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1. To correct a temporary deficit in the balance of payments, a country may decide to:
   - A use more idle factors of production.
   - B import more goods.
   - C reduce production and consumption.
   - D borrow from abroad.

2. If a government's revenue from taxes is less than her expenditure, it is said to be experiencing a:
   - A budget surplus
   - B contractionary budget
   - C budget deficit
   - D deflationary budget

3. Which of the following could improve on economic growth in an economy?
   - A Improved life expectancy.
   - B Education and training
   - C High standard of living
   - D High immobility of labour.

4. The imposition of barriers to stop the free flow of goods and services between countries is known as:
   - A quotas.
   - B custom duties.
   - C tariffs.
   - D embargo.

5. In an economy , a certain tax system is employed whereby those earning 100,000 FCFA pay 10,000 FCFA as tax, those earning 150,000 FCFA pay 15,000 FCFA as tax while those earning 300,000 FCFA pay 30,000 FCFA as tax. This tax system is described as:
   - A a progressive tax.
   - B a regressive tax.
   - C a proportional tax.
   - D an equity tax.

6. Which of the following is the main factor that hinders industrialization in Cameroon?
   - A Political instability.
   - B Inadequate raw material.
   - C Inadequate skilled labour
   - D Inadequate capital.

7. Forest and crude oil are appropriate examples of which of the following factors of production?
   - A Land.
   - B Entrepreneur.
   - C Capital.
   - D Labour.

8. When an indirect tax is imposed on a good with inelastic demand, a greater burden of the tax falls on the:
   - A government
   - B firm.
   - C consumers.
   - D producer.

9. Which of the following is a business undertaking owned and controlled by the state?
   - A Public corporation
   - B Public company.
   - C Co-operative society.
   - D Partnership.

10. The formula: (value of visible exports – value of visible imports) is used to calculate:
    - A terms of trade.
    - B balance of payments.
    - C current account.
    - D balance of trade.

11. Efficiency of labour is influenced by the:
    - A size of working population.
    - B quality of co-operating factors.
    - C number of working days.
    - D age structure of the population.

12. If the national income of a country is 24 billion FCFA and the population is 800,000 people, then the value of per capita income is equal to:
    - A 3,000,000 FCFA.
    - B 30,000 FCFA.
    - C 3,000,000,000 FCFA.
    - D 300,000 FCFA.

13. Given that MTN and Orange mobile phone services are close substitutes, if the price of MTN services fall, then the demand for Orange mobile phone services will:
    - A fall.
    - B rise.
    - C remain constant.
    - D rise and then fall.

14. Which of the following is the most profitable function of the commercial bank?
    - A Issuing of currency.
    - B Granting of loans to customers.
    - C Accepting deposits from customers.
    - D Discounting bills of exchange.

15. Which of the following explains why middlemen are by-passed in the channel of distribution?
    - A Retailers buy in bulk.
    - B Wholesalers buy in bulk.
    - C Goods are perishable in nature.
    - D Consumers are admired by producers.

16. What is subtracted from Gross National Product to obtain National income?
    - A Subsidies.
    - B Stock appreciation.
    - C Capital consumption.
    - D Net property income from abroad.

17. If price elasticity of supply is greater than zero but less than one, then the good is:
    - A fairly elastic in supply.
    - B fairly inelastic in supply.
    - C perfectly elastic in supply.
    - D perfectly inelastic in supply.

18. Education and health services are examples of:
    - A public goods.
    - B collective goods.
    - C free goods.
    - D merit goods.

19. A tax whose cost of collection is less than the revenue obtained from it, is based on the principle of:
    - A certainty.
    - B efficiency.
    - C economy.
    - D equity.

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20. The age structure of a given country shows that 60 per cent of the population consists of children, 20 per cent of the working population and 20 per cent of old people. If the population of this country is 20 million inhabitants, calculate the independent population.
A 2 million people.
B 4 million people.
C 12 million people.
D 16 million people.

21. The tendency for a firm to remain in the original location even after the initial advantages have disappeared is known as:
A acquired advantage.
B location of industry.
C industrial inertia.
D industrial concentration.

22. Study the figure below and answer the question that follows.

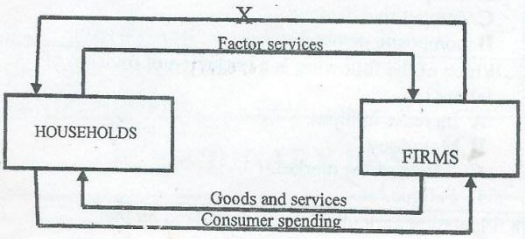

Fig. 1.

What does letter X represent in fig. 1 above?
A Rents, interest, wages and profit.
B Wages and salaries.
C Rent, profit and wages.
D Wages, profit and salaries.

23. Which of the following factors will shift the demand curve of a commodity to the right?
A Increase in consumers' income.
B Increase in indirect taxes.
C Unsuccessful advertisement.
D A fall in the price a close substitute.

24. A firm that charges different prices for the same product in different markets for reasons not linked to costs is known as?
A An oligopolist.
B A discriminating monopolist.
C A monopolist.
D A perfect competitive firm.

