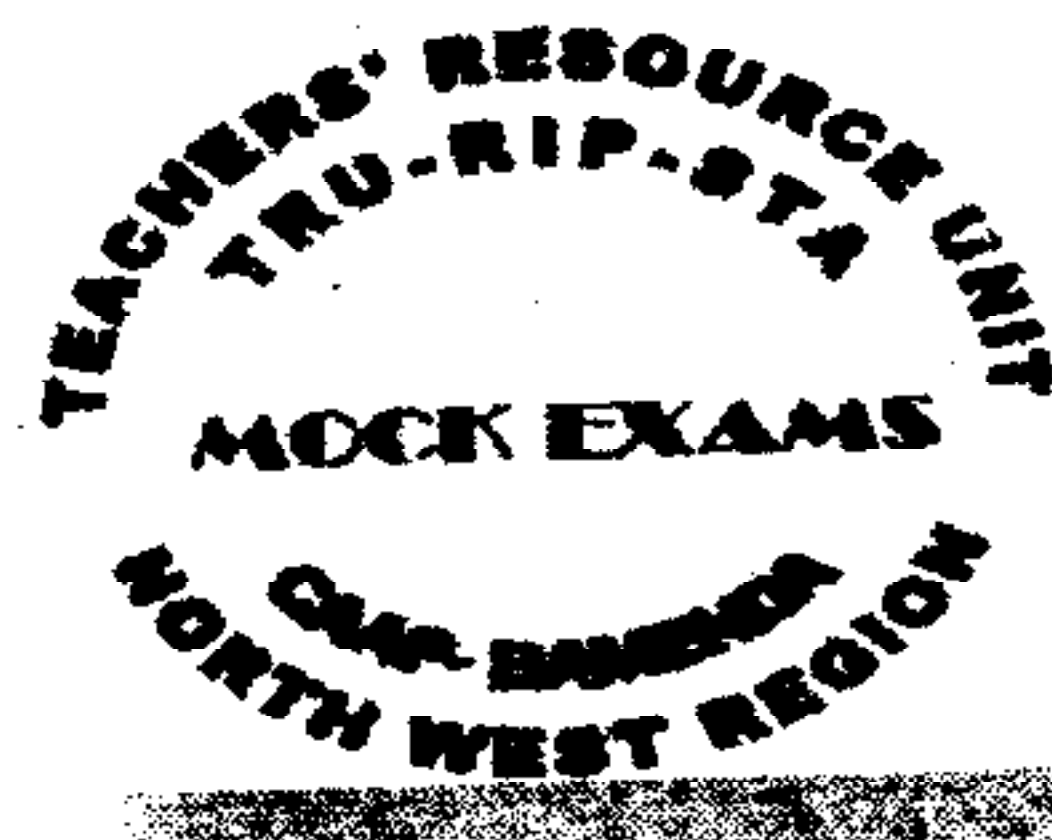


REPUBLIQUE DU CAMEROUN
Paix-Travail-Patrie
MINISTRE DES ENSEIGNEMENTS SECONDAIRES

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MARCH 2024

The Teachers' Resource Unit and the Regional Inspectorate of Pedagogy, in collaboration with the North West Economics Teachers' Association (NOWETA)	SUBJECT CODE NUMBER 0725	PAPER NUMBER 1
GENERAL CERTIFICATE OF EDUCATION AND ADVANCED TECHNICAL AND VOCATIONAL EDUCATION REGIONAL MOCK EXAMINATION	SUBJECT TITLE ECONOMICS	
CANDIDATE NAME:		
CANDIDATE NUMBER:		
CENTRE NUMBER:	ADVANCED LEVEL	

Time Allowed: One and a half hours
INSTRUCTIONS TO CANDIDATES:

Mobile phones are **NOT ALLOWED** in the examination room.

1. USE A SOFT HB PENCIL THROUGHOUT THIS EXAMINATION.
2. DO NOT OPEN THIS BOOKLET UNTIL YOU ARE TOLD TO DO SO.

Before the Examination begins:

3. Check that this question booklet is headed "Advanced level -0725 code and subject title—Economics Paper 1".
4. Insert the information required in the spaces above.

