



CANDIDATE'S FULL NAMES

PREMOCK 2025 EXAMINATION DATE:		ORDINARY LEVEL
SUBJECT TITLE	SUBJECT CODE NO.	PAPER NUMBER
ECONOMICS	0525	2

Time Allowed: TWO HOURS

INSTRUCTIONS TO CANDIDATES:

- 1. Answer ANY FOUR (5) questions in this booklet. The marks allocation is indicated for each question. Each question carries equal marks.*
- 2. Verify to see that this questions paper contains eight questions, no questions are repeated and there are no blank pages. Inform the invigilator in case this question paper contains less than eight questions, questions are repeated or there are blank pages so that the questions paper should be change.*
- 3. In calculations. You are advised to show all steps in your working, giving your answer at each stage.*
- 4. All necessary working must be shown. No marks will be awarded for answers without brief statements showing how the answers have been obtained.*
- 5. NON-PROGRAMABLE Calculators may be used.*

1. a) Distinguish between the following with examples where necessary as used in Economics:

i.) Scarcity and shortage

ii.) Wants and Needs

iii.) Economy and economic system (4x3=12marks)

b.) State and explain four advantages of a capitalist economic system (8marks)

2. (a) (i) Distinguish between Direct and Indirect Production (2marks)

ii) Economies of scale and diseconomies of scale (2marks)

iii.) Division of labour and efficiency of labour (2marks)

(b) With the help of a table classify the following statements into direct and indirect production. (6marks)

- The production of cocoyams for personal consumption.
- A carpenter produces a cupboard for sale
- Weaving a basket to help you carry house waste.
- A teacher preparing students to take Economics as a subject in the upcoming GCE Examination at a fee.
- A musician playing his guitar at his leisure time.
- A woman frying puff- puff for sale

c.) Explain **four** determinants of efficiency of labour (8marks)

3.) Briefly define the following;

i. Joint demand

ii. Competitive demand

iii. Joint supply

iv. Competitive supply

(2+2+2+2)=(8marks)

b) With the used of diagrams differentiate between a change in demand and a change in quantity demand (8 marks)

c) Explain

4. (a) Clearly explain four (04) qualities of money which enables it to perform its functions. (10mks)

b. Briefly out line four (04) methods by which commercial banks act as agents of payment. (10mks)

5. Below is the capital structure of AYZ Company limited. 1,200,000 FCFA Debenture at 5% 1,000,000 FCFA Preference shares at 6% 10,000,000 FCFA Ordinary shares. AYZ in 2010, made a profit of 800,000 FCFA.

a. Calculate the share of profit to;

i. Debenture holders. (4mks)

ii. Preference shareholders. (4mks)

iii. Determine the amount of total capital raised from the sale of the different securities. (4mks)

b. Make a distinction between ordinary shareholders and debenture holders. (8mks)

Q6). a) Define the following;

- i. A plant
 - ii. A firm
 - iii. Vertical integration
 - iv. Conglomerate
- b) i. State and explain three examples of external economies of scale
- ii. Explain three importance of small firms to the economy of Cameroon

7. (a) Define the following terms as used in economics:

- i. Transfer payments. (2mks)
 - ii. Investment. (2mks)
 - iii. Per capita income. (2mks)
 - iv. Consumption. (2mks)
 - v. Depreciation. (2mks)
- b. Explain four (04) factors that can increase the size of a country's national income. (10mks)

8.(a) Distinguish between the following:

- i. Emigration and immigration.(4mks)
- ii. Growing population and declining population.(4mks)

(b)State and explain three (03) main factors that influence changes in the population of a country.(12mks)