

GENERAL CERTIFICATE OF EDUCATION BOARD

General Certificate of Education Examination

0525 ECONOMICS 1

JUNE 2023

ORDINARY LEVEL

Centre Number	
Centre Name	
Candidate Identification Number	
Candidate Name	

Mobile phones are NOT allowed in the examination room.

MULTIPLE CHOICE QUESTION PAPER

One and a half hours

INSTRUCTIONS TO CANDIDATES

Read the following instructions carefully before you start answering the questions in this paper. Make sure you have a soft HB pencil and an eraser for this examination.

1. USE A SOFT HB PENCIL THROUGHOUT THE 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 1"
4. Fill in the information required in the spaces above.
5. Fill in the information required in the spaces provided on the answer sheet using your HB pencil; **Candidate Name, Exam Session, Subject Code and Candidate Identification Number.**
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.

How to answer the questions in this examination

6. Answer ALL the 50 questions in this Examination. All questions carry equal marks.
7. Each question has FOUR suggested answers: A, B, C and D. Decide which answer is appropriate. 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]

8. Mark only one answer for each question. If you mark more than one answer, you will score a zero for that question. If you change your mind about an answer, erase the first mark carefully, then mark your new answer.
9. Avoid spending too much time on any one question. If you find a question difficult, move on to the next question. You can come back to this question later.
10. Do all your rough work in this booklet using, where necessary, the blank spaces in the question booklet.
11. At the end of the examination, the invigilator shall collect the answer sheet first and then the question booklet. DO NOT ATTEMPT TO LEAVE THE EXAMINATION HALL WITH IT.

Turn Over

1. A good example of an incorporated business unit is;
 A Sole proprietor
 B Partnership
 C Joint stock company
 D Cooperative society

2. A perfectly inelastic demand curve will be;
 A Vertical
 B Horizontal
 C Upward sloping
 D Downward sloping

3. This Question is based on the cost schedule below;

Output (units)	Total cost (Fcfa)
0	1000
1	2500
2	6000
3	9600

What is the fixed cost of the second unit of output produced?

- A 3500fcfa
 B 1000fcfa
 C 2400 fcfa
 D 2000 fcfa

4. The low level of industrialization in Cameroon is caused by;
 A High level of immigration
 B Availability of skilled labour
 C Abundance of raw materials
 D Inadequate infrastructural development

5. The most profitable function of a commercial bank is;
 A Accepting deposit
 B Granting loans
 C Keeping valuables
 D Offering night safe facilities

6. Contractual payments made to owners of land and capital are ;
 A Rent and interest
 B Rent and dividend
 C Wages and interest
 D Rent and wages.

7. A man has a monthly income of 200,000 frs and the tax rate is 5%. Determine his disposable income?
 A 10,000fcfa
 B 210,000 fcfa
 C 200,000 fcfa
 D 190,000 fcfa

8. A perfect definition of "demand" must contain the following;
 A Price and time
 B Price and quantity
 C Price, quantity and time
 D Time and quantity

9. A principle of taxation that requires that the tax yield be more than the cost of collection, is;
 A Economy
 B Convenience
 C Certainty
 D Equity

10. The documents given to company promoters by the registrar of companies are;
 A Certificate of trading and prospectus
 B Certificate of incorporations and certificate of trading
 C Article of association and prospectus
 D Memorandum of association and article of association

11. When the government through the central bank, decides to reduce the supply of money in an economy, the objective will likely be;
 A To promote economic growth
 B To solve problems of unemployment
 C To curb inflation
 D To redistribute income

12. If an increase in the price of good X leads to an increase in the demand for good Y, goods X and Y represent;
 A Joint demand
 B Derived demand
 C Composite demand
 D Competitive demand

13. The population where by a greater proportion is made up more of the young and adult is referred to as;
 A Working population
 B Ageing population
 C Growing population
 D Under population

14. The inability for a teacher in Yaounde to become a lawyer in Bamenda is brought about by;
 A High cost of housing
 B Strong social ties
 C Disruption of children's education
 D Lengthy period of training

15. How many denominations of coins does the FCFA has?
A 6
B 8
C 5
D 4
-
16. The composition of the national debt of a country is as follows;
Loans from IMF _____ 2 billion Fcfa
Loans from institutions within the country _____ 1 billion Fcfa
Loans from friendly countries _____ 3 billion Fcfa
Loans from citizens who bought treasury bills- 2 billion Fcfa
What is the percentage of internal debts?
A 37.5%
B 62.5%
C 75%
D 25%
-
17. When the government takes over a private business venture to manage and control, we call it;
A Privatization
B Takeover bids
C Nationalization
D Denationalization
-
18. A customer has 200,000Fcfa in his current account and withdraws 250,000fcfa. If the rate of interest of the bank is 10% , how much interest will the customer pay?
A 20,000fcfa
B 5000fcfa
C 25,000fcfa
D 45,000fcfa
-
19. A large firm has the ability to employ expert sales men and expert buyers, such a firm is said to be enjoying;
A Technical economies
B Managerial economies
C Financial economies
D Marketing economies
-
20. When a country sells goods cheaper abroad than in the home market, this is termed;
A Dumping of goods
B Smuggling of goods
C Auctioning of goods
D Contraband goods
-
21. The act of giving different names to products to make them appear different, is known as;
A Packaging
B Branding
C Product differentiation
D Standardization
-
22. One of the problems faced by agriculture in Cameroon is;
A Availability of chemicals
B Insufficient labour
C Availability of capital
D Land tenure system
-
23. The regular organization of trade fairs in the economy of Cameroon is an example of;
A Direct government intervention
B Fiscal policy
C Indirect government intervention
D Monetary policy
-
24. The term "ends" as used in the definition of economics, refers to;
A Economic resources
B Opportunity cost
C Human wants
D Basic necessities
-
25. The most important characteristic of money is;
A Portability
B Divisibility
C Uniformity
D Acceptability
-
26. Trade between Cameroon and China only, is known as;
A Bilateral trade
B Multilateral trade
C Foreign trade
D International trade
-
27. Village X has a population of 10000 people in January 20XX, during the year 2000 people moved into and 1000 people moved out of the village, also there were 1500 recorded live births and 500 recorded deaths. Determine the population at the end of the year?
A 13,500 people
B 13,000 people
C 12,000 people
D 2,000 people
-