25. Assume that a rise in the price of good Y from 4,000 FCFA to 4,500 FCFA leads to a fall in the quantity demanded of good Z from 1,000 units to 750 units. The value of cross elasticity of demand will be:
A 5.
B 3.
C 4.
D -2.

26. Which of the following forms of capital invested in a business carries the least risk?
A Debentures.
B Ordinary shares.
C Participating preference shares.
D cumulative preference shares.

27. The construction of a bridge linking Bamenda and Mamfe is considered as:
A extractive production.
B tertiary production.
C secondary production.
D primary production.

28. A new television in France costs 1000 Euros. The exchange rate between the Euro and Francs CFA is 1Euro=655 FCFA. How much will a consumer in Cameroon need to purchase the television?
A 6,550,000 FCFA.
B 655,000 Euros.
C 6,550,000 Euros.
D 655,000 FCFA.

29. Which of the following may cause demand pull inflation?
A An increase in exports over imports.
B An increase in the costs of raw material.
C An increase in indirect taxes.
D An increase in interest rates.

30. Consumer sovereignty is a characteristic of which of the following economic systems?
A Traditional economic system.
B Capitalist economic system.
C Planned economic system.
D Command economic system.

31. Government intervention in the location of industry can be termed:
A physical policy.
B monetary policy.
C regional policy.
D fiscal policy.

32. Table 1 shows the total utility gained from consuming units of a good. Table 1

Units of good	1	2	3	4
Total utility(Utils)	100	170	220	300

What is the marginal utility of consuming the 2nd unit of this good?
A 100 utils.
B 70 utils.
C 50 utils.
D 80 utils.

33. A supply curve shows the relationship between:
A price and supply.
B income and quantity supplied.
C price and quantity demanded.
D price and quantity supplied.

34. The relationship between wealth and welfare is:
A less wealth, more welfare.
B more wealth, high welfare.
C wealth is a direct consequence of welfare.
D welfare is inversely related to wealth.

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35. If the average price of a basket of goods rises from 8,000 FCFA in 2013 to 12,000 FCFA in 2014, then the retail price index is:
A 150.
B 100.
C 120.
D 600.

36. Credit creation by commercial banks can be limited by:
A the availability of collateral security.
B reduction in the cash ratio.
C an increase in bank deposits.
D an increase in the minimum lending rate.

37. A consumer bought a mobile phone for 50,000 FCFA to make payments after four months. Which of the following functions of money is implied in this statement?
A Standard of deferred payment.
B Unit of account.
C Store of value.
D Medium of exchange.

38. Seven students harvest the following number of oranges each from an orange tree: 25, 27, 24, 28, 21, 23 and20. Calculate the arithmetic mean.
A 20 oranges.
B 28 oranges.
C 24 oranges.
D 25 oranges.

39. If the government wishes to reduce the gap between the rich and the poor, which of the following measures will it use?
A Reduce the provision of goods.
B Reduce subsidies given to industries.
C Increase taxes on essential goods.
D Impose progressive income tax.

40. Which of the following items is considered as variable costs?
A Costs of raw material.
B Rent on land.
C Depreciation charges.
D Interest on loans.

41. When a tobacco company merges with a manufacturer of potato chips, this type of integration is referred to as:
A vertical.
B horizontal.
C conglomerate.
D lateral.

42. The basic concern of economists is to :
A satisfy all human wants.
B allocate scarce resources to satisfy human wants.
C create human wants and needs.
D maximize satisfaction for higher standard of living.

43. The Customs and Economic Union of Central African States (UDEAC) was replaced by:
A ECOWAS.
B ECCAS.
C WTO.
D CEMAC.

44. The overall objective of government economic policy in an economy is to:
A increase the standard of living of the population.
B increase in the level of employment.
C increase in the rate of economic growth.
D ensure an uneven distribution of income.

45. If the initial deposit in a commercial bank is 20 million FCFA and the cash ratio is 20 per cent. What is the maximum amount of initial loan that this bank can give out?
A 16,000,000 FCFA.
B 4,000,000 FCFA.
C 20,000,0000 FCFA.
D 900,000 FCFA.

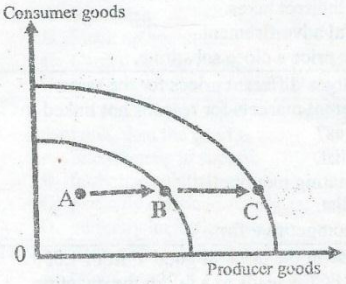
46. The demand for a commodity not for its own use but for something else is known as:
A derived demand.
B complementary demand.
C competitive demand.
D composite demand.

47. Which of the following is a limitation of division of labour?
A Increase in input.
B Monotony.
C Extent of the market.
D Fatigue.

48. Plantation agriculture is characterized by the:
A cultivation of a variety of crops.
B practice of crop rotation.
C cultivation of food crops.
D cultivation of only cash crops.

49. Gifts of charity and student allowances are examples of:
A Unemployment benefits.
B transfer payments.
C bonuses.
D transfer earnings.

50. This question is based on Fig.2 below.



A movement from point A to point B indicates:
A Actual economic growth.
B Potential economic growth.
C Economic boom.
D Economic planning.

END