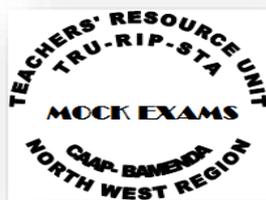


REPUBLIQUE DU CAMEROUN
Paix-Travail-Patrie

MINISTERE DES ENSEIGNEMENTS SECONDAIRES

CELLULE D'APPUI A L'ACTION PEDAGOGIQUE
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REPUBLIC OF CAMEROON
Peace-Work-Fatherland

MINISTRY OF SECONDARY EDUCATION

TEACHERS' RESOURCE UNIT
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MARCH 2025

<p>The Teachers' Resource Unit and the Regional Inspectorate of Pedagogy, in collaboration with NOWETA</p>	<p>SUBJECT CODE NUMBER 0725</p>	<p>PAPER NUMBER 1</p>
<p>GENERAL CERTIFICATE OF EDUCATION AND TECHNICAL VOCATIONAL EDUCATION ADVANCED LEVEL REGIONAL MOCK EXAMINATION</p>		<p>SUBJECT TITLE ECONOMICS</p>
<p>CANDIDATE NAME: CANDIDATE NUMBER: CENTRE NUMBER:</p>		
<p>ADVANCED LEVEL</p>		

Time Allowed: One and a half hours
INSTRUCTIONS TO CANDIDATES:

Mobile phones are **NOT ALLOWED** in the examination room.

- USE A SOFT HB PENCIL THROUGHOUT THIS EXAMINATION.
- DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO.

Before the Examination begins:

- Check that this question booklet is headed "Advanced Level ~~0725~~ **ECONOMICS** Paper I".
- Insert the information required in the spaces above.
- 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.
- 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:

- Answer ALL the 50 questions in this examination. All questions carry equal marks.
- Non-programmable calculators are allowed.
- 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]
- 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.
- 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.
- Do all rough work in this booklet using, where necessary, the blank spaces in the question booklet.
- 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.**

- Economic theories are developed using the:
 - quantitative method.
 - inductive method.
 - deductive method.
 - inductive and deductive methods.

- The shape of a concave production possibility curve can best be explained by:
 - decreasing opportunity costs.
 - increasing returns.
 - increasing opportunity costs.
 - constant returns.

- The provision of public and merit goods is guaranteed in the:
 - socialist economic system.
 - laissez-faire economic system.
 - traditional economic system.
 - free-enterprise economic system.

- Which of the following questions about production is answered by combining factors in the most efficient way?
 - What to produce?
 - For whom to produce?
 - Where to produce?
 - How to produce?

- The characteristic of a public good that encourages some consumers to avoid payment and become free riders is known as:
 - non-rivalry.
 - non-excludability.
 - overproduction.
 - Underproduction.

Question 6 is based on table 1 below which shows the inputs needed by a firm to produce different levels of output.

Table 1

Input	Output
5	20
7	30
9	40
10	50
12	60

- Over what range of output is the firm operating under constant returns to scale?
 - 40 to 50.
 - 50 to 60.
 - 20 to 30.
 - 30 to 40.

Question 7 is based on table 2 which provides information about the population of an imaginary country in 2020.

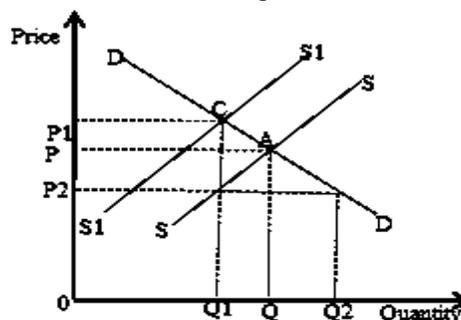
Table 2

Population(Million)	Birth rate (per 000)	Death rate (per 000)
40	20	25

- If 12,000 children died without reaching one year, what is the infant mortality rate of this country?
 - 15%
 - 12%
 - 0.3%
 - 5%

Question 8 is based on figure 1 below.

Figure 1.



