

0725/2/2023
A/L ECONOMICS

**SOUTH WEST REGIONAL MOCK EXAMINATION
GENERAL EDUCATION**

THE TEACHERS' RESOURCE UNIT (TRU)
Cellule d'appui à l'action Pédagogique

IN COLLABORATION WITH
En collaboration avec

**THE REGIONAL INSPECTORATES OF PEDAGOGY AND
THE SUBJECT TEACHERS' ASSOCIATIONS (STA)**

Thursday 16th March 2023 (Afternoon Session)

ADVANCED LEVEL

Subject Title	ECONOMICS
Paper Number	Paper 2
Subject Code Number	0725

Three hours

INSTRUCTIONS TO CANDIDATES:

*Answer any **FIVE** questions choosing at least **TWO** from each section.*

All questions carry 20 marks each. For your guidance, the approximate mark for each part of a question is indicated in brackets.

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

SECTION A

1. Describe the strengths and weaknesses of a command economic system. (20 Marks)

2. How may an increase in the price of a good affect the market for its:
 - i. Complement? (10 Marks)
 - ii. Substitute? (10 Marks)

3. Of what significance are those features that distinguish a perfectly competitive market? (20 Marks)

4. a) Distinguish between economic rents and quasi-rents. (5 Marks)
b) Explain how the concept of economic rents applies to factors of production other than land. (15 Marks)

SECTION B

5. a) Under what circumstances would an increase in national income indicate improved standards of living in a country? (12 Marks)
b) Using an example, briefly explain how the problem of double counting can be eliminated when measuring national income. (8 Marks)

6. a) For what reasons do people hold money? (8 Marks)
b) What problems are encountered in constructing the Retail Price Index? (12 Marks)

7. a) Distinguish between an internal national debt and an external national debt. (5 Marks)
b) To what extent does an increase in the size of a country's national debt constitute a burden on its citizens? (15Mks)

8. a) What is the difference between the terms of trade and the balance of trade? (8 Marks)
b) What measures can be taken to improve on Cameroon's terms of trade? (12 Marks)

END