

UMMUL-QURA HIGH SCHOOL

Arowona Bus-Stop, Amuloko, Ibadan, Oyo State

MOCK Examination, 2020/2021 Academic Session.

Subject: Economics

Class: SSS 3

Time: 3 hours

Instructions: Answer *all* questions in Section A and *five* in Section B.

PAPER I & II [Objective and Theory]

Time: $1\frac{1}{2}$ hour

SECTION A: OBJECTIVE (50 marks)

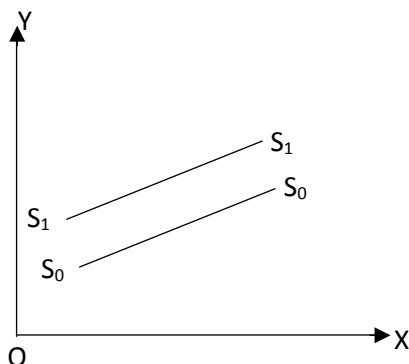
- The price system refers to the system by which -----.
 - the government control price in the economy
 - price tend to rise to a general level
 - price allocates resources between consumer goods and producer goods
 - government allocates resources to consumers and producers
- In the given table below, the equilibrium price is -----.
 - ₦8.00
 - ₦11.00
 - ₦12.00
 - ₦10.00

Price for 5 bags	Quantity demanded in bags	Quantity supplied in bags
₦8.00	15,000	1,500
₦9.00	13,000	3,000
₦10.00	10,000	6,000
₦11.00	7,000	7,000
₦12.00	5,000	9,000
₦13.00	4,000	12,000
₦14.00	2,000	14,000

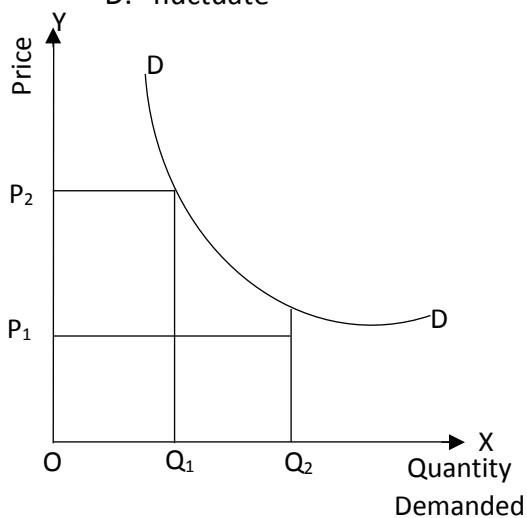
Use the table above to answer question 2 and 3

- At price ₦9.00, the -----.
 - demand exceeds the supply
 - supply exceeds the demand
 - demand equals the supply
 - quantity supplied is the 9000.
- A movement along the demand curve for some reason goods caused by a change in -----.
 - consumer income
 - the price of the goods
 - consumer taste
 - the price of the goods
- A shift of the demand curves to the right when the supply curve remains constant, it implies that -----.
 - both price and quantity demanded will increase
 - only price increases
 - both price and quantity demanded will decrease
 - the price falls
- The market price of a commodity is determined by the -----.
 - total number of people in the market
 - total demand for the commodity
 - quantity demand and supply of it
 - interactions of the demand and supply

In the diagram below, S_0 is the original supply curve while S_1 is the new curves.



7. Which of the following does S_1S_1 represents?
- A movement along a given supply curve
 - An increase in supply
 - A decrease in supply
 - A perfect elastic supplies
8. If the price of margarine rises substantially, the equilibrium price of butter demand will -----.
- decrease
 - increase
 - remain constant
 - fluctuate



9. The diagram above illustrates -----.
- perfectly elastic demand
 - inelastic demand
 - perfect inelastic demand
 - elastic demand
10. A change in supply implies a -----.
- shift in supply curve to the right and not to the left
 - shift in the supply curve to the left not to the right

- shift in the supply curve to the left and right
- movement along the supply curve

