

GENERAL CERTIFICATE OF EDUCATION BOARD**General Certificate of Education Examination****JUNE 2025****ORDINARY LEVEL**

Centre Number	
Centre Name	
Candidate Identification No.	
Candidate Name	

Mobile phones are NOT allowed in the examination room.**MULTIPLE CHOICE QUESTION PAPER****Duration: 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.

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

Before the examination begins:

- Check that this question booklet is headed "**Ordinary Level – 0525 Economics 1**".
- Fill the information required in the spaces above.
- Fill the information required in the spaces provided on the answer sheet using your HB pencil: **Candidate Name, Exam Session, Subject Code, Centre Number and Candidate 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:

- Answer **ALL** the 50 questions in this Examination. All questions carry equal marks.
- Each question has **FOUR** suggested answers: **A, B, C** and **D**. Decide on 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 a zero for that question. If you change your mind about an answer, erase the first mark carefully, then mark your new answer.
- 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.
- Do all rough work in this booklet, using, where necessary, the blank spaces in the question booklet.
- At the end of the examination, the invigilator shall collect the answer sheet first and then the question booklet after. DO NOT ATTEMPT TO LEAVE THE EXAMINATION HALL WITH IT.**

1. A sole proprietorship is considered as a one man business because:
- He owns many types of businesses alone
 - He enjoys all the advantages of specialization
 - He does most of the work alone
 - He offers quality services to the customers

2. A market where the commodity sold is homogeneous and firms are price-takers, is called:
- Perfect market
 - Monopoly market
 - Oligopoly market
 - Imperfect market

3. This question is based on the table below which shows the output of a farmer as he employs different numbers of workers:

Number of workers	1	2	3	4	5	6
Total product (kg)	7	15	24	36	50	54

At what level of output is average product highest?

- 15kg
 - 54kg
 - 50kg
 - 36kg
4. An industry that locates near the source of raw materials can be considered as a:
- Footloose industry
 - Industrial inertia
 - Weight-gain industry
 - Weight-loss industry
5. The problem of perishability was solved by which function of money?
- Money as a medium of exchange
 - Money as a store of value
 - Money as a measure of value
 - Money as a standard of deferred payment
6. Which of the following factors of production is highly affected by the law of diminishing returns?
- Labour
 - Land
 - Capital
 - Entrepreneur
7. What is the per capita income of a country with a population of 5 million people and a national income 200 million FCFA?
- 40 FCFA
 - 400million FCFA
 - 400000million FCFA
 - 4 million FCFA

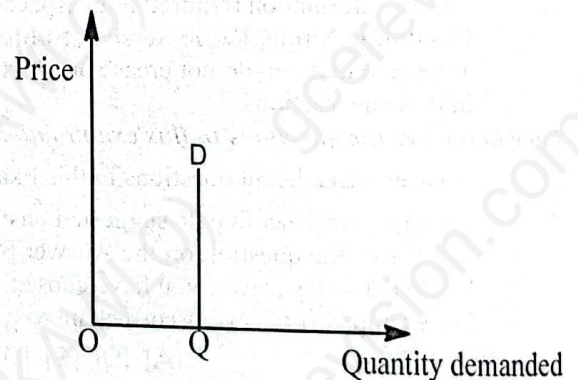
8. An upward movement along the same demand curve is called:
- Fall in demand
 - Increase in demand
 - Extension in demand
 - Contraction in demand

9. When the revenue from the tax is greater than the cost of collecting the tax, this explains the principle of:
- Equity
 - Certainty
 - Convenience
 - Economy

10. Which of the following is an example of an unincorporated business unit:
- Partnership
 - Private limited company
 - Public limited company
 - Co-operative societies

11. The most effective way of achieving equitable distribution of income and wealth in an economy is by:
- Imposing indirect taxes
 - Levying progressive taxes
 - Organizing agricultural shows
 - Increasing money supply

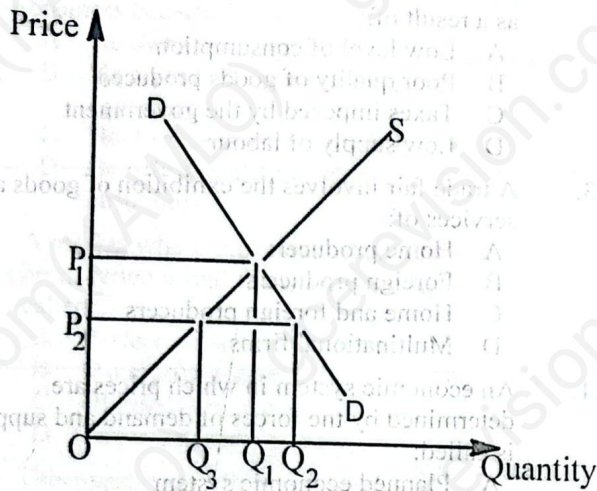
12. The coefficient of elasticity of demand in the diagram below is:



- Less than one
 - Infinity
 - Greater than one
 - Zero
13. A country where the labour force cannot fully exploit its resources is said to be:
- Over populated
 - Under populated
 - Sparsely populated
 - Population