- A change from point A to C, caused by a rise in price from $0P$ to $0P_1$, can be described as:
 - a decrease in demand.
 - a decrease in supply.
 - a contraction in demand.
 - a contraction in supply.

- A black market can occur when:
 - the government sets price below the equilibrium.
 - the government sets price above the equilibrium.
 - supply is in excess of demand.
 - the consumption of a good is restricted.

- If the prices of both goods fall, the budget line will:
 - shift inwards
 - shift outwards
 - be tangential to the indifference curve.
 - move to a point of equilibrium.

- For a normal supply schedule, the quantity supplied is:
 - inversely related to price.
 - negatively related to price.
 - proportionately related to price.
 - directly related to price.

- In a certain market, the demand for a good is given by the function: $Qd = 60 - 4P$. If price increases from 5 FCFA to 10 FCFA, the price elasticity of demand will likely be: -----
 - 1
 - 0.75
 - 0.5
 - 4

- Horizontal integration may be undesirable to consumers because of:
 - rationalisation of the industry's capacity.
 - the tendency towards monopoly.
 - product diversification
 - the need to have consent.

- A footloose industry will likely locate:
 - near the source of raw materials.
 - anywhere.
 - close to the market.
 - in an area chosen by the government.

- The structure of a company's capital is highly geared when:
 - preference shares are greater than ordinary shares.
 - ordinary shares are greater than debentures.
 - share capital is greater than loan capital.
 - loan capital is greater than share capital.

16. The effect of net emigration on a country's population, all other things remaining equal, is:
- an increase in its size.
 - a reduction in its size.
 - an increase in its growth rate.
 - over population.
-
17. In which of the following market forms do firms charge a lower price and produce a larger output?
- Perfect competition.
 - Oligopoly.
 - Monopoly.
 - Duopoly.
-
18. At zero level of output, total cost is equal to:
- total variable cost.
 - average variable cost.
 - average fixed cost.
 - total fixed cost.
-
19. Pricing and output decisions of sellers are interdependent in:
- monopolistic competition.
 - imperfect competition.
 - oligopoly.
 - perfect competition.
-
20. The shutdown point for a firm in the short run is the output at which average:
- variable cost is minimum.
 - variable cost is not covered.
 - total cost is lowest.
 - total cost is highest.
-
21. The marginal cost curve is not the supply curve of a monopolist because:
- the same quantity can be offered at different prices.
 - it determines both price and quantity.
 - the same price can be charged for different quantities.
 - there is only one quantity and a unique price.
-
22. The rate of interest in an economy may rise because of an increase in:
- transactions demand for money.
 - precautionary demand for money.
 - speculative demand for money.
 - supply of money.
-
23. An employer increases the wage rate from 6,100 FCFA to 6,300 FCFA in order to increase the work force from 20 to 21 workers. What is the marginal cost of the 21st worker?
- 200 FCFA.
 - 132,300 FCFA.
 - 122,000 FCFA.
 - 103,000 FCFA.
-
24. The demand for labour is derived because:
- labour cannot be bought and owned.
 - labour is a human factor of production.
 - the demand for labour determines the demand for labour's output.
 - the demand for labour is determined by the demand for labour's output.
-
25. The minimum payment necessary to keep a factor of production in its present use is known as:
- rents of ability.
 - rents of situation.
 - transfer earnings.
 - transfer payments.
-
26. The value of the total output produced within Cameroon by all residents is referred to as:
- gross national product.
 - gross domestic product.
 - net property income.
 - national income.
-
27. If national income rises by 8% and the population rises by 4%, per capita income will:
- rise by 8%.
 - fall by 4%.
 - rise by 4%.
 - fall by 8%.
-
28. In which of the following circumstances will net indirect tax be negative?
- Subsidies exceed indirect taxes.
 - Indirect taxes exceed subsidies.
 - Less indirect taxes collected.
 - More subsidies granted to producers.
-
29. The value of the multiplier can be increased by:
- reducing consumption.
 - reducing injections.
 - increasing injections.
 - increasing leakages.
-
30. In a certain economy, the national income is 2,500 billion FCFA and the marginal rate of leakage is 0.25. The rise in government spending required to achieve full employment level of income is 750 billion FCFA. What is the value of the full employment level of income?
- 3,000 billion FCFA.
 - 5,000 billion FCFA.
 - 5,500 billion FCFA.
 - 500 billion FCFA.
-
31. The amount by which planned injections fall short of planned leakages at full employment level of income is closed by:
- raising income taxes.
 - budget deficit.
 - budget surplus.
 - revaluing the currency.
-
32. Which of the following is an assumption of the accelerator principle?
- The MPC and MPS are constant.
 - The economy is in equilibrium.
 - Investment and saving are the only injection and withdrawal.
 - Constant capital output ratio.
-
33. If consumption spending is less than national income, then:
- dissaving occurs.
 - saving is positive.
 - saving is zero.
 - the Paradox of Thrift will occur.