11. As consumption increases after a point, the marginal utility -----.
- remain constant
 - appears
 - increases
 - diminishes
12. The below equation is known as the ---.
- $$\frac{Mu_x}{Mu_y} = \frac{P_x}{P_y}$$
- where Mu_x = marginal utility of commodity x, Mu_y = marginal utility of commodity y, P_y is the price of y and P_x is the price of x.
- marginal utility theory of price
 - consumer's optimal utility level
 - utility maximization equation
 - increasing marginal utility equations
13. The function represents $\frac{Mu_x}{Mu_y} = \frac{P_x}{P_y}$;
- consumer's average utility level
 - diminishing marginal utility
 - increasing marginal utility
 - utility maximization
14. Which of the following formulae is used for calculating price elasticity of demand?
- $\frac{\% \Delta \text{ income}}{\% \Delta \text{ quantity dd}}$
 - $\frac{\% \Delta \text{ price}}{\% \Delta \text{ quantity dd}}$
 - $\frac{\% \Delta \text{ quantity dd}}{\% \Delta \text{ price}}$
 - $\frac{\% \Delta \text{ in quantity dd}}{\% \Delta \text{ qty income}}$
15. For two substitute goods, the closer elasticity of demand is -----.
- greater than 1 but less than 2
 - zero
 - negative
 - positive
16. Given that fixed cost is ₦500.00, variable cost is ₦1,500.00 and output is

- 50 units, what will be the average cost of producing one unit?
- ₦20.00
 - ₦60.00
 - ₦50.00
 - ₦40.00
17. Which of the following is regarded as fixed cost?
- A cost of materials
 - Cost of fuel
 - Cost of light
 - Rent on land
18. Division of labour is greatly limited by -
- its resultant monotony of work
 - its associated declined in craftsmanship
 - its attendant risk of unemployment
 - the extent of the market
19. Land is often different from other factors of production because, it -----.
- is a free gift of nature?
 - constitutes one third of the entire world
 - has different grades
 - is fixed and immovable
20. Which of the following best describes production?
- Creation of utilities
 - Production of tangible goods
 - Rendering of services
 - Extraction of minerals resources
21. Another name for the law of variable proportions is -----.
- pareto's optimality
 - say's law of market
 - law of diminishing marginal utility
 - law of diminishing return
22. Revenue is the -----.
- total profit made after sales
 - total money made on the sales of goods
 - values of goods minus depreciation
 - amount spent on purchases
23. Which of the following is **not** a feature of land?
- Free gift of nature
 - Fixed in supply
 - Geographically immobile
 - Returns on land is wages
24. Agriculture environment plays a dominant role in West Africa economy because, ---.
- the green revolution in Nigeria is agricultural
 - it supplies all the food stuff consumed in Ghana alone
 - there are large plantation of cocoa, groundnut and oil palm in West Africa
 - it employs more than 50% of total labour force in west Africa
25. The major factor that causes fluctuations in the supply of agricultural importance produce is -----.
- high price
 - pest
 - drought
 - weather variation
26. The primary objective of the agricultural Credit Guaranteed Scheme is the provision of -----.
- guarantee for loan granted by bank for agricultural purpose
 - agricultural inputs to facilitate credit from banks
 - agricultural products for banks to guarantee credit.
 - loans for every farmer
27. Which of the following factors is not important in deciding the location of an industry?
- The native language of the people

- B. Availability of suitable labour
 - C. Sources of cheap power and raw materials
 - D. Proximity to the location of a similar industry
28. Government influence the location of industry in order to -----.
- A. discourage rural-urban migrations
 - B. favour party loyalties
 - C. produce goods and services
 - D. motivate graduates to manage the industry
29. Which of the following is not argument for locating industries in rural areas?
- A. The place of development of rural areas
 - B. Employment will be provided for rural inhabitants
 - C. Capital is easily available in the rural areas
 - D. Capital is disbursed easily
30. All the following are sources of finance to a joint stock company **except** -----.
- A. loan
 - B. equity share
 - C. preference shares
 - D. co-operative thrift
31. The reward of a debenture holder of public company is a fixed rate of -----.
- A. interest
 - B. return
 - C. dividend
 - D. rent
32. A shareholder partakes of the profits of a limited liability business by receiving;
- A. shares
 - B. profits
 - C. wages and salary
 - D. dividend
33. In the event of a limited liability company going into liquidation, each shareholder -----.
- A. may lose a maximum of the amount he has invested
 - B. loses nothing
 - C. loses everything including his house
 - D. may have an unlimited liability
34. Which of the following is a public corporation?
- A. Road (Nigeria) PLC
 - B. National oil and Chemical marketing company. OLC
 - C. Union Bank of Nigeria PLC
 - D. Nigeria Railway Corporation
35. Which of the following does ***not*** hinder the efficient distribution of goods in West Africa?
- A. Government participation in the distributive trade
 - B. Inadequate credit facilities for potential distributors
 - C. Inadequate storage facilities for agricultural goods
 - D. Inadequate transportation network
36. One of the arguments against the presence of middlemen in the distribution chain is that they -----.
- A. cause increases in commodities
 - B. are commissioned agents
 - C. help in keeping prices stable
 - D. can be found almost anywhere
37. Which of the following is ***not*** a constraint to the smooth distribution of goods in West Africa country?
- A. Poor transportation system
 - B. Inadequate storage facilities
 - C. Inadequate credit facilities
 - D. Hoarding
38. Which of the following pair can be referred to as middlemen?
- A. Wholesaler and agents
 - B. Retailer and consumer
 - C. Wholesaler and wholesaler