14. Labour cannot be acquired and owned like the other factors of production because:
 A Only labour services are hired
 B Labour is the most mobile factor of production
 C Labour can be both skilled and unskilled
 D Labour is scarce
15. What is the meaning of BEAC?
 A Bank of Central African Republic
 B Bank of Central African States
 C Bank of East African Countries
 D Central Bank of Cameroon
16. Mr. A earns 350,000FCFA as income and pays a tax of 5%. If the rate is increased to 15%, how much extra tax does he pay?
 A 17,500FCFA
 B 35,000FCFA
 C 52,500FCFA
 D 70,000FCFA
17. In a partnership, a nominal partner is one who:
 A Contributes capital and takes part in management
 B Contributes capital and does not take part in management
 C Shares in the profits and losses of the business
 D Allows only his name to be used in the business
18. A commercial bank has a deposit of 500,000FCFA and a cash ratio of 10%. How much deposit can the bank create?
 A 100million FCFA
 B 5million FCFA
 C 50million FCFA
 D 500000 FCFA
19. Identify the fixed costs from the combinations below:
 A Rents and wages
 B Depreciation and rents
 C Raw materials and wages
 D Interest and machines
20. Trade between Cameroon and France can be described as:
 A Multilateral trade
 B Foreign trade
 C External trade
 D Bilateral trade
21. An increase in the supply of maize in the market with a constant demand, will lead to:
 A Increase in the price of maize
 B Fall in the price of maize
 C Fall in the demand for maize
 D No change in the price of maize
22. The low level of industrialization in Cameroon is as a result of:
 A Low level of consumption
 B Poor quality of goods produced
 C Taxes imposed by the government
 D Low supply of labour
23. A trade fair involves the exhibition of goods and services of:
 A Home producers
 B Foreign producers
 C Home and foreign producers
 D Multinational firms
24. An economic system in which prices are determined by the forces of demand and supply is called:
 A Planned economic system
 B Market economic system
 C Command economic system
 D Mixed economic system
25. Token coins are coins:
 A Which are not backed by gold
 B Which are backed by gold
 C Whose face values are equal to the intrinsic value
 D Whose face values are greater than the intrinsic value
26. What term is used to describe the malpractice of selling goods cheaper in foreign markets than in the home market?
 A Devaluation
 B Deflation
 C Dumping
 D Depreciation
27. The population of a country is structured as follows: 10% aged, 30% working age and 60% young. If the population is 20 million people, determine the dependent population.
 A 14 million
 B 12 million
 C 6 million
 D 2 million

28. The question is based on the diagram below.



From the diagram, P_2 is called?:

- A Market price
B Maximum price
C Minimum price
D Equilibrium price
29. A situation in national income where the inputs of some firms are the output of other firms will likely lead to:
A Unpaid services
B Black economy
C Double counting
D Stock depreciation
30. Cost which can be incurred even when production has not started are called:
A Fixed costs
B Average costs
C Marginal costs
D Variable costs
31. Which of the following is a characteristic of under development?
A High resource utilization
B High per capita income
C High reliance on primary sector
D High level of consumption
32. The charging of different prices for the same product to different consumers with reasons not related to the cost of production is called:
A Price differentials
B Price discrimination
C Black market price
D Normal price
33. In an economy the government expenditures and taxes are good instruments of:
A Fiscal policy
B Monetary policy
C Physical policy
D Economic policy
34. A population with a greater number of people in the old age group will likely lead to:
A An increase in the supply of labour
B A fall in the supply of labour
C An increase in output
D A fall in government spending
35. A bank receives a cash deposit of 100,000FCFA. If the cash ratio is 2.5%, how much cash should the bank hold?
A 400,000FCFA
B 390,000FCFA
C 97,500FCFA
D 2,500FCFA
36. Beef and hides are said to be in:
A Joint demand
B Joint supply
C Competitive supply
D Competitive demand
37. A merger between a brewery and a cigarette manufacturing company is called:
A Horizontal integration
B Vertical integration
C Conglomerate
D Lateral integration
38. The money value of goods and services produced by factors of production within a country is called:
A Gross Domestic Product
B Gross National Product
C National Product
D National Income
39. Opportunity cost is measured in:
A Monetary terms
B Real terms
C Utils
D Alternative forgone
40. The devaluation of a country's currency will lead to:
A A fall in export prices
B A fall in import prices
C An increase in export prices
D An increase in imports
41. When the demand for a good falls as income increases, such a good is called:
A Normal good
B Inferior good
C Ostentatious good
D Giffen goods

42. This question is based on the table below;

Units of output	Fixed Costs FCFA	Variable Costs FCFA	TC FCFA	AC FCFA	MC FCFA
1	10,000	5,000	15,000	15,000	15,000
2	10,000	8,000	18,000	9,000	x
3	10,000	12,500	22,500	7,500	2,500

Calculate the value of x

- A 3,000FCFA
B 6,000FCFA
C 4,000FCFA
D 9,000FCFA
43. This question is based on the table below.
- | Items | Amount in millions FCFA |
|-------------------|-------------------------|
| Visible exports | 800 |
| Invisible exports | 500 |
| Visible imports | 250 |
| Invisible imports | 750 |
- From the above table calculate the balance of trade.
- A 550 million FCFA
B -550 million FCFA
C 1051 million FCFA
D 800 million FCFA
44. Inflation caused by excess demand over supply is called:
- A Cost push inflation
B Demand pull inflation
C Stagflation
D Inflationary spiral
45. A factor reward subjected to uncertainty is:
- A Wages
B Rents
C Interest
D Profit

46. Which of the following is a man-made factor of production?
- A Land
B Labour
C Capital
D Entrepreneur
47. Which of the following is a characteristic of plantation agriculture?
- A Mono cropping
B Mixed cropping
C Mixed farming
D Crop rotation
48. Which of the following will occur when the Government imposes a quota on imports?
- A Exports will increase
B Government revenue will increase
C Volume of trade will reduce
D It may lead to dumping
49. What is the median of the following set of values; 2,8,11,13,15,16,9,20 and 8?
- A 8
B 11.3
C 18
D 11
50. A shift of the production possibility curve to the right implies:
- A Economic development
B Growth
C Actual growth
D Economic growth

STOP

GO BACK AND CHECK YOUR WORK