

The Teachers' Resource Unit (TRU) in collaboration with the Subject Teachers' Association (STA)	Subject code 0525	Paper number 1
SOUTH WEST REGIONAL MOCK EXAMINATION		Subject title ECONOMICS
CANDIDATE NAME		
CANDIDATE NUMBER		
CENTRE NUMBER		
ORDINARY LEVEL	DATE Thursday 16/03/2023	

Time Allowed: One hour thirty minutes

INSTRUCTIONS TO CANDIDATES:

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 Economics, Paper 1".
4. Insert the information required in the spaces provided 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 question. You can come back to this question later.
12. Do all rough work in this booklet using, where necessary, the blank spaces in the question booklet.
13. Mobile phones are **NOT ALLOWED** in the examination room.
14. **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**

- A. Monopolistic competition
 B. Oligopoly
 C. Perfect competition
 D. Monopoly.
8. There are many advantages that cheques have as a means of payment. Which of these is one of them?
 A. Banks prefer cheques to money
 B. Cheques are a legal tender
 C. There is reduced risk of carrying money
 D. Cheques are generally acceptable
9. A customer deposit 150000FCFA in a commercial bank. Given a cash ratio of 10%, what is the maximum loan this bank can create?
 A. 1,000,000 FCFA
 B. 1,500,000 FCFA
 C. 150,000 FCFA
 D. 1,500 FCFA
10. Which of the following instruments can enable the government to borrow internally?
 A. cash Ratio
 B. Open market operation
 C. Funding
 D. Moral suasion
11. Crude oil exploited by SONARA in Limbe is an example of:
 A. Land
 B. Labor
 C. Capital
 D. Entrepreneur
12. The form of trade whereby a consumer obtains a good upon payment of first installment, and pays the rest later usually in installments is called:
 A. Trade credit
 B. Hire-purchase
 C. Spot market
 D. Future market
23. A parent who has six children in different colleges gave the following pocket allowances to them at the start of the school year: 12,000 CFAF, 11,000 CFAF, 8,000 CFAF, 9,000 CFAF, 16,000 CFAF and 10,000 CFAF. What is the arithmetic mean of the allowances?
 A. 8,000 CFAF
 B. 10,500 CFAF
 C. 11,000 CFAF
 D. 9,000 CFAF.

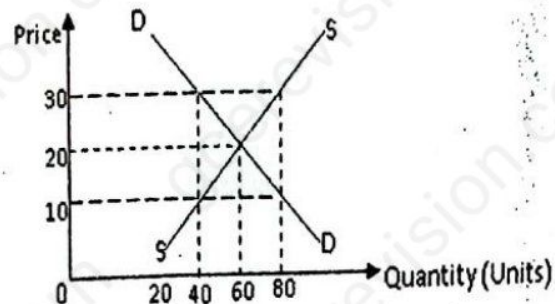
24. What does the following formula measure in economics?

$$\frac{\text{Index of export prices}}{\text{index of import prices}} \times \frac{100}{1}$$

- A. Balance of trade
 B. Balance of payments surplus
 C. Terms of trade
 D. Balance of Payments deficit
25. What does the expression "Limited Liability" mean in economics?

- A. The debts of the company must be paid even with resources outside the shareholdings of members.
 B. The shareholders of the company are liable to its debts only up to the share contributions invested.
 C. The debts of the company can only be paid from the paid-up capital subscribed by shareholders and debentures
 D. The shareholders are not liable to the debts of the company at all.

Question 26 is based on the diagram below.



26. If the government fixes a maximum price of 10 francs per loaf of bread, what is the money value of the excess demand?
 A. 1,200 CFAF
 B. 1,600 CFAF
 C. 400 CFAF
 D. 600 CFAF.

27. Which of the following is a limitation to industrialization in Cameroon?
 A. Lack of raw material
 B. Political stability
 C. High taxes
 D. Low rate of interest

28. Which method of measuring national income involves summing up the total value added at each stage of production?
 A. Income method
 B. Output method
 C. Expenditure method
 D. Value added method

29. What name is given to an organisation of persons with a common initiative for the main purpose of pulling their financial resources for the mutual benefit of its members?
 A. A Customs Union
 B. A Partnership
 C. A Credit Union
 D. A Joint Stock Company.

