



**ZIMBABWE SCHOOL EXAMINATIONS COUNCIL**  
**General Certificate of Education Advanced Level**

**ECONOMICS**

PAPER 3 Essays

**6073/3**

**NOVEMBER 2021 SESSION**

**3 hours**

Additional materials:  
Answer paper

**TIME** 3 hours

**INSTRUCTIONS TO CANDIDATES**

Write your name, centre number and candidate number in the spaces provided on the answer paper/answer booklet.

Answer any **four** questions.

Write your answers on the separate answer paper provided.

If you use more than one sheet of paper, fasten the sheets together.

**INFORMATION FOR CANDIDATES**

The number of marks is given in brackets [ ] at the end of each question or part question.

You are reminded of the need for good English and clear presentation in your answers.

**This question paper consists of 2 printed pages and 2 blank pages.**

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- 1 (a) Explain the role of price in a market economy. [10]  
 (b) Discuss the effectiveness of a planned economy as a means of allocating scarce resources. [15]
- 2 (a) Outline the functions of commercial banks. [10]  
 (b) Discuss the benefits of increasing money supply when the economy reaches full employment. [15]
- 3 Discuss the benefits of changing from a partnership business to a limited company. [25]
- 4 (a) Explain the following terms:  
 (i) Economies of scale  
 (ii) Diseconomies of scale [10]  
 (b) Discuss the effectiveness of the measures used by government to support Small to Medium enterprises SMEs in your country. [15]
- 5 Justify the existence of wage differentials between and within occupations. [25]
- 6 (a) Explain the sources of market failure. [10]  
 (b) Evaluate the possible solutions to market failure. [15]
- 7 Assess the effectiveness of trade protectionist measures in your country. [25]
- 8 Evaluate the usefulness of national income statistics as a measure of economic performance in a developing country. [25]
- 9 Assess the effectiveness of monetary policy tools used to influence money supply. [25]
- 10 (a) Explain the following terms:  
 (i) Elastic demand  
 (ii) Inelastic demand [10]  
 (b) Discuss why a government might consider the policy of privatisation to be beneficial to its economy. [15]
- 11 (a) Explain the following concepts:  
 (i) allocative efficiency  
 (ii) productive efficiency [10]  
 (b) Discuss the measures used by the government to regulate monopolies. [15]
- 12 Evaluate the benefits of an overvalued currency to your country. [25]