



FORM FIVE FIFTH SEQUENCE EVALUATION

BA

Subject Title	ECONOMICS
Name of students	
subject code number	0525

Time Allowed: Two and Half hour

INSTRUCTIONS

ANSWER FIVE QUESTIONS AND ALL QUESTIONS CARRY EQUAL MARKS

- 1) State and explain Four(4) reasons why firms grow in size.(8mks)
  - b) State and explain four external economies of scale.( 8mks)
  - c) identify the following internal economies of scale
    - i) large firms find it easier to borrow from financial house because they have valuable assets for use as collateral security.
    - ii) The ability for large firms to hire expert's sales men and expert buyers to reduce sales cost or huge discount respectively.
    - iii) When large firms produce varieties such that a fall in the price of one can be made good by an increase in the demand for other.
    - iv) The ability of large firms to make use of large equipment, specialisation full use of machines and better use of capital asset without use of model 1+1+1+1(4mks)
- 2(a) briefly explain the following
  - i) visible trade
  - ii)invisible trade
  - iii) current account
  - iv) capital account 2+2+2+2(8mks)
- b) state and explain four advantages of international trade to a country like cameroon(8mks)
- (C) Explain two methods that the cameroon government will use to restrict international trade.(4mks)

3(a) Distinguish between the following

i) direct and indirect tax

ii) progressive and regressive tax 4×4(8mks)

b) state and explain advantages of direct tax( 6mks)

c) Explain three source of government revenue other than taxation(6mks)

4(a) Briefly explain the following

i) joint demand

ii) competitive demand

iii) joint supply

iv) competitive supply 2+2+2+2(8mks)

b) State and explain four factors influencing the elasticity of demand for a commodity (8mks)

c) Explain two determinants of price elasticity of supply (4mks)

5) Distinguish between real national income and money national income(4mks)

(B) State and explain four difficulties encountered by countries when measuring national income.( 8mks)

(C) Explain four reasons why it is necessary for a country to measure its National income(8mks)

7) with the use of suitable examples, explain the following term as used in economics

i) scarcity (4mks)

ii) opportunity cost (4mks)

iii) utility(4mks)

B) Study the table below which shows the utility of an individual consumer of beans over a period

Number of plates of beans consumed	1	2	3	4	5
marginal utility(mu in utils)	20	16	9	0	-5
Total utility(Tu)					

in utils)					
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i) complete the table above by calculating values for Total utility(5mks)

ii) At what level of consumption will the consumer attain the point of disutility and why.(3mks)

8)clearly explain four qualities of money which enable it to perform it's functions.(8mks)

B) Briefly outline four methods by which commercial bank acts as agents of payment(10mks).

**Good luck !! pass is best, fail is better but ban is worst.**