30. Which of the following factors will influence economic growth in Cameroon?
 A. High mobility of labour
 B. High standard of living
 C. Education and training
 D. Improved life expectancy

31. Which of the following organisations is the successor of the General Agreement on Tariff and Trade?

- A. GATT
- B. I.B.R.D
- C. I.M.F
- D. W.T.O.

32. Assuming that the current rate between the CFA Franc and the U.S Dollar is \$1=500 CFAF, how much would a Cameroonian importer require to buy a car in the United States of America costing \$5,000?

- A. \$500 000
- B. 2,500,000 CFAF
- C. \$2 500 000
- D. 500 0000 FCAF.

33. A tax system capable of attaining its objectives fulfils the quality of:

- A. Efficiency
- B. Economy
- C. Equity
- D. Impartiality

34. Services rendered by subsidiary firms such as SOCABOL and SOCAVER to the brewery industry in Cameroon are called?

- A. Distribution services
- B. Marketing services
- C. Technical services
- D. Ancillary services

35. When large plantations like C.D.C assists individual farmers with necessary capital and technology to encourage them increase their production of cash crops, they become a:

- A. Subsistence agriculture
- B. Plantation agriculture
- C. Smallholder scheme
- D. Peasant agriculture

36. The cross elasticity of demand for goods X and Y is -2. This implies that the two goods are:

- A. Substitute
- B. Compliments
- C. Competitive
- D. Unrelated

37. When the government spends more than she receives from taxes, it is called:

- A. surplus budget
- B. deficit budget
- C. balance budget
- D. budget disequilibrium

38. A decrease in the incentive to invest by business men in an economy will likely result to:

- A. Economic growth
- B. Economic development
- C. Economic progress
- D. Economic decline

39. Which of the following should be done to reduce unemployment in Cameroon?

- A. Granting subsidies to home producers
- B. Increasing income taxes
- C. Increasing the minimum wage
- D. Increasing the rate of interest

40. Proximity to the source of market is a good location factor for:

- A. Footloose industries
- B. Weight gain industries
- C. Weight loss industries
- D. Input oriented industries

41. When average product is falling, the country is said to be at:

- A. Under population
- B. Optimum population
- C. Over population
- D. Declining population

42. An individual who allows his name to be used in a partnership without making any financial contribution is called?

- A. Active partner
- B. Dormant partner
- C. Limited partner
- D. Nominal partner

43. Consumer sovereignty is a feature of:

- A. Transitional economic system
- B. Planned economic system
- C. Mixed economic system
- D. Capitalist economic system

44. A market structure with many buyers and sellers selling homogenous products is called?

- A. Monopoly
- B. Perfect competition
- C. Oligopoly
- D. Monopolistic competition

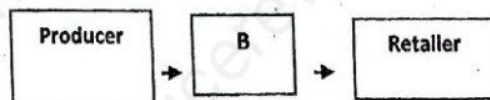
45. At output level 250 units, the total fixed cost of a firm is 7500FCFA and the Total cost is 10 000 FCFA. What is the total variable cost of the firm?

- A. 17 500 FCFA
- B. 2 500FCFA
- C. 10 000FCFA
- D. 7 500FCFA

46. Which of the following can assist the government in achieving equitable distribution of income in the economy?

- A. Progressive taxes
- B. Regressive taxes
- C. Proportionate taxes
- D. Expenditure taxes

47. What does the letter B on the diagram below represent?



- A. Consumer
- B. Wholesaler
- C. Manufacturer
- D. Dealer

48. The population size of a country is determined by:

- A. Birth rate, death rate and net migration
- B. Birth rate, death rate minus net migration
- C. Birth rate, death rate and natural increase
- D. Birth rate, death rate and dependency ratio

49. Given that the population of country X is 5,000,000 people, 800,000 births and 200,000 deaths per year. What is the natural growth rate?

- A. 14%
- B. 20%
- C. 12%
- D. 5%

50. Which of the following is an example of an indirect tax?

- A. Capital gain tax
- B. Corporate tax
- C. Value added tax
- D. Payroll tax

STOP!!

**NOW GO BACK AND CHECK YOUR
WORK!!**