Economics 2
525

CAMEROON GENERAL CERTIFICATE OF EDUCATION BOARD

General Certificate of Education Examination

JUNE 2011 ORDINARY LEVEL

Subject Title	**Economics**
Paper No.	**Paper 2**
Subject Code No.	525

Two hours

You are required to answer ANY FOUR questions. All the questions carry equal marks and marks allocated to parts of questions are indicated.

You are reminded of the necessity for good English and orderly presentation in your answers.

F4

1. (a) State and explain four differences between a public limited company and a private limited company

(8 marks)

(b) Explain four conditions under which Division of labour leads to an increase in output

(12 marks)

2. The table shows the different levels of satisfaction a consumer will derive from the consumption of oranges in a day.

Number of Oranges	Total Utility (in utils)
1	10
2	26
3	35
4	35
5	30

(a) Calculate the marginal utility of this consumer.

(5 marks)

(b) At what level of consumption will the consumer attain maximum satisfaction and why?

Consumption of the 4th orange.

(3 marks)

(c) State and explain four factors that will influence the supply of other consumer goods in an economy.

(12 marks)

3. (a) Explain four differences between a commercial bank and a central bank

-ownership

(12 marks)

(b) State and explain four effects of inflation in an economy.

(8 marks)

4. (a) State and explain four roles played by the government in a mixed economic system.

(10 marks)

(b) Explain any four advantages of a market economic system.

(10 marks)

5. (a) State and explain four factors that will determine the level of National Income of a country.

(12 marks)

(b) Explain any four reasons for measuring the level of National Income.

(8 marks)

6. (a) State and explain four problems facing agriculture in your country.

(8 marks)

(b) Explain any four roles played by industrialization in the economy of Cameroon.

(12 marks)

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