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MARCH 2020

The Teachers' Resource Unit and the Regional Inspectorate of Pedagogy, in collaboration with the North West Economics Teachers' Association (NOWETA)	SUBJECT CODE NUMBER 0525	PAPER NUMBER 1
GENERAL CERTIFICATE OF EDUCATION AND INTERMEDIATE TECHNICAL AND VOCATIONAL EDUCATION REGIONAL MOCK EXAMINATION	SUBJECT TITLE ECONOMICS	
CANDIDATE NAME: meetlearn.com..... CANDIDATE NUMBER:		
ORDINARY LEVEL	DATE THURSDAY 12/03/2020 MORNING	

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 –Ordinary level –0525 code and subject title—Economics-Paper 1ll.
- 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. meetlearn.com
- 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.**

1. The formula,
Value of visible exports-value of visible imports
is used to calculate:
A) balance of trade.
B) balancing item.
C) balance of payments.
D) balance on current account.
2. When the government spends 17 million FCFA and receives 17 million FCFA from taxes it is called:
A) neutral budget.
B) budget deficit.
C) budget surplus.
D) balanced budget.
3. Which of the following is an indicator of economic development?
A) High population growth.
B) High mobility of resources.
C) High per capita real income.
D) High availability of health care.
4. Rent is a reward to
A) labour.
B) capital.
C) entrepreneur.
D) land.
5. The exchange of goods among Cameroon, Nigeria and China is:
A) multilateral trade.
B) foreign trade.
C) bilateral trade.
D) domestic trade.
6. Given the demand function, $Q_d = 120 - 2P$ and the supply function $Q_s = 4P$, where P represents price, the equilibrium price is
A) 20.
B) 120.
C) 12.
D) 60.
7. An industry whose raw material is more bulky than the final product is called :
A) footloose industry.
B) industrial inertia .
C) weight gaining industry.
D) weight-losing industry.

Question 8 is based on Table 1 which shows the balance sheet of P and G Bank. The figures are in millions of FCFA.

Table 1

Liabilities	Assets
Deposit 1000	Coins 50
	Bank notes 150
	Treasury bills 350
	Advances 450
1000	1000

8. What is the cash ratio of this bank?
A) 1: 20.
B) 1: 2.
C) 1: 5.
D) 4: 5.
9. When a car firm merges with a cement factory, it is an example of

- A) backward vertical integration.
B) horizontal integration.
C) conglomerate.
D) forward vertical integration.
10. According to the Malthusian theory of population, food production grows at
A) 2, 3, 4, 5.
B) 2, 4, 8, 16.
C) 2, 4, 6, 8.
D) 2, 3, 5, 6.

11. Study table 2 below and answer this question

Table 2

Output (kg)	0	1	2	3
Total Costs(000)FCFA	70	110	140	160

Calculate the Total Fixed Costs when 2 kgs are produced.

- A) 140,000 FCFA.
B) 30,000 FCFA.
C) 240,000 FCFA.
D) 70,000 FCFA.
12. Incomes are likely more evenly distributed in a
A) capitalist economy.
B) command economy.
C) laissez faire economy.
D) mixed economy.
13. A Veblen good is one for which quantity demanded increases as
A) producers increase supply.
B) consumer income increases.
C) its price increases.
D) prices of close substitutes increase .
14. The function of money that enables a student to attend classes on credit and effect payment in future is
A) standard for deferred payment.
B) medium of exchange.
C) store of value.
D) measure of value.
15. An international organisation that stabilises exchange rates is
A) CEMAC.
B) IMF.
C) ECOWAS.
D) IBRD.
16. Goods that do not have an opportunity cost are known as
A) economic goods.
B) public goods.
C) merit goods.
D) free goods.
17. Which item is subtracted from Gross National Product to obtain National Income?
A) Capital consumption.
B) Net Property Income from Abroad.
C) Gross Domestic Product.
D) Indirect Taxes,
18. The information in table 3 below relates to changes in output when population increases.

Table 3

Total Population (Million people)	Total Product(Million FCFA)
1	15
2	22
3	30
4	36

The optimum population size of this country is

- A) 4,000,000 people.
 B) 3,000,000 people.
 C) 1,000,000 people.
 D) 2,000,000 people.

19. In Economics, the concept of choice is as a result of

- A) scale of preference.
 B) limited resources.
 C) opportunity cost.
 D) limited wants.

20. Geographical mobility of labour is limited by

- A) increase in the cost of training.
 B) adequate capital.
 C) trade union restrictions.
 D) social ties.

21. An example of two commodities which are in joint supply are

- A) mobile phone and sim card.
 B) torch and batteries.
 C) meat and fish.
 D) palm oil and palm kernels.

22. In national income, factors of production flow from

- A) households to firms .
 B) firms to households.
 C) producers to consumers.
 D) consumers to producers.

23. The weekly incomes of five students are: 3,500FCFA, 5,000FCFA, 3,500FCFA, 6,000FCFA and 5,500 FCFA. Calculate the median income.

- A) 4,700 FCFA.
 B) 4,500 FCFA.
 C) 5,000 FCFA.
 D) 3,500 FCFA.

