

GENERAL CERTIFICATE OF EDUCATION BOARD
General Certificate of Education Examination

JUNE 2025

ADVANCED LEVEL

Subject Title	Economics
Paper No./Title	2
Subject Code No.	0725

Duration: Three Hours

Answer FIVE questions, choosing AT LEAST TWO from each section. All questions carry equal marks.

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

Turn Over

SECTION A

1. (a) Explain the various types of merger. (10 marks)
(b) What are the likely economic benefits to a firm when it grows in size? (10 marks)

2. (a) With the aid of a diagram (s), differentiate between minimum and maximum price legislations. (12 marks)
(b) Identify the positive consequences of setting maximum price legislation. (8 marks)

3. (a) Differentiate between monopoly and monopolistic competition. (12 marks)
(b) Give the advantages of monopolistic competition. (8 marks)

4. (a) What are the objectives of a trade union? (8 marks)
(b) Why might trade unions demand for higher wages? (12 marks)

SECTION B

5. (a) Explain the following concepts:
(i) shift in consumption
(ii) marginal propensity to consume (MPC). (5+5 marks)
(b) What are the factors that may lead to a fall in household consumption in Cameroon? (10 marks)

6. (a) What do you understand by expansionary monetary policy? (5 marks)
(b) How effective can interest rate be used to achieve:
(i) full employment?
(ii) economic growth ?
(iii) price stability? (5+5+5 marks)

7. (a) Distinguish a reproductive national debt from a deadweight national debt. (8 marks)
(b) Under what circumstances can a national debt be considered a burden to an economy? (12 marks)

8. (a) What are the differences between tariffs and quotas? (8 marks)
(b) Examine the negative effects of tariffs. (12 marks)