

**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 (Morning Session)

ORDINARY LEVEL

Subject Title	ECONOMICS
Paper Number	Paper 2
Subject Code Number	0525

Two hours Thirty minutes

INSTRUCTIONS TO CANDIDATES:

Answer any FIVE questions.

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.

In calculations, you are advised to show all the steps in your working, giving your answer at each stage.

Calculators are allowed.

1. a) Distinguish between the following as used in economics: (4marks)
 i. Scarcity and Shortage (4marks)
 ii. Wants and Needs. (4marks)
 iii. Economy and Economic system. (8marks)
 b) State and explain four advantages of a capitalist economic system.

2. a) Distinguish between mobility of labour and efficiency of labour. (4marks)
 b) Explain any four ways by which the efficiency of labour can be increased in an economy (8marks)
 c) State and explain four advantages of the division of labor. (8marks)

3. a) State and explain any four differences between public limited companies and private limited companies. (8marks)

b) Below is the capital structure of A & P Company Ltd.

100, 12% Debentures at 2000FCFA each

50, 10% Preference share at 5000FCFA each

100 Ordinary shares at 1000FCFA each

If at the end of 2022, the company declares a profit of 100,000FCFA, calculate the:

- i. Authorized capital. (4marks)
 ii. The gearing ratio. (2marks)
 c) List any 3 roles played by the Wholesaler to:
 i. the manufacturer (3marks)
 ii. the retailer (3marks)

4. Study the schedule showing the demand for and supply of garri in a village market in the South West Region of Cameroon carefully and answer the questions that follow.

Price per Basin (CFAF)	Quantity Demanded (Basins)	Quantity Supplied (Basins)
3,500	1,800	250
4,000	1,200	550
4,500	1,000	1,000
5,000	400	1,600
5,500	200	2,000

- a) What is the market price of garri and why? (4marks)
 b) If the authorities of this village institute a price of 4,000 CFAF:
 i) What name is generally given to such a price? (2marks)
 ii. State any two effects of the above price. (2marks)
 iii) Determine the amount of surplus or shortage recorded as a result of this decision. (4marks)
 c) If the price per basin were set by the authorities at 5,000 CFAF, what quantity of garri would be withdrawn from the producers, and how much would this decision cost them to implement? (4marks)
 d) Calculate the elasticity of supply as price increases from 4,500 CFAF to 5,000 CFAF. (4marks)

5. a) Define the term national income. (2marks)
 b) State and explain any four factors that determine the size of a country's National income. (8marks)
 c) State and explain:
 i) Three problems faced by the agricultural sector in Cameroon. (6marks)
 ii) Two problems faced by the industrial sector in Cameroon. (4marks)

6. a) State and explain any four instruments used by the central bank to control money supply. (8marks)
 b) State and explain two positive effects and two negative effects of inflation. (8marks)
 c) List any four ways by which commercial banks make payments. (4marks)

7. The table below shows the Terms of Trade of country X from 1997 to 2001.

Year	1997	1998	1999	2000	2001
Index of export prices	100	120	A	107	86
Index of import prices	B	105	120	96	112
Terms of Trade	100	C	70	111.4	D

- a) i. Complete the table by calculating the values of A, B, C and D. (4marks)
 ii. Describe the TOT situation in 1998 and 2001. (2marks)
 b) Distinguish between Terms of Trade and Balance of Payments. (4marks)
 c) State and explain any three advantages of international trade. (6marks)
 d) State and explain any two barriers to international trade. (4marks)

8. a) Define the following types of unemployment: (2marks)
 i. Frictional unemployment. (2marks)
 ii. Structural unemployment. (2marks)
 iii. Seasonal unemployment. (2marks)
 iv. Residual unemployment.
 b) State and explain two types of budget that can be adopted by the government of an economy. (4marks)
 c) Explain any four sources of revenue to the government of Cameroon. (8marks)

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