RÉPUBLIQUE DU CAMEROUN
Paix-Travail-Patrie
....
MINISTÈRE DE L'ENSEIGNEMENT SUPÉRIEUR
....
COMMISSION NATIONALE D'ORGANISATION DE L'EXAMEN HIGHER NATIONAL DIPLOMA EXAM (HND)
....

REPUBLIC OF CAMEROON
Peace-Work-Fatherland
....
MINISTRY OF HIGHER EDUCATION
....
NATIONAL COMMISSION FOR THE ORGANISATION OF HIGHER NATIONAL DIPLOMA EXAM (HND) EXAM
....

National Exam of Higher National Diploma 2022 Session

Specialty/option: ASM, PMA, HUR, ACC, MTS, BFI, INS, LAS, NGO, QMA, LGA
Paper: Economic Sciences
Duration :3 hours **Credit:6**

INSTRUCTION: Answer all questions in sections A and B

SECTION A: (MCQs)(20 Marks)

1) The most basic problem of economics is:
   A) The problem of poverty
   B) The control of goods and services produced
   C) The reality of scarcity
   D) The market structure of the economy
2) Positive economic theory deals with;
   A) What is or how the economic problem facing the society are solved?
   B) How the problem should be solved?
   C) What should be produced?
   D) How it should be produced?
3) Economic resources are;
   A) Unlimited
   B) Limited in supply and use
   C) Limited in supply but has alternative uses
   D) Unproductive
4) The production possibility curve is negative sloped due to
   A) Scarcity of production resources
   B) Unlimited wants
   C) Improvement in technology
   D) Increasing opportunity cost

5) Total output is falling when

A) MP =0

B) MP is increasing

C) MP is decreasing

D) MP is negative

6) Law of returns to scale applies when.........

A) All inputs cost are variable

B) All input cost are fixed

C) All cost are partly fixed and partly variable

D) None

7) Bread and butter have...........

A) Negative cross elasticity of demand

B) Positive cross elasticity of demand

C) Positive income elasticity of demand

D) Negative income elasticity of demand

8) Which of the following has the shape of a "parabola"

A) AFC curve

B) AC curve

C) AVC curve

D) MC curve

The output and cost pattern of a product are given below

OUTPUT	TATAL COST
0	35
1	42
2	53
3	08
4	75
5	88

9) From the above details what is the fixed cost or sunk cost

A) 25

B) 17.5

C) 22

D) 35

10) From the detail above the marginal cost of producing 2nd unit is

A) 17

B) 11

C) 14

D) 25.3

11) Which one of the following is **not** a cause of economic growth?

A) a reduction in the retirement age

B) advances in technology

C) improvements in education and training

D) the discovery of a new natural fuel

12) A movie actor is between jobs. Which one of the following types of unemployment is the movie actor experiencing?

A) cyclical

B) transitional

C) seasonal

D) structural

13) Which one of the following is an example of a direct tax?

A) council tax

B) income tax

C) tax on petrol

D) VAT

14) The Gross Domestic Product is:

A) the total value of industrial production in a country in a year

B) the total value of goods and services produced by a country in a year

C) the value of agricultural production in a country in a year

D) the combined value of imports and exports for a country

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15) Which of the following is a microeconomics statement?

A) The real domestic output increased by 2.5 percent last year.

B) Unemployment was 9.8 percent of the labour force last year.

C) The price of wheat declined last year.

D) The general price level increased by 4 percent last year.

16) Which of the following is an example of "portfolio investment"?

A) A Cameroonian places funds in a savings account in Canada

B) Tokyo Bank of Japan buys Union Bank of the United States

C) Saturn Corp. (owned by General Motors) builds a new factory in Tennessee

D) A Cameroonian puts 100,000FCFA into a money market fund

17) Which of the following statements is/are true about the classical quantity theory of money?

A) The equation of exchange is MV = PQ

B) The classical economists assumed that V would rise when real interest rates rise

C) The classical economists concluded that increases in the money supply cause increases in real GDP and nothing else

D) all of the above

Questions 18 and 19 are based on the following data (figures in billions of FCFA)

Taxes=250, investment=400, savings=250, export=100, government expenditure=200 and import=1/5y

18) The equilibrium level of income is;

A) 4000 billion FCFA

B) 1000 billion FCFA

C) 908 billion FCFA

D) 400 billion FCFA

19) The value of import is;

A) 500 billion FCFA

B) 400 billion FCFA

C) 200 billion FCFA

D) 600 billion FCFA

20) In 2005 the GDP of a country was 10,000 million frs and the price index was 100.By the year 2007 the GDP increased to 12,075 million frs and the price index was 105. The value of the Real GDP in 2007 was

A) 11,500 millionfrs

B) 10,500 millionfrs

C) 11,000 millionfrs

D) 12,000 millionfrs

SECTION B: (50 Marks)

Question 1 (20marks)

a) Distinguish between a change in demand and a change in quantity demanded with the aid of diagrammesand real life examples **(10marks)**

b) Apart from the war in Europe, state and explain five (05) other factors affecting the demand for goods and services in Cameroon? **(10 Marks)**

Question 2 (20marks)

The data given in the table below relates to an imaginary firm.

Output in kgs	0	1	2	3	4	5	6	7
TR	0	71	142	213	284	355	426	497
TFC	100	100	100	100	100	100	100	100
TVC	0	90	170	240	300	350	450	540

a. In which market is this firm operating and why? **(4 marks)**

b. At what output level will the following objectives be attained by the firm i) profit maximization ii) revenue maximization **(6 marks)**

c. Calculate the MR and MC when TR highest **(6marks)**

d. State and explain any two (02) sources of monopoly power **(4marks)**

Question 3 (20marks)

a. Identify and explain five (05) challenges involved in the measurement of the national income of Cameroon **(10 marks)**

b. What factors can affect the consumption and savings pattern of households in Cameroon

Question 4 (20marks)

The question is based on the following information about a hypothetical economy

YEAR	Money NI(MFRS)	POP(MILLIONS)	AV PRICE LEVEL
2010	200	15	100
2015	250	25	125

a. Determine the real national income for the two years **(4marks)**

b. Which year was better in terms of welfare and why? **(4marks)**

c. What is the change in per capita income between the two years? **(4 marks)**

d. Differentiate between cost of living and standard of living **(4 marks)**

e. If a man earned a monthly wage of 120,000 FRS in 2010 in order to maintain same standard of living in 2015, how much should he have earned **(4 marks)**