28. Given quantity demanded to be $400 - P$ and quantity supplied to be $40 + P$, where P is price of the good in Fcfa. Calculate the equilibrium price?
 A 220fcfa
 B 180fcfa
 C 400fcfa
 D 40fcfa
-
29. One reason for measuring National Income is;
 A To determine the rate of unemployment
 B To determine the rate of inflation
 C To determine tax revenue
 D To compare standard of living between two countries
-
30. The possible amalgamation between Guinness Cameroon SA and Brasseries du Cameroun is known as;
 A Diversified integration
 B Vertical integration
 C Horizontal integration
 D Lateral integration
-
31. An indicator of economic development is;
 A High level of technology
 B High real per capita income
 C Increase in standard of living
 D Increase in industrialization
-
32. The immediate effect of a maximum price instituted by the government is;
 A Shortage
 B Surplus
 C Black market
 D Queues
-
33. The object on which a tax is placed is known as;
 A Tax evasion
 B Tax rate
 C Tax base
 D Tax avoidance
-
34. A population pyramid with a broad base is typical of;
 A Developed country
 B Under developed country
 C Developing country
 D Advanced country
-
35. The composition for the demand of money for an individual is as follows;
 Transaction balance---- 150,000fcfa
 Precautionary balance -----50,000fcfa
 Speculative balance----100,000fcfa
 Determine the active balance to this individual?
 A 200,000fcfa
 B 100,000fcfa
 C 250,000fcfa
 D 150,000fcfa
-
36. One factor affecting elasticity of supply is;
 A Availability of substitutes
 B Degree of necessities
 C Proportion of income spend
 D Availability of stocks
-
37. A limitation of division of labour is;
 A Monotony of work
 B Fatigue
 C Boredom
 D Small market size
-
38. A determinant of the size of a country's national income is;
 A Standard of living
 B Stock of natural resources
 C Level of prices in the economy
 D The value of export
-
39. The production decisions in a mixed economy are taken by;
 A Government and private individuals
 B Price mechanism
 C Public authorities
 D Private individuals
-
40. A measure of trade restriction that provokes retaliation from trade partners is;
 A Tariffs
 B Quotas
 C Embargo
 D Exchange control
-
41. When income elasticity of demand is negative, the good is said to be;
 A Normal good
 B Inferior good
 C Superior good
 D Giffen good
-

42. Study the various cost items incurred by a farmer in producing cassava and answer the question that follow;

Items	Amount in Fcfa
Land	5000
Farm tools	38,000
Seedlings	6000
Insecticides	11,000
Wages	20,000

Calculate the value of total fixed cost?

- A 37,000fcfa
B 49,000fcfa
C 43,000fcfa
D 63,000fcfa
-
43. The table below shows the production possibilities for 2 countries with a given set of resources and level of technology.
- | Country | Cocoa(tons) | Coffee(tons) |
|---------|-------------|--------------|
| A | 100 | 50 |
| B | 85 | 150 |
- Using the absolute advantage theory, determine the output of cocoa after specialization?
- A 200 tons of Cocoa
B 370 tons of Cocoa
C 15 tons of Cocoa
D 185 tons of Cocoa
-
44. The central bank can reduce the amount of money in circulation by;
- A Buying securities in the open market
B Reducing special deposit
C Reducing bank rates
D Increasing bank rates
-

45. An example of primary production is;
- A Lumbering
B Teaching
C Banking
D Hair-dressing
-

46. An aspect of government expenditure is;
- A Raising government revenue
B Payment of taxes
C Production of public and merit goods
D Contribution to social insurance funds
47. One of the ways that big plantations assist small holders is ;
- A Selling to them at very low prices
B Providing them with improved seed and seedlings
C Providing them with land
D Gives them interest free loans
-

48. By belonging to CEMAC, Cameroon enjoys;
- A Reduction in taxes
B Increase prices
C Low cost of transportation
D Larger markets
-

49. Consider the following scores recorded by 10 students during an end of course economics test; 17,5,7,11,20,13,11,9,19,17. What is the median score?
- A 12
B 15.5
C 13
D 12.9
-

50. One disadvantage of economic growth is;
- A Employment
B Even distribution of income
C Inflation
D Idle resources
-

STOP
GO BACK AND CHECK YOUR WORK