5. Without opening the booklet, pull out the answer sheet carefully from inside the front cover of this booklet. Take care that you do not crease or fold the answer sheet or make any marks on it other than those asked for in these instructions.
6. Insert the information required in the spaces provided on the answer sheet using your HB pencil:

Candidate Name, Centre Number, Candidate Number, Subject Code Number, and Paper number

How to answer questions in this examination:

7. Answer ALL the 50 questions in this examination. All questions carry equal marks.

8. Non-programmable calculators are allowed.

9. For each question there are four suggested answers, A, B, C and D. Decide which answer is correct. Find the number of the question on the Answer Sheet and draw a horizontal line across the letter to join the square brackets for the answer you have chosen. For example, if C is your correct answer, mark C as shown below:

[A] [B] [C] [D]

10. Mark only one answer for each question. If you mark more than one answer, you will score zero for that question. If you change your mind about an answer, erase the first mark carefully, and then mark your new answer.
11. Avoid spending much time on any question. If you find a question difficult, move to the next question. You can come back to this question later.
12. Do all rough work in this booklet using, where necessary, the blank spaces in the question booklet.
13. You must not take this booklet and answer sheet out of the examination room. All question booklets and answer sheets will be collected at the end of the examination

TURN OVER 1

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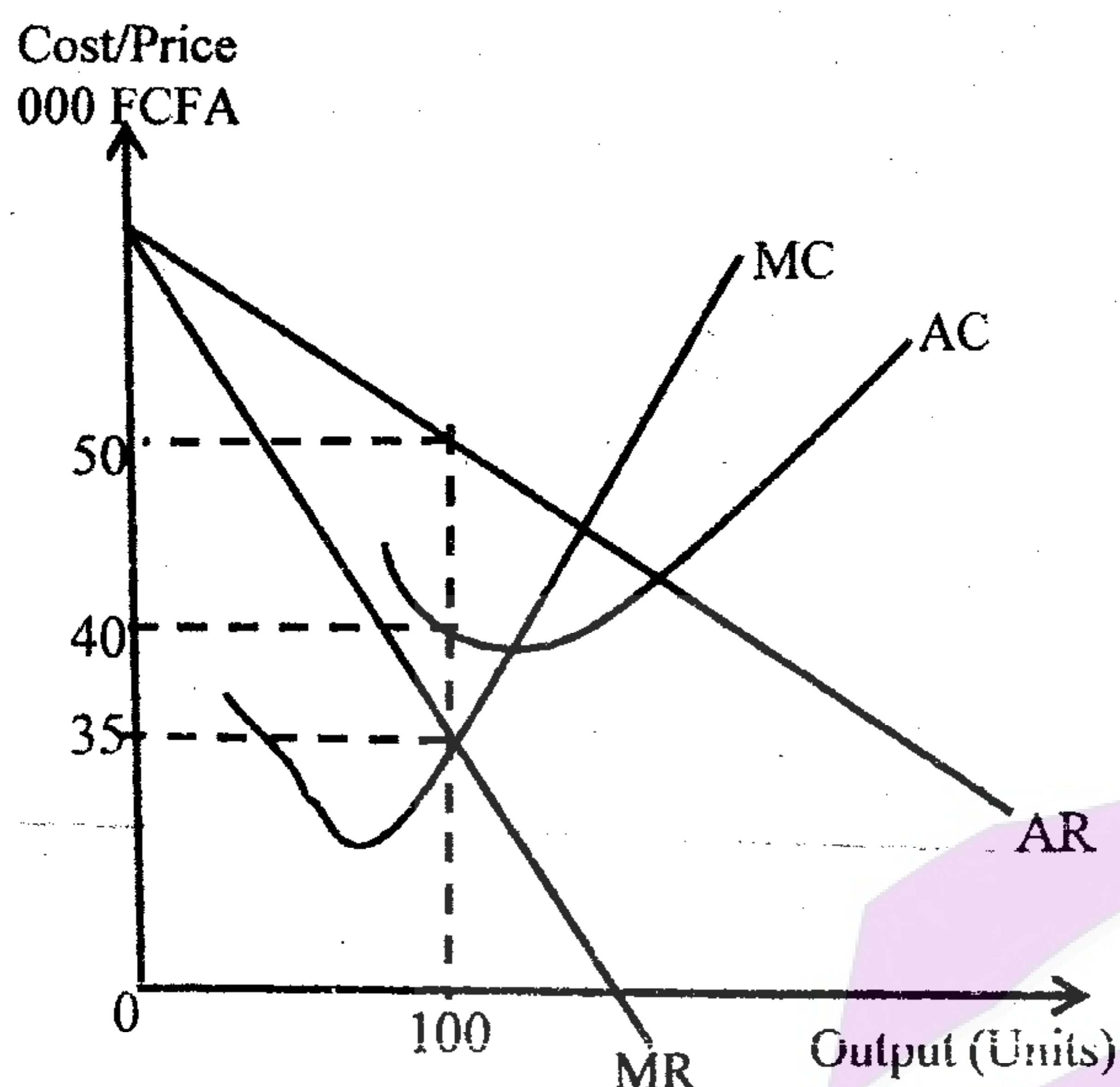
1. The statement, "a fall in the supply of petrol will lead to a rise in its price" can be considered in Economics as :
A) normative.
B) pure.
C) positive.
D) value judgement.
 2. Since the laboratory of an economist is the human society, Economics is considered as a/an:
A) pure science
B) social science
C) physical science.
D) earth science.
 3. The type of economic system practised in Cameroon is known as:
A) capitalist.
B) command.
C) mixed.
D) traditional.
 4. Which of the following is a role played by the price mechanism?
A) Resource allocation role.
B) Bureaucratic role.
C) Redistributive role.
D) Social welfare role.
 5. A table used by a baker is an example of a:
A) non-durable consumer good.
B) durable producer good.
C) durable consumer good.
D) non-durable producer good.
 6. Beer, wine and whisky, are best considered as:
A) giffen goods.
B) merit goods.
C) demerit goods.
D) superior goods.
 7. To which sector of the economy do scientific research, information and communication technology belong?
A) Primary.
B) Secondary.
C) Quinary.
D) Quaternary.
- Question 8 is based on Table 1 which shows the monthly output of an imaginary firm and its total costs.
- Table 1
- | | | | | | |
|----------------------|-----|-----|-----|-----|-----|
| Output(tons) | 0 | 10 | 20 | 30 | 40 |
| Total costs(000FCFA) | 100 | 150 | 180 | 210 | 320 |
8. At what level of output is the average fixed cost lowest?
A) 10 tons.
B) 20 tons.
C) 30 tons.
D) 40 tons.
 9. The level of education and training of a population will likely influence its
A) elasticity of labour supply.
B) elasticity of demand for labour.
C) supply of labour.
D) efficiency of labour
 10. If the number of emigrants is greater than the number of immigrants, a country is said to be experiencing:
A) net emigration.
B) net immigration.