- D. Wholesaler and retailer
39. An important function for the retailer is to -----.
- grant credit to the wholesaler
 - provide good free to consumers
 - break bulk and sell in products in small units
 - generate demand for products through advertising
40. The grouping of population into males and females is known as -----.
- geographical distribution
 - age distribution
 - sex distribution
 - occupational distribution
41. Which of the following is the most important reason why wages differ among occupations?
- Lengths and cost of training
 - Supply of labour
 - Attractiveness of job
 - Government decision
42. The Malthusian theory of population predicts that growth in food production will -----.
- keep pace with population growth
 - be at a lower rate than population
 - be at faster than population growth
 - equate arithmetic progression with geometric progression
43. In perfect competitive market, the price is determined at the point where -----.
- $MC = MR = TC$
 - $MC = MR = TR$
 - $MC = MR = AC$
 - $MC = MR = AR$
44. Which of the following is a condition necessary for an imperfect market to exist?
- Few sellers and buyers
 - Free entry and exits
 - Few buyer
 - A single seller
45. A market condition where profits is maximized when $MR = MC = P$ is known as ----.
- monopsony
 - monopoly
 - oligopoly
 - perfect competition
46. Which of the following categories of people do **not** gain during inflation?
- Debtors
 - Business men
 - Shareholder
 - Creditor
47. A persistent rise in the general level of price implies -----.
- an increase in some prices
 - a freezing of wage level
 - a steady fall in the purchasing power of money
 - a one-time rise in prices
48. Which of the following at is **not** a function of the central Central Bank?
- Banker to the government
 - Banker's bank
 - Acceptance of deposits from public
 - Lender of last resort
49. Which of the following is **not** appropriate in calculating national income figure? ---- method.
- output
 - depreciation
 - expenditure
 - value added
50. Invisible refers to trade in -----.
- services
 - goods and services
 - tangible goods
 - short term and long-term capital

SECTION B: THEORY (100 marks).

Instructions: Answer **five** questions in **ALL**.

Time: $1\frac{1}{2}$ hour

One question in **PART A** and four from **PART B**.

PART A

1. The table below shows the natural growth rate of the population of country N over a period of time. Use the information contained in the table to answer the following questions

Years	Birth rate pre-1000	Death rate per – 1000	Natural growth rate
2001	45	32	L
2002	39	P	12.50
2003	26	22	Q
2004	R	22.50	4.5
2005	26.59	22.5	5
2006	20.50	T	3.0

- Determine the values of **L, Q, R, S** and **T**.
 - With the use of bar chart, graphically present the changes in the natural growth rate over the year (use of graph sheet is essential).
 - Outline any **three** reasons for changes in birth rate.
2. Given that the demand function for a commodity is $Q_d = 60 - \frac{1}{3}p$ where p is price in dollars (\$) and Q_d is the quantity demanded.
- Find the quantity demanded when the price is
 - \$45.00
 - \$60.00
 - \$210.00
 - \$0.00
 - Comment on the situation in a(iii) above
 - If the relationship is now express as $P = \$(180 - 3Q_d)$. Find P when;
 - $Q_d = 0$
 - $Q_d = 48$
 - $Q_d = 60$

PART B

- What is economics and what are basic economic problem of society?
 - Explain the following terms:
 - scarcity
 - choice
 - opportunity cost
 - scale of preference
- Give any **five** reasons why government effort to improve agricultural production in Nigeria have **not** been effective.

- (b) Describe any **three** benefits associated with localization of industries.
- 5. (a) Explain the term mobility of labour.
(b) Why may labour as a mobile factor of production be unwilling to move?
- 6. (a) Define unemployment.
(b) Discuss **five** economic consequence of unemployment on Nigeria.
(c) State any **three** reasons for differences in earning among workers.
- 7. (a) Explain the term "*monopoly*".
(b) Explain any **four** advantages of monopolistic economy.
- 8. (a) what is inflation?
(b) Discuss any **four** effects of inflation the economy of a country.
- 9. (a) What is Central Bank?
(b) Carefully state any **four** differences between a Central Bank and a commercial bank.
(c) In what ways does the Central Bank of your country exercises control over commercial banks? At least **five** ways.
- 10. (a) Discuss **five** problems encountered in measuring national incomes.
(b) State any **four** reasons for measuring the national income of a country.