34. In an imaginary economy, national income is 2,000 billion FCFA, the marginal propensity to consume is 0.8 and autonomous consumption is 120 billion FCFA. What is the value of consumption spending?
- 1,720 billion FCFA.
 - 2,120 billion FCFA.
 - 2,000 billion FCFA.
 - 120 billion FCFA.
-
35. Standard of deferred payments as a function of money:
- makes calculations possible.
 - makes it possible for payments to be postponed.
 - enables adequate accounts keeping.
 - serves as a medium of exchange.
-
36. The objective of commercial banks to ensure that loans granted are refunded is:
- security.
 - liquidity.
 - trustworthiness.
 - collateral security.
-
37. When government sells securities in the open market, the supply of money will:
- not change.
 - reduce.
 - increase.
 - stabilise.
-
38. Which of the following could reduce demand-pull inflation?
- An increase in subsidies.
 - An increase in indirect taxes.
 - A reduction in indirect taxes.
 - An increase in direct taxes.
-
- Question 39 is based on table 3 below.
- Table 3.
- | Units of resources required to | Country A | Country B |
|--------------------------------|-----------|-----------|
| produce one laptop | 30 | 60 |
| produce one crane | 10 | 40 |
-
39. If there are no trade barriers and no transport costs, which of the following is most likely to occur?
- Country A will import cranes.
 - Country A will export laptops.
 - Country B will export laptops.
 - Country B will import laptops.
-
40. In which section of a country's balance of payments account will banking and insurance appear?
- Balance for official financing.
 - Visible balance.
 - Invisible balance.
 - Capital account.
-
41. When the total currency outflow of a country is less than the total currency inflow, the country is said to be facing:
- current account deficit.
 - current account surplus.
 - balance of payments deficit.
 - balance of payments surplus.
-
42. A policy of promoting the local production of goods that were usually imported is known as:
- export promotion.
 - import substitution.
 - export substitution.
 - import expansion.
-
43. When a tax is imposed on a good with inelastic demand:
- consumers bear the greater burden.
 - producers bear the greater burden.
 - consumers bear a smaller burden.
 - both producers and consumers bear the same burden.
-
44. National debt is an expected outcome of:
- programmed budget.
 - surplus budget.
 - balanced budget.
 - deficit budget.
-
45. The effect of an increase in personal income tax is to:
- reduce unemployment.
 - raise the general price level.
 - reduce disposable income.
 - improve the wellbeing of workers.
-
46. When public sector receipts are less than the public sector spending, this is called public sector:
- shortages.
 - budgeting.
 - debt repayment.
 - net cash requirement.
-
47. Which of the phases of a trade cycle is characterised by very high unemployment?
- Upturn.
 - Recovery.
 - Slump.
 - Recession.
-
48. The factor that will best raise the productive capacity of a nation is: -----.
- capital deepening.
 - capital widening.
 - capital consumption.
 - capital expansion.
-
49. Which of the following will be most effective for the government to implement if the economy is slow to reach satisfactory equilibrium?
- Price stability.
 - Balance of payments equilibrium.
 - Economic growth.
 - Monetary policy.
-
50. A possible undesirable effect of economic growth is:
- the introduction of new technology.
 - forgone consumer goods in the short run.
 - increased leisure.
 - Increased investment in human capital,

END

GO BACK AND CHECK YOUR WORK