- C) migration.
D) exodus.
11. The average number of daughters a woman can have during her entire lifetime is known in Economics as:
A) net reproduction rate.
B) nuptiality rate.
C) natality rate.
D) birth rate
12. If the price of a loaf of bread falls by 15 % and the total revenue from its sales increases, the demand for bread will likely be:
A) fairly elastic.
B) fairly inelastic.
C) perfectly elastic.
D) perfectly inelastic.
13. Which of the following factors will reduce the quantity demanded of a good?
A) Fall in consumers' incomes.
B) Reduction in the size of the population.
C) A change in the structure of the population.
D) A rise in the price of the good.
14. A decrease in the supply of good A will cause:
A) a rise in its price and an extension in its demand.
B) a fall in the price of good A and a contraction in its demand.
C) a rise in its price and a contraction in its quantity demanded.
D) a fall in its price and an extension in demand.
15. A Minimum price legislation will likely lead to:
A) price reduction.
B) long queues.
C) shortages.
D) market surplus.
16. When people are able to buy a good for an amount less than they were willing to pay, they experience:
A) consumer surplus.
B) diminishing marginal utility.
C) maximum total utility.
D) Veblen effect.
17. A firm achieves allocative efficiency when it produces where:
A) $MC=AR$.
B) $MC=AC$.
C) $MR=0$.
D) $MR=MC$
18. A market structure dominated by a few giant firms producing identical products is known as:
A) imperfect oligopoly.
B) monopolistic competition.
C) duopsony.
D) perfect oligopoly.
19. Monopolists and oligopolists in the long run are likely to:
A) breakeven.
B) be productively efficient.
C) earn abnormal profits.
D) be technically efficient..
20. When the costs of entry and exit are zero, a market is said to be:
A) perfectly contestable.
B) practicing price discrimination.
C) producing differentiated goods.
D) producing a unique product.



