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MARCH 2022

The Teachers' Resource Unit and the Regional Inspectorate of Pedagogy, in collaboration with NOWETA	SUBJECT CODE NUMBER 0525	PAPER NUMBER 1
GENERAL CERTIFICATE OF EDUCATION AND INTERMEDIATE TECHNICAL AND VOCATIONAL EDUCATION REGIONAL MOCK EXAMINATION	SUBJECT TITLE **ECONOMICS**	
CANDIDATE NAME: .... CANDIDATE NUMBER: .... CENTRE NUMBER:		
ORDINARY LEVEL		

Time Allowed: One and a half hours
INSTRUCTIONS TO CANDIDATES:

Mobile phones are **NOT ALLOWED** in the examination room.

1. USE A SOFT HB PENCIL THROUGHOUT THIS EXAMINATION.
2. DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO.

Before the Examination begins:

3. Check that this question booklet is headed "Ordinary level -0525 code and subject title—ECONOMICS -Paper 1".
4. Insert the information required in the spaces above.
5. Without opening the booklet, pull out the answer sheet carefully from inside the front cover of this booklet. Take care that you do not crease or fold the answer sheet or make any marks on it other than those asked for in these instructions.
6. Insert the information required in the spaces provided on the answer sheet using your HB pencil:

Candidate Name, Centre Number, Candidate Number, Subject Code Number, and Paper number

How to answer questions in this examination:

7. Answer ALL the 50 questions in this examination. All questions carry equal marks.
8. Non-programmable calculators are allowed.
9. For each question there are four suggested answers, A, B, C and D. Decide which answer is correct. Find the number of the question on the Answer Sheet and draw a horizontal line across the letter to join the square brackets for the answer you have chosen. For example, if C is your correct answer, mark C as shown below:

[A] [B] [~~C~~] [D]

10. .Mark only one answer for each question. If you mark more than one answer, you will score zero for that question. If you change your mind about an answer, erase the first mark carefully, and then mark your new answer.
11. Avoid spending much time on any question. If you find a question difficult, move to the next . You can come back to the question later.
12. Do all rough work in this booklet using, where necessary, the blank spaces in the question booklet.
13. **You must not take this booklet and answer sheet out of the examination room. All question booklets and answer sheets will be collected at the end of the examination.**

1. When the external value of a country's currency is officially increased, it is known as:
A) revaluation of the currency .
B) depreciation of the currency .
C) devaluation of the currency .
D) appreciation of the currency.

2. Movements along the same demand curve are caused solely by:
A) changes in disposable incomes.
B) population changes.
C) changes in the price of the good .
D) changes in prices of other commodities.

3. If in a given population of 8 million inhabitants, ¼ is made of the working population, then the dependency ratio is:
A) 2:1.
B) 3:1.
C) 4:1.
D) 8:1.

4. A giffen good is one for which quantity demanded increases as:
A) prices of close substitutes increase .
B) producers increase supply.
C) price of the good increases.
D) consumer incomes increase.

5. Table1 shows the balance sheet of a commercial bank.

Table 1

Liabilities(000)FCFA		Assets (000)FCFA	
Deposits	1000	Coins	50
		Bank notes	150
		Treasury bills	230
		Investments	270
		Advances	300
	1000		1000

What is the of value total liquid assets of this bank?
A) 200,000 FCFA.
B) 700,000 FCFA.
C) 50,000 FCFA.
D) 430,000 FCFA.

6. In Economics, "scarce means" refer to:
A) goods and services.
B) human wants.
C) human resources.
D) economic resources.

7. An example of a positive check proposed by Malthus to control population growth is:
A) famine.
B) family planning.
C) late marriages.
D) moral restraint.

8. Which of the following may be considered as a cost of economic growth?
A) Increase in human capital.
B) Increase in social cost.
C) Increase in population.
D) Increase in leisure

9. The main aim of division of labour is to:
A) save time .
B) employ more workers.
C) increase output.
D) acquire more skills .

10. Assume that a rise in the price of meat from 1,000 FCFA to 1,500 FCFA per kg leads to an increase in quantity demanded of fish by 25%. The cross elasticity of demand will be:
A) 0.13.
B) 1.5.
C) 0.05.
D) 0.5.

11. Using the output approach, what is subtracted from Gross National Product to obtain National Income?
A) Capital consumption.
B) Subsidies.
C) Net property income from abroad.
D) Indirect taxes.