24. A barrier on trade that yields revenue to the state is

- A) special deposit.
 B) quota.
 C) embargo.
 D) tariffs .

25. The internal affairs of a public limited company are regulated by

- A) certificate of incorporation.
 B) certificate of trading.
 C) articles of association.
 D) memorandum of association.

26. In the year 2017, there were 100,000 deaths in a population of 5 million people. What was the death rate?

- A) 10 percent
 B) 20 per thousand.
 C) 20 per cent.
 D) 10 per thousand.

27. When the external value of a country's currency is officially reduced, it is known as

- A) appreciation of currency.
 B) depreciation of currency.
 C) revaluation of currency.
 D) devaluation of currency.

28. People who benefit during inflation include

- A) businessmen.
 B) creditors.
 C) fixed income earners.
 D) savers.

29. Street lighting and public roads are examples of

- A) personal wealth.
 B) social wealth.
 C) business wealth.
 D) national wealth.

30. A market where goods are traded for immediate delivery is known as

- A) capital market.
 B) spot market .
 C) money market.
 D) competitive market.

31. Companies raise funds externally through

- A) past savings.
 B) depreciation funds.
 C) debentures.
 D) retained profits.

32. Unemployment caused by mental and physical disability is called

- A) residual unemployment.
 B) disguised unemployment.
 C) mass unemployment.
 D) frictional unemployment.

33. The control of weights and measures used by businessmen to avoid consumer exploitation is

- A) fiscal policy.
 B) physical policy.
 C) monetary policy.
 D) exchange rate policy.

34. When the minimum price is fixed, the people who gain are

- A) consumers.
 B) consumers and retailers.
 C) buyers.
 D) producers.

35. Firms maximise profits at the output level where

- A) $MC=MR$.
 B) $AR=AC$.
 C) $AR > AC$.
 D) $MR > MC$.

36. Credit creation is limited by

- A) increase in the minimum lending rate.
 B) increase in bank deposits.
 C) availability of collateral security.
 D) reduction in the cash ratio.

37. The transformation of cocoa beans into chocolate is
- primary production.
 - tertiary production.
 - secondary production.
 - extractive production.

38. If a 30% rise in the price of petrol causes a 60% fall in the quantity demanded of motor bikes, the price elasticity of demand is: meetlearn.com

- 0.5.
- 1.
- 1.5.

39. When short term securities are converted into long term securities, it is known as

- funding.
- special deposits.
- open market operation.
- special directives.

40. Given that a country's GNP for a given year was 400 billion FCFA and it had a population of 20 million people, its per capita GNP was

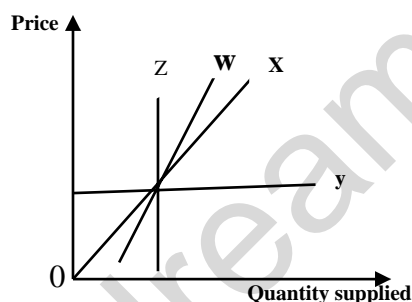
- 200 million FCFA.
- 20 million FCFA.
- 200,000 FCFA.
- 20,000FCFA.

41. Two employees in a company earn 200,000FCFA and 500,000 FCFA respectively, with each paying 20,000 FCFA as tax. What is the tax system applied?

- Progressive tax.
- Regressive tax.
- Flat rate tax.
- Proportional tax.

Question 42 is based on figure 1 below.

Figure 1



42. Identify supply curve X on the graph.

- Perfectly elastic supply.
- Fairly inelastic supply.
- Unit elastic supply.
- Perfectly inelastic supply

43. When diseconomies of scale occur

- average cost will rise.
- total revenue will rise.
- marginal cost will fall.
- fixed cost will fall.

44. An alternative name for peasant farming is

- mixed agriculture.
- subsistence agriculture.
- traditional agriculture.
- plantation agriculture.

45. That part of disposable income not spent on current consumption is known as

- hoarding.
- saving.
- unspent income.
- investment.

46. Given that the exchange rate between the dollars and the FCFA is 1 dollar =600 FCFA. How many dollars can be exchanged for 105,600 FCFA?

- 176 Dollars.
- 600 Dollars.
- 105 Dollars.
- 105,600 Dollars.

47. A method of measuring national income by summing up wages, profits, rents etc. is known as

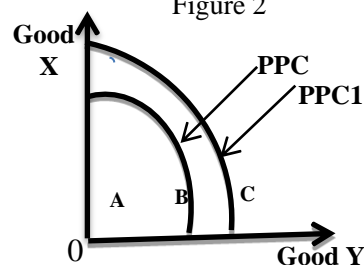
- value added approach.
- income approach.
- output approach.
- expenditure approach.

48. When the index of export prices is 98 and the index of import prices is 105, terms of trade are

- favourable.
- balanced.
- surplus.
- unfavourable.

Question 49 is based on figure2.

Figure 2



49. The movement from point A to point B is known as:

- potential economic growth.
- economic development.
- actual economic growth.
- economic welfare.

50. The likely source of government highest tax revenue is:

- value added tax.
- personal income tax.
- inheritance tax.
- poll tax.

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