

Government Bilingual High School Yaounde

Department of Economics

Economics 2: 0525

Class: Form 5.

School Year 2020/2021

Duration: 2H30mins

Coefficient 3

ORDINARY LEVEL

Mock GCE 2021.

**Instructions:** You are required to answer ANY FIVE questions of your choice. All questions carry equal marks. You are reminded of the necessity for good English and orderly presentation in your answers.

(1) Study the demand and supply schedules for fish below and answer the questions that follow.

Price per kg of Fish(FCFA)	Quantity demanded per week(kg)	Quantity supplied per week (kg)
800	10	38
700	15	34
600	19	28
500	24	24
400	30	15
300	36	8

- a) (i) State the market price (2mks)  
(ii) Suppose the government fixes the price per kg of fish at 400FCFA. What name is given to this price? (2mks)
- b) IF the government guaranteed the price per kg of fish at 700FCFA,  
(i) Calculate the total costs to the government if she has to buy the surplus at this price.(4mks)  
(ii) Outline four (4) consequences of this price. (4mks)
- c) Calculate the price elasticity of demand when the price rises from 300FCFA to 400FCFA.(4mks)
- d) Explain two (2) importance of the concept of price elasticity of demand to the government.(4mks)

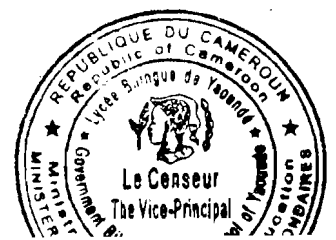
(2) a) State and explain four (4) sources of government revenue.(8mks)

b) Give and explain two (2) reasons each for the following types of budget:

(i) Budget Surplus (3mks)

(ii) Budget Deficits (3mks)

c) State and explain three (3) principles of a good tax system.



- (3) a) Explain two (2) similarities between a Central bank and a Commercial bank.(4mks)  
 b) State and explain four (4) functions of a commercial bank.(8mks)  
 c) State and explain four (4) effects of deflation in an economy.(8mks)
- 4) a) Differentiate with examples between the location of an industry and the localization of an industry.(4mks)  
 b) State and explain three reasons why the government may intervene in the location of industries in Cameroon. (6mks)  
 c) State and explain three motives for growth of firms.(6mks)  
 d) Explain any four facilities that exist in Cameroon for raising business capital (4mks)
- 5a) Explain the conditions under which price and quantity demanded will be increasing at the same time.(6mks)  
 b) With the aid of diagrams distinguish between a movement along the same supply curve and a shift in supply.(6mks)  
 c) The following figures are extracted from a joint demand and supply schedules. Study and answer the questions.

PRICE	Quantity demanded	Quantity supplied
40	9,500	9,000
50	10,000	10,000
60	9,500	12,000

- a) Calculate the price elasticity of demand as the price rises from 50frs to 60frs.(4mks)  
 b) Calculate the price elasticity of supply as price falls from 60 frs to 40frs.(4mks)
- 6)a) Differentiate between an ageing population and under population.(4mks)  
 b) State and explain any four factors that will influence a population census.(8mks)  
 c) How important was MALTHUS THEOR OF POPULATION TO CAMEROON? 8mks)