12. In order to reduce the supply of money in circulation, the central bank should:
A) increase the cash ratio.
B) buy securities in the open market.
C) devalue the currency.
D) reduce the minimum lending rate.

13. Which of the following is the normal channel by which commodities reach the final consumers?
A) Manufacturer - retailer – wholesaler – consumer.
B) Manufacturer – wholesaler – retailer - consumer.
C) Retailer – manufacturer – wholesaler - consumer.
D) Manufacturer – sales agent – wholesaler – consumer.

14. Which of the following refers to the complete ban on goods entering a country?
A) Tariffs.
B) Exchange controls.
C) Quotas.
D) Embargoes.

15. Assume that the cash ratio of a bank is 40% and its total deposits are 2,000,000 FCFA. Calculate the amount this bank can keep as cash.
A) 2,000,000 FCFA.
B) 1,200,000 FCFA.
C) 1,500,000FCFA.
D) 800,000 FCFA.

16. The yearly output of a country produced using only its economic resources is known as:
A) gross investment.
B) net national output.
C) gross domestic product.
D) gross national product..

17. The use of taxes and government expenditure to reduce inflation is termed:
A) fiscal policy.
B) monetary policy.
C) regional policy.
D) physical policy

18. Which of the following investments in a business does not earn dividends?
A) Preference shares.
B) Debentures.
C) Cumulative preference shares.
D) Deferred ordinary shares.

19. The following are prices of trousers in FCFA; 10,000, 3,000, 4,000, 6,000. Calculate the mean.
A) 5,750 FCFA.
B) 5,000 FCFA.
C) 4,000 FCFA
D) 6,000 FCFA.

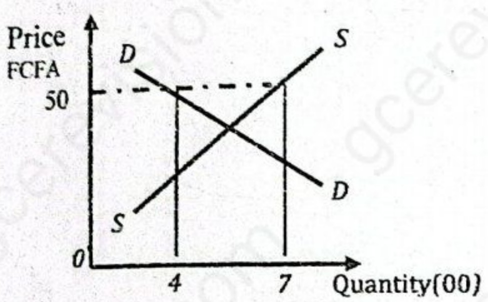
20. A command economy can also be called:
A) market economy.
B) traditional economy.
C) capitalist economy .
D) socialist economy.

21. Weight gaining industries will tend to locate:
A) close to improved transport network.
B) near the source of raw materials.
C) anywhere it wishes.
D) near to major markets.

22. Forests and lakes are examples of :
A) capital
B) soil.
C) land.
D) entrepreneur.

23. Study Figure 1 on the demand and supply schedule of rice and answer the question that follows

Figure 1



Assume that the government fixes a minimum price of 50 FCFA per kg. What is the money value of excess supply?
A) 20,000 FCFA.
B) 35,000 FCFA.
C) 5,000 FCFA.
D) 15,000 FCFA.

24. In the circular flow of national income, factor incomes flow from:
A) households to firms.
B) firms to households.
C) households to the government.
D) firms to international trade.

Question 25 is based on table 2 which shows the exports and imports of a country in a given year..

Table 2

Item	Amount (million FCFA)
Visible imports	300
Invisible exports	175
Invisible imports	200
Visible exports	350

What is the balance of trade ?
A) 150,000,000FCFA.
B) 25,000,000 FCFA.
C) 50,000,000 FCFA.
D) – 50,000,000 FCFA.

26. Examples of goods that are in joint demand are:
A) flour and bread.
B) fish and meat.
C) wool and mutton.
D) mobile telephone and sim card.

27. Who among the following stands to lose during an inflationary period?
A) Debtors.
B) Business men.
C) Fixed income earners.
D) Preference shareholders.

28. Democratic control is an essential characteristic of:
A) sole proprietorships.
B) cooperative societies.
C) public corporations.
D) partnerships.

29. A car in Japan costs 3,750 Euros. The exchange rate between the Euro and FCFA is 1 Euro =550 FCFA. How much will a customer in Cameroon need to purchase the car?
A) 4,300 Euros.
B) 3,200 FCFA.
C) 2,062, 500 FCFA.
D) 2,062,550 Euros.

30. When an indirect tax is imposed on a good with inelastic demand, a greater burden of the tax falls on the:
A) producers.
B) consumers.
C) government.
D) society as a whole.

31. The supply of labour may likely be reduced by an increase in:
A) the pay packages.
B) school leaving age.
C) the working week.
D) retirement age.

