

SOUTH WEST REGIONAL MOCK EXAMINATION

GENERAL EDUCATION

The Teachers' Resource Unit (TRU) in collaboration with the Regional Inspectorates of Pedagogy and the Subject Teachers' Association (STA)

0525 ECONOMICS

CANDIDATE'S NAME	Subject Code 0525	Paper Number 1
CANDIDATE'S NUMBER	Subject Title ECONOMICS	
CENTRE NUMBER		
ORDINARY LEVEL	DATE 24/03/2022 (Morning session)	

Time Allowed: One hour thirty minutes

INSTRUCTIONS TO CANDIDATES:

1. USE A SOFT HB PENCIL THROUGHOUT THIS EXAMINATION.
 2. DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO.
- Before the Examination begins:
3. Check that this question booklet is headed "Ordinary Level – 0525 Economics, Paper 1".
 4. Insert the information required in the spaces provided above.
 5. 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.
 6. 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:

7. Answer ALL the 50 questions in this examination. All questions carry equal marks.
8. Non-programmable calculators are allowed.
9. 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)

10. 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.
11. 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.
12. Do all rough work in this booklet using, where necessary, the blank spaces in the question booklet.
13. Mobile phones are NOT ALLOWED in the examination room.
14. 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

1. Freedom of choice and enterprise is a characteristic of;
 - A. Traditional economy
 - B. Mixed economy
 - C. command economy
 - D. market economy

2. To make a choice we need;
 - A. Unlimited wants
 - B. Limited wants
 - C. scale of preference
 - D. an opportunity cost

3. The marks scored by a student in a test are as follows; 50, 75, 45, 30, 50, 60, 40. The mark range will be;
 - A. 10 B. 45 C. 30 D. 50

4. A country with a population of 4000000 people registers 180000 births and 100000 deaths in a year. Calculate the natural growth rate of the country.
 - A, 20‰ B, 20% C, 2‰ D, 2%

5. Which of the following is a preventive check proposed by Malthus?
 - A. Abstinence B. Famine
 - C. War D. Misery

6. The age distribution of a population will help us determine;
 - A. the sex ratio
 - B. the dependency ratio
 - C. the optimum population
 - D. the population structure

7. Given that xyz PLC issued 50 preference shares at 40000FCFA and 150 ordinary shares at 10000FCFA per share; what is the total ordinary share capital?
 - A. 1500000FCFA B. 2000000FCFA
 - C. 400000FCFA D. 3500000FCFA

8. Which of the following documents legally permits a public limited company to start business?
 - A. prospectus
 - B. certificate of trading
 - C. article of association
 - D. certificate of incorporation

9. A business unit which is characterized by democratic principle is called;
 - A. public corporation
 - B. cooperative society
 - C. public enterprise
 - D. partnership business

10. Which of the following shareholders receive rewards after all others have been paid?
 - A. ordinary shareholders
 - B. debenture holders
 - C. participating preference shareholders
 - D. cumulative preference shareholders

11. When Dangote cement factory merges with Brasseries du Cameroun, it is an example of;
 - A. horizontal integration
 - B. conglomerate integration
 - C. vertical integration
 - D. lateral integration

12. One reason for the continuous existence of small firms is;
 - A. to reduce cost B. to avoid risk
 - C. to spread risk D. to raise revenue

13. The optimum output of a firm is attained when;
 - A. average cost is lowest
 - B. average cost is highest
 - C. average cost is constant
 - D. average cost is falling

14. The most important function of the retailer to the consumer is;
 - A. exposing a variety of goods
 - B. warehousing of goods
 - C. bulk breaking
 - D. provision of credit facilities

15. Which if the following is a reason for direct dealing?
 - A. few retailers
 - B. retailers buy in bulk
 - C. the desire to break even
 - D. goods are perishable

16. The path through which commodities from the producer reach the final consumers is referred to as;
 - A. production channel
 - B. retail channel
 - C. consumption channel
 - D. distribution channel

17. As the price of a commodity rises by 25%, the quantity supplied increases by 10%. What is the elasticity of supply for this commodity?
 - A. 2.5 B. 0.4
 - C. 1.5 D. 3.5

18. "Other things being equal", when the income of a consumer falls the quantity demanded of an inferior good will;
- A. rise and fall B. remain constant
C. increase D. fall

19. As the price of good A increases the quantity demanded of good B increases. The two goods are;
- A. complementary in demand
B. competitive in demand
C. composite in demand
D. derived in demand

20. A common characteristic of a perfect market is;
- A. freedom of entry;
B. heterogeneous goods
C. branding
D. advertisement

21. The movement of the entire demand curve to the left can be due to;
- A. fall in price
B. a rise in price
C. an increase in income
D. a decrease in income

Consider figure 1 below for question 22:

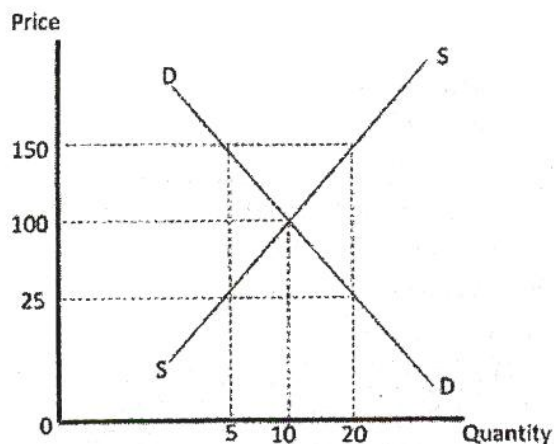


Figure 1.

