

**SOUTH WEST REGIONAL MOCK EXAMINATION
GENERAL EDUCATION**

THE TEACHERS' RESOURCE UNIT (TRU)
Cellule d'appui à l'action Pédagogique

IN COLLABORATION WITH
En collaboration avec

**THE REGIONAL INSPECTORATES OF PEDAGOGY AND
THE SUBJECT TEACHERS' ASSOCIATIONS (STA)**

THURSDAY 24/03/2022 (Morning Session)

ORDINARY LEVEL

Subject Title	Economics
Paper Number	Paper 2
Subject Code Number	0525

TWO HOURS

INSTRUCTIONS TO CANDIDATES:

Answer any FIVE questions.

All questions carry 20 marks each. For your guidance, the approximate mark for each part of a question is indicated in brackets.

You are reminded of the necessity for good English and orderly presentation in your answers.

In calculations, you are advised to show all the steps in your working, giving your answer at each stage.

Calculators are allowed.

1. a. Distinguish between: (4mks)
 i. The division of labour and specialization of labour. (4mks)
 ii. Internal economies of scale and external economies of scale. (6mks)
 b. State and explain three (3) factors that hinder geographical mobility of labour. (6mks)
 c. Explain three (3) methods by which firms integrate.

2. a. Distinguish between state planned economy and market economy. (8mks)
 b. State and explain four (4) problems of industrialization in the economy of Cameroon. (8mks)
 c. What inter-relationship exists between agriculture and industrialization? (4mks)

3. a. Study the following demand and supply schedule for rice and answer the questions that follow.

Price per Kg (FCFA)	Quantity demanded (kg)	Quantity supplied (kg)
300	140	220
250	160	200
200	180	180
150	200	160
100	220	140

- i. What is the equilibrium price and quantity? (2mks)
 ii. Calculate the price elasticity of demand when price rises from 150FCFA to 250FCFA (4mks)
 b. Explain the consequences of maximum price control (6mks)
 c. State and explain four (4) factors that influence the supply of rice (8mks)
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4. a. Explain the role played by banks such as BICEC and SGBS in the economy of Cameroon. (8mks)
 b. State and explain three (3) instruments used by BEAC to regulate the supply of money in the economy of its member states. (6mks)
 c. Explain three (3) reasons why people demand money. (6mks)

5. a. The table below shows the production of corn by a certain firm.

Fixed factor (land)	Variable factor (labour)	Total product (kg)	Marginal product (kg)	Average product (kg)
1	1	10		
1	2	22		
1	3	36		
1	4	5		
1	5	52		
1	6	52		

- i. Complete the table by calculating marginal product and average product (6mks)
 ii. Over what range of employment is this firm experiencing increasing returns and why? (3mks)
 b. Over what range of employment does the firm experience diminishing returns and why? (3mks)
 c. State the law of diminishing returns. (2mks)

- d. State and explain three (3) reasons for the continuous existence of small firms despite the advantages of large firms. (6mks)

6. a. Define the following:
 i. Optimum population (2mks)
 ii. Under population (2mks)
 b. The following data is collected from the population statistics of a country in 1980

Total population	12 million inhabitants
Number of births	500000 children
Number of deaths	250000 people
Immigration	150000 people
Net migration	50000 people

- i. Calculate the natural increase. (4mks)
 ii. How many emigrants did the country register that year? (2mks)
 iii. What is the migration rate of the country? (2mks)
 c. i. State and explain any two (2) causes of high Birth Rates (4mks)
 ii. State and explain any two (2) effects of high Death Rates (4mks)

7. a. Differentiate between the following:
 i. Balance of trade and balance of payment (4mks)
 ii. Comparative and absolute advantage (4mks)
 iii. Tariff and quota (4mks)
 b. State and explain four (4) advantages of international trade (8mks)

8. a. Define:
 i. National income (2mks)
 ii. Gross national product (2mks)
 b. State and explain:
 i. Any four (4) reasons for measuring the national income of your country (8mks)
 ii. Four (4) problems encountered in the measuring of the national income of a country (8mks)