PACKAGE
ECONOMICS

1. You are given the following baskets of purchases in two different years.

ITEMS PURCHASED	YEAR OF PURCHASED: QUANTITIES AND PRICE			
	1991			
	Quantity In(kgs)	Price (Tshs/kgs)	Quantity in (Kgs)	Price (Tshs Kg)
sugar	2	220	2	400
Rice	5	200	4	400
Beans	4	120	5	400
Meat	2	500	2	1,000

(a) Calculate two index numbers, one using Paasches index and the other using Laspeyre's index

(b) Why are the indexe's different?

- a. What is inflation?
- b. Classify the major types of inflation with their impact on the economy of country
- c. Explain the main causes of inflation in the developing countries like Tanzania

3. For anything to be money it must be function. Discuss

4. Outline the shortfalls of using price indices

5. Money by its own qualities and definition is a facilitator of exchange. Discuss

6. How can the currency devaluation increase the balance of payments?

7. Discuss critically the quantity theory of money

8. What are the problems of implementing monetary policy in LDCS?

9. Why inflation is seen as a problem?

10. What are the difficulties facing the construction of retail price index?

11. Explain the uses of price index

12. Money is what money makes. Explain with five points
13. Discuss the limitation of monetary policy in LDCs
14. Examine five keys to consider for a successful devaluation policy
15. Elaborate the causes and measures towards the increase in inflation rate
16. Describe problem of compiling price index
17. Evaluate factors that influence the level of money supply in Tanzania
18. Describe the criteria for good money
19. Money is money does. Discuss
20. Define deflation and inflation and provide their effects.