

ECONOMICS

EXAMINATION SCHEME

There will be two papers - Paper 1 and Paper 2; both of which will be combined in a 3 hour composite paper.

Paper 1: will consist of fifty multiple choice questions to be taken in 1 hour for 50 marks.

Paper 2: will consist of eight essay- type questions in two sections: Sections A and B. Section A shall be on data response. Candidates will be required to answer four questions in all, choosing one question from Section A and any three questions from Section B. The paper shall last 2 hours for 80 marks.

SAMPLE QUESTIONS

OBJECTIVE

1. One of the advantages of large scale production is that
 - A. there is a rise in the cost of administration.
 - B. consumers sacrifice their individual tastes.
 - C. the firm can use labour-saving machinery.
 - D. the demand for a firm's products becomes localized.
2. The location of timber and plywood industries in West Africa is mainly influenced by the availability of
 - A. transport.
 - B. water.
 - C. raw materials.
 - D. labour supply.
3. Malthus' population theory states that
 - A. high death rate may lead to low productivity.
 - B. population may outgrow the means of subsistence.
 - C. people will always decide to have children.
 - D. migration may leave some parts of the world barren.

4. Which of the following is **not** likely to be an effect of a growing population?
- A. Rise in demand
 - B. Unemployment
 - C. Fall in standard of living
 - D. High per capita income
5. Personal savings are generally low in West Africa because of
- A. the level of income of the people.
 - B. the refusal of banks to grant loans.
 - C. overpopulation.
 - D. cheaper foreign currencies.
6. Devaluation of currency in a country is likely to lead to
- A. increasing population.
 - B. increasing imports.
 - C. exports becoming cheaper.
 - D. reduced exports.
7. Which of the following is **not** a benefit derived from the petroleum industry?
- A. Increased foreign exchange earnings
 - B. Establishment of refineries and petrochemical industries
 - C. Employment of a greater proportion of the population
 - D. Development of airports, seaports and other social infrastructure
8. An efficient weapon used in resolving disputes between employees is
- A. co-operation.
 - B. collective bargaining.
 - C. display of placards.
 - D. legal action.
9. A country's balance of payment is in deficit when
- A. a country's payments for imports of invisible goods are greater than her receipts from exports of invisible goods.
 - B. the total receipts from her export of visible and invisible goods are greater than her payments for visible and invisible imports.
 - C. it can record a surplus on current account of her balance of payments accounts.
 - D. the total payments for visible and invisible imports are greater than the total receipts from her exports of visible and invisible goods.

10. Which of the following features **best** describes peasant agriculture in West Africa? It
- A. specializes in the production of one crop.
 - B. involves the use of small farm holdings.
 - C. is a capital-intensive system of farming.
 - D. is mostly associated with tree crops

PAPER 2
(ESSAY)

1. The table below represents a traveller's consumption of bottles of Coca-Cola. Study it carefully and answer the questions that follow:-

| <i>No. of Bottles</i> | <i>Total Utility</i> | <i>Marginal Utility</i> |
|-----------------------|----------------------|-------------------------|
| 1 | 15 | 15 |
| 2 | 29 | F |
| 3 | 42 | 13 |
| 4 | D | 12 |
| 5 | 65 | G |
| 6 | 75 | H |
| 7 | E | 0 |

- (a) Determine the missing figures D, E, F, G and H.
 - (b) Draw the demand curve for the traveller's consumption of Coca-Coca.
 - (c) Explain the law of diminishing marginal utility as the basis for the slope of the traveller's demand curve.
- 2.
- (a) Distinguish between *economic activities* and *an economic system*.
 - (b) Explain the following terms:
 - (i) *production*;
 - (ii) *distribution*;
 - (iii) *consumption*.
- 3.
- (a) With the aid of a diagram, explain *a minimum price*.
 - (b) State any **five** measures by which a minimum price for an agricultural produce can be made effective.

4.
 - (a) Describe the output method of measuring the gross domestic product of a country.
 - (b) How is the net national product at factor cost obtained from gross domestic product?
 - (c) State **two** problems associated with the output method.
5.
 - (a) Explain *the function of money* as a
 - (i) measure of value;
 - (ii) store of value.
 - (b) Show how inflation affects these two functions of money.
6.
 - (a) What is a *commercial bank*?
 - (b) Describe any **four** ways by which the Central Bank controls the amount of credit given by the commercial banks.
7.
 - (a) Differentiate between *human capital* and *physical capital*.
 - (b) State **three** ways of improving on the stock of human capital in your country.