Question 21) is based on figure 1 below which shows the costs and revenue situation of a firm.

Figure 1



21 What is the total abnormal profit of this firm at 100 units?

- A) 5000,000 FCFA.
- B) 1,000,000 FCFA.
- C) 1,500,000 FCFA.
- D) 5,000,000 FCFA.

22 Quasi rent will likely disappear in the long run when the:

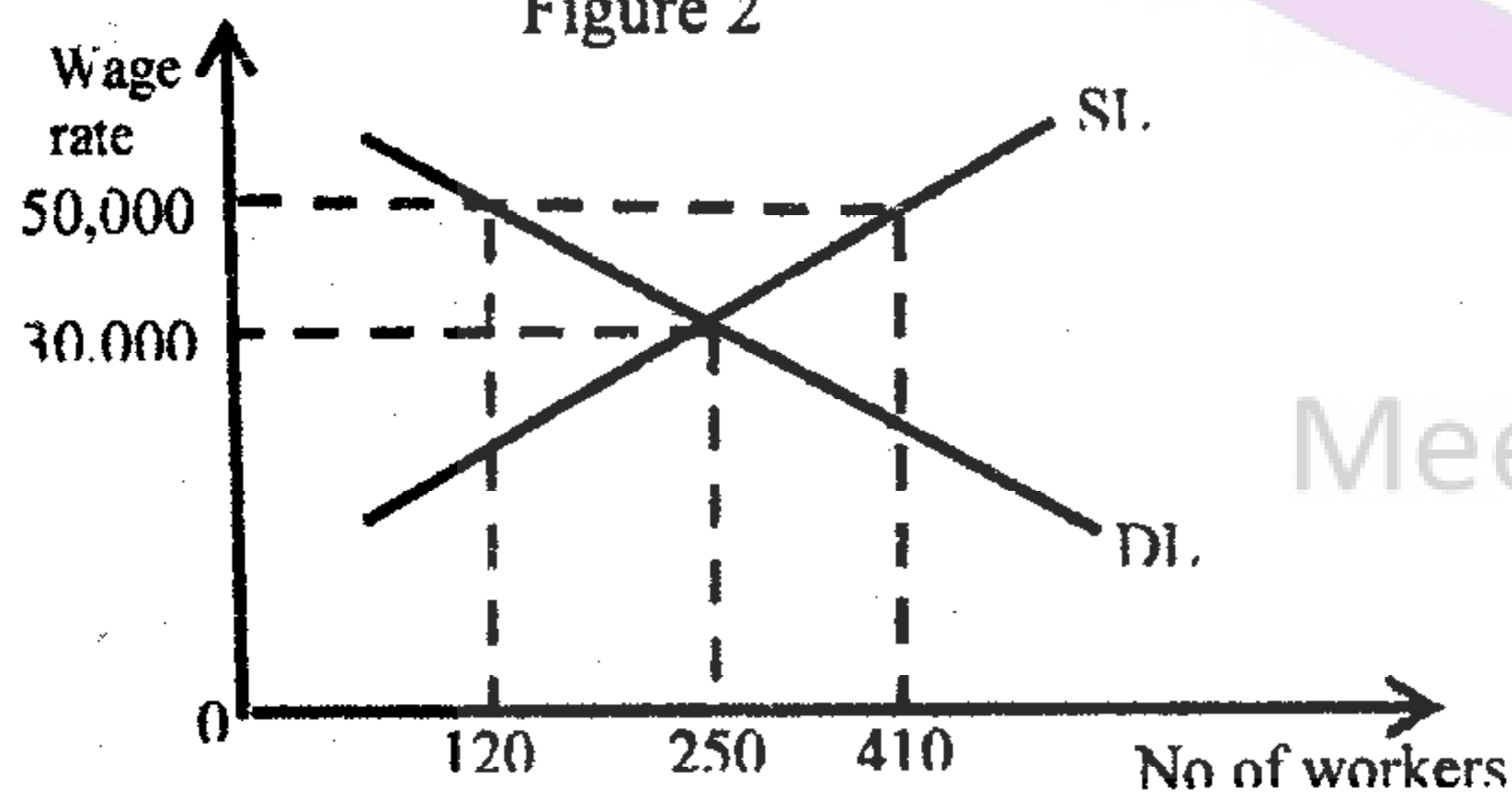
- A) price of the factor rises.
- B) supply of the factor increases.
- C) factor has no close substitutes.
- D) factor has only one use.

