

NC 11/11/21
HOD

OK

G.B.H.S YAOUNDE

DEPARTMENT OF ECONOMICS

PROMOTION EXAMINATION FOR 2020/2021 SCHOOL YEAR

SUBJECT: ECONOMICS TIME: 1HR 30MINS , CLASS: LSA

ANSWER ALL QUESTIONS

QUESTION 1

A) Explain the following;

- i) Indifference curve (2marks)
- ii) Marginal rate of substitution (2marks)
- iii) An indifference map (2marks)

B) i) State three assumptions of indifference curve (2marks)

ii) State three characteristics of the indifference (2marks)

QUESTION 2

Why do prices of agricultural product fluctuate more than those of manufacturing product (10marks)

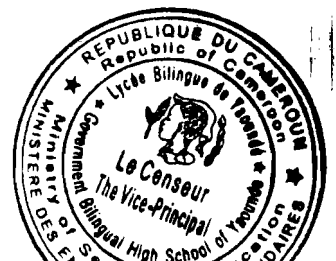
QUESTION 3

The table below constitutes the demand and supply schedules

| Price | Qd (000)kilos | Qs (000)kilos |
|-------|---------------|---------------|
| 1000 | 60 | 38 |
| 1500 | 55 | 45 |
| 2000 | 50 | 50 |
| 2500 | 45 | 55 |
| 3000 | 40 | 62 |
| 3500 | 35 | 68 |
| 4000 | 30 | 80 |

QUESTIONS

- a) State the equilibrium price and quantity (2marks)
- b) What is the effect of imposing a price of
 - i) 3000frs
 - ii) 1500 (2marks)



c) Suppose the government gives a subsidy of 1000frs per kilo, what will be the new supply schedule (4marks)

QUESTION 4

a) With the use of examples, distinguish between explicit and implicit cost (4marks)

b) Complete the table below (4marks)

| Qty (kgs) | TFC MF | TVC MF | TC MF |
|--------------|-----------|-----------|----------|
| 0 | | | 60 |
| 1 | | | 90 |
| 2 | | | 100 |
| 3 | | | 105 |
| 4 | | | 115 |
| 5 | | | 135 |
| 6 | | | 180 |

c) Sketch the above costs on a graph (2marks)

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