32. Consider the following examples of taxes: Company tax = 4 million FCFA, value added tax = 2 million FCFA, CRTV tax =10 million FCFA and personal income tax= 8 million FCFA. Calculate the value of indirect taxes.
A) 6 million FCFA.
B) 22 million FCFA.
C) 2 million FCFA.
D) 18 million FCFA.

33. The main aim of government's policy of planned location of industry is to:
A) reduce production cost.
B) ease transportation of goods.
C) minimize cost.
D) achieve balanced development.

34. The road linking Bamenda and Yaounde is an example of a :
A) public good.
B) free good.
C) merit good.
D) consumer good..

35. What is the form of agriculture involved with the practice of mono-cropping over a large piece of land?
A) Traditional.
B) Plantation.
C) Cooperative.
D) Subsistence.

36. A firm raises revenue internally through:
A) hire purchase.
B) debentures.
C) retained profits.
D) trade credit.

37. Which of the following can cause a complete shift of the supply curve to the right?
A) Increase in indirect taxes.
B) Increase disposable income.
C) Increase in production costs.
D) Increase in subsidies.

38. If the national income of a country is estimated at 851,400 million FCFA and its population is 9 million people, the per capita income is:
A) 1,751,400 FCFA.
B) 8,148,600 FCFA.
C) 9,851,400 FCFA.
D) 94,600FCFA.

39. A characteristic of developed countries is low:
A) dependency ratio.
B) per capita income.
C) standards of living.
D) life expectancy.

40. A public limited company (PLC) is considered as a separate legal entity because:
A) shareholders take part in management.
B) the company can sue and can be sued.
C) members are legally protected.
D) shareholders enjoy unlimited liabilities.

41. A tax that takes an increasing proportion of income as income decreases is called:
A) a specific tax.
B) progressive tax.
C) regressive tax.
D) proportional tax.

42. Use Table 3 and answer the question that follows.

Table 3

Output(kg)	0	1	2	3
Total Costs(FCFA)	400	600	1000	1300

Calculate the variable costs when output is 2 kg.
A) 600 FCFA.
B) 500 FCFA.
C) 400 FCFA.
D) 1,000 FCFA.

43. A market structure in which there is a single seller and single buyer of a good is:
A) bilateral monopoly.
B) perfect competition.
C) discriminatory monopoly.
D) monopolistic competition.

44. A temporal balance of payments deficit can be solved by:
A) revaluation of the currency.
B) increasing investments at home .
C) devaluation of the currency.
D) borrowing from I.M.F.

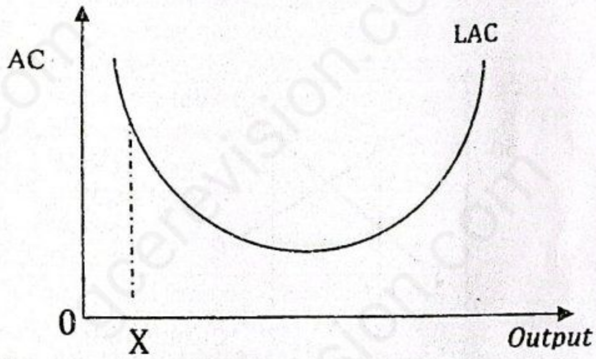
45. Which of the following groups of countries are members of the CEMAC economic organisation?
A) Cameroon, Central African Republic, Sudan.
B) Cameroon , Chad, Equatorial Guinea.
C) Cameroon, France, America.
D) Cameroon, Nigeria, Libya.

46. The grouping of population into males and females is known as :
A) population pyramid.
B) population distribution.
C) sex distribution.
D) age distribution.

47. When the numerical value of price elasticity of demand is 0.2, demand is said to be:
A) fairly inelastic .
B) perfectly elastic.
C) perfectly elastic.
D) fairly elastic.

48. This question is based on Figure 2 below which shows changes in the shape of the long run average costs of production (LAC).

Figure 2



From the shape of the curve at output X, it can be concluded that the firm is experiencing :
A) diminishing returns.
B) economies of scale.
C) diseconomies of scale.
D) constant returns to scale.

49. Cyclical unemployment can be remedied by an increase in:
A) aggregate demand.
B) training centres.
C) mobility of labour.
D) unemployment benefits.

50. Public roads and street lights are examples of:
A) national wealth.
B) personal wealth.
C) social wealth.
D) business wealth.

END

GO BACK AND CHECK YOUR WORK