23. A trade union in which membership constitutes a condition for employment is described as:

- A) a closed Shop.
- B) a union Shop.
- C) an open Shop.
- D) a labour Union Shop.

Question 24 is based on figure 2 below which shows the wage rate and the number of workers employed

Figure 2



24. How many workers will actually lose their jobs as a result of an increase in the wage rate from 30,000 to 50,000?

- A) 120 workers.
- B) 130 workers.
- C) 160 workers.
- D) 290 workers.

25. Which of the following is a measure of labour productivity?

- A) The ratio of labour to capital.
- B) Real output per capital.
- C) Real output per worker.

D) The ratio of capital to labour.

26. In measuring national income using the output method, adjustments for financial services are deducted in order to:

- A) make adjustment for residual error.
- B) eliminate the effect of stock appreciation.
- C) record all interest paid by financial institutions.
- D) avoid double counting of interest paid and received by financial institutions.

27. An increase in real national income per capita implies an increase in economic welfare unless:

- A) there is equitable distribution of income
- B) additional output results in negative externalities.
- C) additional output is on consumable items.
- D) quality of output improves.

Question 28 is based on table 2 below

Table 2

Year	National income(in million FCFA)	Index of Prices	Population (million)
1	120,000	100	2,500,000
2	200,000	125	4,000,000

28. What is the percentage change in real income over the two year period?

- A) 25 %.
- B) 33.3 %.
- C) 50 %.
- D) 20 %.

29. When the average propensity to consume is greater than 1, it means saving is:

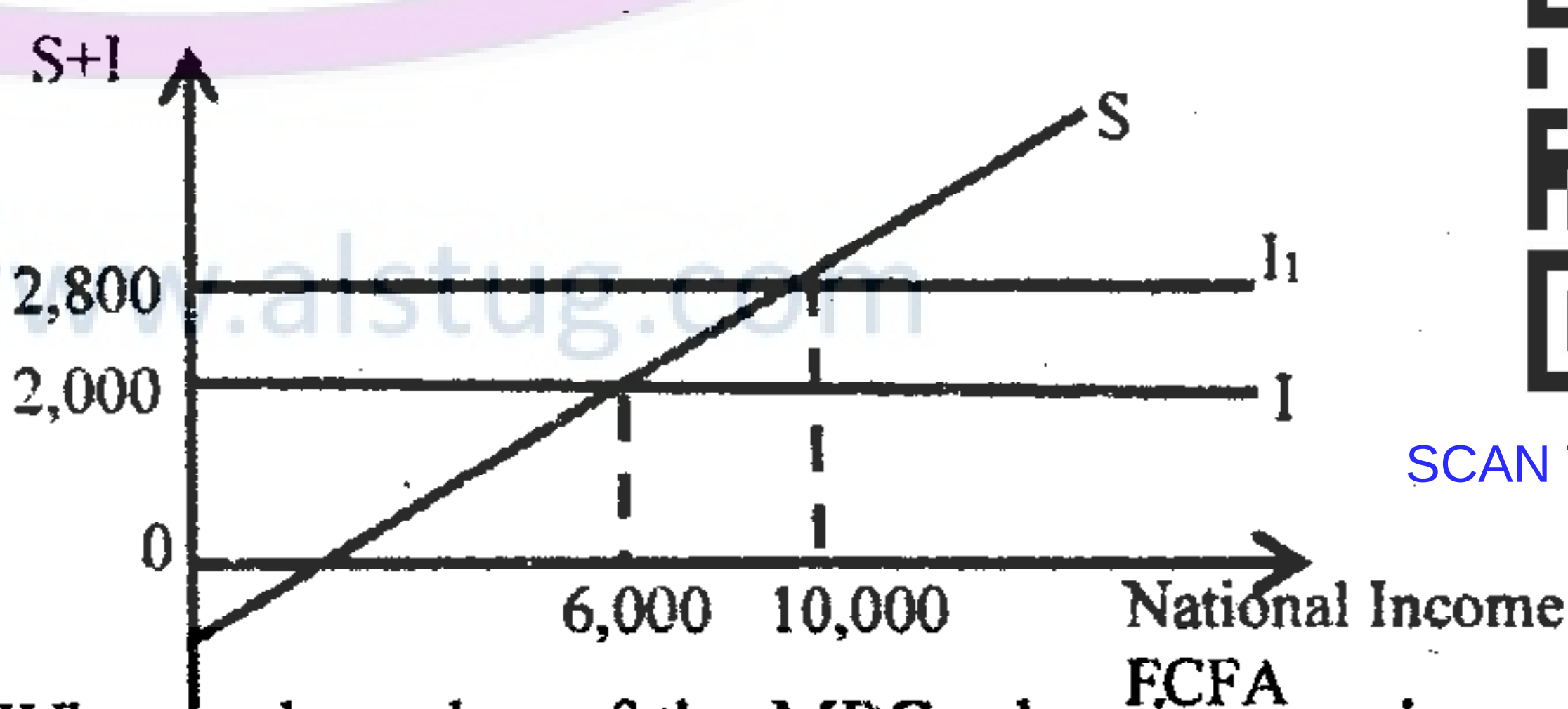
- A) constant.
- B) zero.
- C) increasing.
- D) negative..

