

0725/3/2025

ECONOMICS/AL/ATVE

**SOUTH WEST REGIONAL MOCK EXAMINATION
GENERAL/TECHNICAL AND VOCATIONAL 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 TEACHER'S ASSOCIATION (STA)

Friday, 21st March 2025 (Afternoon session) ADVANCED LEVEL/ATVE

Subject Title	ECONOMICS
Paper Number	3
Subject Code Number	0725

TIME ALLOWED: One- and three-quarter hours

INSTRUCTIONS TO CANDIDATES:

This paper carries FIVE Questions. Answer any THREE questions.

Each question carries 20 marks. For your guidance, the approximate mark for each part of a question is indicated in brackets.

If you answer MORE THAN THREE questions, only the first three answers presented will marked.

You must use ONLY Blue or Black ink. No answer in pencil will be marked.

All Appendices filled or completed should be handed in with your answer booklet

You are allowed to use calculators.

However, Programmable calculators ARE NOT ALLOWED

All necessary calculations must be shown.

You are reminded of the necessity for good English and orderly presentation in your answers.

You are advised to read carefully through the question paper before you begin your answers.

1. Read the passage below and answer the questions that follow:

"... if I want bread and sleep, and in the time at my disposal I cannot have all I want of both, then some part of my wants of bread and sleep must go unsatisfied. Generally, human activity with its multiplicity of objectives largely depends on the available time or specific resources. The time at our disposal is limited.... The material means of achieving ends are limited. The services which others put at our disposal are limited. All economic agents, be it individual consumers, firms or governments have to choose between the different uses to which these limited economic resources may be put. Everywhere we turn, if we choose one thing, we must surrender others which, in different circumstances, we would wish not to have surrendered. Scarcity of means to satisfy given ends is an everyday condition of human behaviour... Economics is the science which studies human behaviour as a relationship between ends and scarce means which have alternative uses."

Source: Adapted from "An essay on the nature & significance of economic science", by Lionel Robbins (1932, pp. 25-26)

- Identify the economic concept that best describes the underlined sentence in the passage. (2 marks)
- List any four economic resources implied in the passage and their rewards (8 marks)
- How are economic goods different from free goods? (4 marks)
- Why is opportunity cost considered more important than cost measured in monetary terms? (4 marks)
- Why do consumers, producers and governments have to make choices? (2 marks)

2. The following are national income statistics of an imaginary country measured in Billions of FCFA in 1987.

S/N	Item	Value (Billion FCFA)
1.	Gross Trading Surpluses of public Corporations	15
2.	Income from self-employment	40
3.	Rent	43
4.	General Government final Consumption	65
5.	Value of Stocks (1 st January 1987)	12
6.	Value of Stocks (31 st December 1987)	14
7.	Imports of goods and services	25
8.	Value added in agriculture	65
9.	Value added in manufacturing	100
10.	Consumers' expenditure	76
11.	Capital consumption	10
12.	Income from employment	50
13.	Value added in other sectors	15
14.	Taxes on expenditure	36
15.	Gross fixed investment	33
16.	Gross trading profits of companies	60
17.	Exports of goods and services	40
18.	Subsidies	30
19.	Residual Error	- 15
20.	Ownership of dwellings	20
21.	Stock appreciation	8
22.	Property income paid abroad	25
23.	Property income from abroad	20

- a) Classify the above items into:
 - i. National output
 - ii. National Income
 - iii. National Expenditure
- b) Calculate the national income of this country using each of the three methods. (9 marks)
- c) State two uses of national income statistics to this country. (2 marks)

3. The following Table shows the demand and supply for rental apartments at different price levels in a given city in Cameroon:

Price per Month (000's FCFA)	Quantity Supplied (Units)	Quantity Demanded (Units)
100	900	500
90	800	600
80	700	700
70	600	800
60	500	900

- a. Sketch the market demand and supply curves for rental apartments on the same diagram. (4marks)
- b. Deduce the equilibrium price and quantity of rental apartments. (4marks)
- c. Assume that the Cameroon government decides to introduce a maximum price of 70000FCFA on rental housing.
 - i. What is the shortage or surplus in the market? (2marks)
 - ii. List three consequences of maximum price (3marks)
 - iii. What is another name for maximum price? (2marks)
- d. Suppose the government imposes an indirect tax of 20,000FCFA on rental houses. What will be the new equilibrium price and quantity? (5marks)

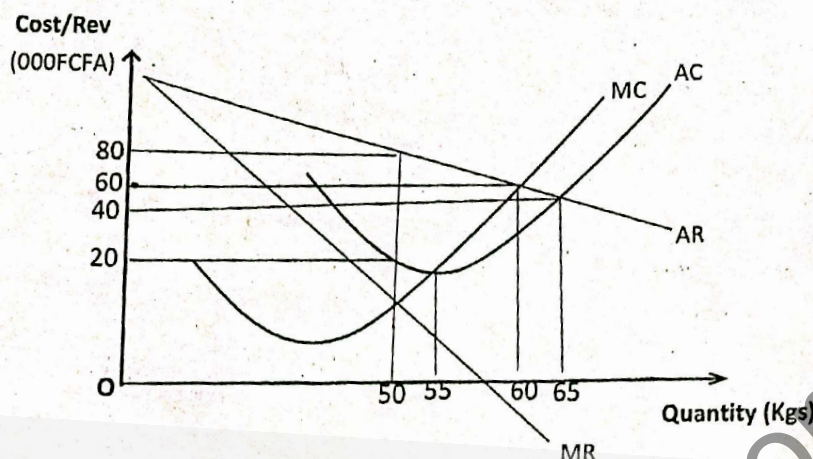
4. International trade provides a number of merits for a country. It enables consumers to enjoy a greater variety of products, some at a lower price... World output can be increased and living standards of people can be raised throughout the world.

To achieve this higher world output countries should concentrate their resources on those products which they can produce at a lower opportunity cost relative to other countries. They should also facilitate the reallocation of resources in line with changes in For instance, Malaysia is rich in natural resources, including petroleum, rubber and tin and uses some of its resources to exploit these. Despite these merits provided by free trade, a number of arguments are advanced for trade restriction.

Adapted from Stanlake's Introductory Economics by S J Grant, 7th edition PP 460.

- a) Identify the concept implied by the underlined phrase. (2 marks)
- b) i. List 4 other advantages of free trade apart from the ones mentioned in the passage. (4 marks)
- ii. How can countries determine the goods in which they have a comparative advantage? (2 marks)
- c) i. Enumerate any 4 methods used by countries to restrict international trade. (4 marks)
- ii. Give two arguments advanced in support of trade protection. (2 marks)
- d) List any four problems faced by Cameroon in international trade. (4 marks)
- e) Name two bases for international trade. (2 marks)

5. The diagram below relates to a manufacturing firm operating in the long run.



- a. i. In which market structure is this firm most likely operating? (2 marks)
- ii. What output would the firm produce to achieve its profit maximization objective? (2 marks)
- b. At the output level 50kg, calculate the firm's:
 - i. Total Cost (3 marks)
 - ii. Total Revenue (3 marks)
 - iii. Total Profit (3 marks)
- c. Apart from profit maximization, list 4 other objectives this firm may pursue. (4 marks)
- d. Briefly explain why this firm's Average revenue curve is downward sloping. (3 marks)

END
GOOD LUCK