22. What is the maximum price for this commodity?
- A. 25 FRS B. 25 FRS and 150FR
C. 150 FRS D. 150 FR and 25 FRS
23. One consequence of maximum price control is;
- A. excess supply
B. decrease in government expenditure
C. fall in price
D. shortage in demand

24. A market structure characterized by many buyers and sellers who deal in differentiated products is called;
- A. perfect competition
B. an oligopoly
C. monopolistic competition
D. monopoly

25. The cost structure of a firm is as follows;

Output	0	1	2	3	4
Total cost	1000	3000	5000	8000	13000

The average total cost of the 2nd unit of output is;

- A. 1500 B. 500
C. 2000 D. 2500

26. The oldest function of commercial banks is;
- A. accepting deposits
B. granting loans
C. printing money
D. controlling the supply of money

27. Which characteristic of money requires that money should easily be moved from one place to another?
- A. Divisibility B. Scarcity
C. Portability D. Acceptability

28. "cash" as used in economics refers to;
- A. coins only
B. bank notes and coins
C. bank notes only
D. cheques and coins

29. Which of the following instruments will help to reduce the rate of inflation in an economy?
- A. increase in wages
B. reduced bank rates
C. open market operations
D. increase in bank rates

30. A tax imposed on the value of a good is known as;
- A. specific tax
B. value added tax
C. ad valorem tax
D. indirect tax

31. A good example of a direct tax is;
- A. custom duty
B. value added tax
C. corporate tax
D. sales tax

32. A debt owed by the government to her citizens is known as;
 A. external debt B. internal debt
 C. national debt D. public debt
-
33. What is added to GDP to obtain GNP?
 A. NPIA B. depreciation
 C. net investment D. NNP
-
34. One problem of using national income statistics to compare standard of living among countries is;
 A. double counting
 B. changes in the value of money
 C. differences in currency
 D. changes in price
-
35. Income not spent on current consumption of goods and services is known as;
 A. dividends B. reserves
 C. savings D. interest
-
36. One way of eliminating double counting is by;
 A. taking the value of the final product
 B. taking intermediate expenditure
 C. taking transfer payment
 D. taking the value of second hand goods
-
37. The cultivation of crops for home consumption is known as;
 A. plantation agriculture
 B. cash crop farming
 C. peasant agriculture
 D. small holder scheme
-
38. Industries which do not have any locational advantages to any site are known as;
 A. weight gain industries
 B. weight loss industries
 C. foot loose industries
 D. industrial inertia
-
39. Bilateral trade is the exchange of commodities between;
 A. Two countries only
 B. two or more countries
 C. less than two countries
 D. more than two countries
-
40. One policy that can be adopted by the government to encourage agriculture in Cameroon is;
 A. increasing the prices of farm inputs
 B. increase interest rate on loans to farmers
 C. discourage the formation of farmers' cooperatives
 D. construction of farm to market roads
-
41. Which of the following institutions gives short term loans to its members?
 A. BEAC B. IMF
 C. world bank D. IBRD
-
42. When the index of import prices is greater than the index of export prices, terms of trade is said to be;
 A. favourable B. balanced
 C. unfavourable D. equal
-
43. A trade restriction that limits the amount of currency to be converted into foreign currency is;
 A. quotas B. exchange control
 C. embargo D. exchange rate
-
44. Which of the following measures will the government use to reduce unemployment?
 A. increase taxes
 B. increase bank rates
 C. buy securities in the open market
 D. increase the prices of goods and services
-
45. An increase in a country's productive capacity is termed;
 A. economic growth
 B. economic development
 C. economic policy
 D. gross investment
-
46. One characteristic of developing countries is;
 A. high per capita income
 B. high dependency ratio
 C. high living standards
 D. high life expectancy
-
47. Which of the following policies can be adopted to speed up the rate of economic growth?
 A. increase investment
 B. increase borrowing for consumption
 C. increase consumption of consumer goods
 D. reduction in the number of working hours
-
48. One reason for government intervention in the location of industries is to;
 A. reduce producers cost
 B. avoid wastage of resources
 C. diversify production
 D. achieve balanced development
-
49. Which of the following is an indicator of economic growth?

- A. Decrease in per capita income
 - B. Fall in consumers purchasing power
 - C. Increased per capita income
 - D. Increase in prices of goods and services
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STOP!!

50. Fluctuations in the level of economic activities in the economy is illustrated by;
- A. the income cycle
 - B. the trade cycle
 - C. the demand curve
 - D. the supply curve
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**NOW GO BACK AND CHECK YOUR
WORK!!**