30. If firms expect an increase in the demand for consumer goods to be temporary, they will likely:

- A) draw on the existing stocks.
- B) purchase more heavy machines.
- C) invest more.
- D) produce more capital goods.

Question 31 is based on figure 3 below showing the saving(S) and investment (I) functions.

Figure 3

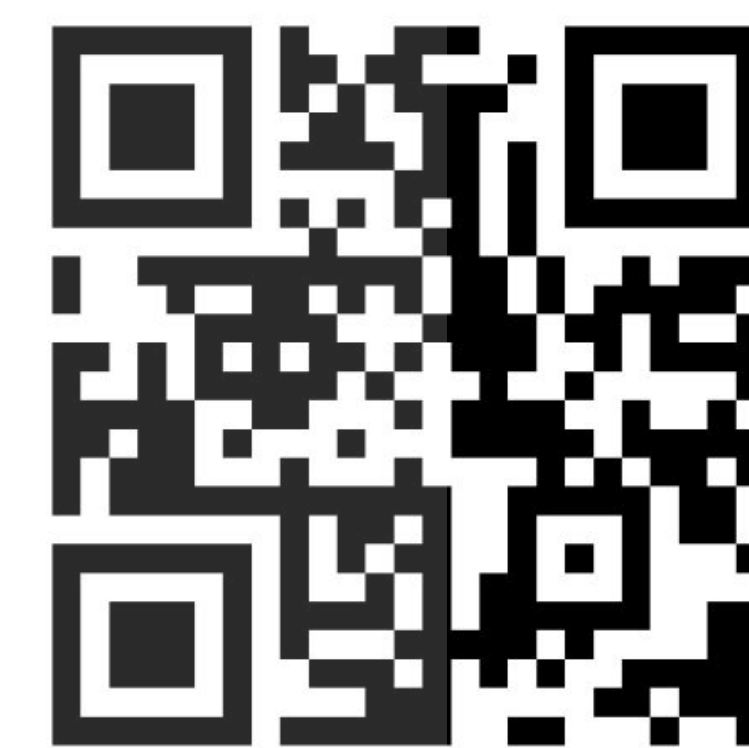


31. What is the value of the MPC when income increases from 6,000 FCFA to 10,000 FCFA?

- A) 0.2.
- B) 0.4.
- C) 0.6.
- D) 0.8.

32. In an economy, the level of national income is 30,000 billion FCFA and the full employment level of national income is 34,000 FCFA. If government spending required to achieve full employment level is 1,000 billion FCFA, what is the value of the marginal rate of leakage in this economy?

- A) 0.25.



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- B) 0.5.
- C) 0.8.
- D) 0.4.

33. If the MPC of all people in a closed economy is equal, then a rise in taxation of 100 billion FCFA and of government spending of 100 billion FCFA will cause national income to:

- A) rise by 100 billion FCFA.
- B) remain constant.
- C) fall by 100 billion FCFA.
- D) rise by less than 100 billion FCFA.

34. In a two sector economy, $Y = C + I$. If consumption, $C = 10$ million FCFA + $0.25 Y$, planned investment = 40 million FCFA and national income = 400 million FCFA, what is the value of unplanned investment in this economy?

- A) 110 million FCFA.
- B) 290 million FCFA.
- C) 250 million FCFA.
- D) 390 million FCFA.

35. Which quality of money is affected negatively by inflation?

- A) Storage.
- B) Durability.
- C) Stability.
- D) Medium of exchange.

36. Rising costs can be passed on to consumers by producers in the form of higher prices without a loss of income if:

- A) demand is fairly elastic.
- B) demand is fairly inelastic.
- C) supply is fairly inelastic.
- D) supply is fairly elastic.

37. If a commercial bank's base rate is 10 %, it will likely pay interest to holders of deposit account of:

- A) less than 10 %.
- B) exactly 10 %.
- C) more than 10 % but less than 15%
- D) more than 20 % in order to encourage more deposits.

38. An instruction given by the central bank to commercial banks telling them to lend more to exporters and less to customers for consumption is known as:

- A) moral suasion.
- B) directive.
- C) funding.
- D) open market operation.

39. A tax will have the effect of automatically stabilizing the economy if its yield:

- A) increases with a rise in income.
- B) falls with a rise in income.
- C) increases with a fall in income.
- D) remains constant with a rise in income.

40) A disadvantage of a high income tax is that it:

- A) can be passed on to the consumers.
- B) may be disincentive to effort.
- C) makes the distribution of income more unequal.
- D) will raise the public sector borrowing requirement.

41) The tendency for increased government borrowing and spending to cause an increase in private sector investment is called:

- A) fiscal drag.
- B) fiscal boost.

- C) crowding-out effect.
- D) crowding-in effect.

42. An overall budget deficit will:

- A) likely decrease aggregate demand and the national debt.
- B) tend to increase aggregate demand and probably increase the national debt.
- C) likely reduce fiduciary issue in the economy.
- D) tend to increase the level of unemployment in the economy.

43. Depreciation of a country's currency will likely make:

- A) exports cheaper and imports dearer in terms of foreign currency.
- B) exports dearer and imports cheaper in terms of foreign currency.
- C) exports dearer and imports dearer.
- D) exports cheaper and imports cheaper.

44. With an increase in national income, a country will likely spend more on imports and if exports are autonomous, everything remaining equal, the balance of payments will:

- A) improve.
- B) be a surplus.
- C) be balanced.
- D) worsen.

45. Assume that in country A, good X costs 100 FCFA per unit and good Y costs 200 FCFA. In country B, good X costs 250 FCFA per unit and good Y costs 500 FCFA. If trading opportunities arise, then:

- A) country A will export good X and import good Y.
- B) no trade will take place between countries A and B.
- C) country B will export good Y and import good X.
- D) each country will specialize in the good in which it has a comparative cost advantage.

46. Tariff levied on goods with an inelastic price elasticity of demand will likely:

- A) raise more revenue than reduce imports.
- B) encourage efficiency.
- C) encourage dumping.
- D) result in lower prices in the protected nation.

47. Which of the following policies implemented by the government will most likely result in economic growth?

- A) An increase in indirect tax.
- B) Raising the rate of interest.
- C) Raising the rate of exchange.
- D) An improvement in education and training.

48. Saving enables investment and hence economic growth by:

- A) providing incentives for households to save.
- B) instilling more confidence in the economy.
- C) encouraging high level of demand.
- D) providing funds for firms to invest.

49 Most developing countries have a:

- A) low capital-labour ratio.
- B) high capital-labour ratio.
- C) high capital-output ratio.
- D) low dependency ratio.

50. If a developing country uses tariffs and other forms of trade restrictions to replace imports with domestic goods, this development strategy is known as:

- A) promoting export-led growth.
- B) import substitution.
- C) improving productivity.
- D) developing infant industries.

END



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