**GOVERNMENT BILINGUAL PRACTISICING HIGH SCHOOL YAOUNDE**

**PRE-MOCK EXAMINATION**

**0525 ECONOMICS**

**ORDINARY LEVEL**

|  |  |
| --- | --- |
| **STUDENT’S NAME** |  |
| **PAPER No.** | **2** |
| **TIME ALLOWED** | **2H +30mins** |

**INSTRUCTIONS:** *You are required to answer* ***FIVE*** *questions.*

1. a) Distinguish between location of industries and localisation of industries? 4 marks
2. State and explain with examples four factors that will influence the location of industries in Cameroon. (8 marks)
3. Explain four disadvantages of localization of industries. (8 marks)
4. Study the table below which shows the demand and supply schedules for rice and answer the questions that followed

|  |  |  |
| --- | --- | --- |
| Price per kg of rice fcfa | Quantity demanded of rice per kg | Quantity supplied of rice per kg |
| 1000 | 20 | 1200 |
| 900 | 60 | 1000 |
| 800 | 180 | 850 |
| 700 | 160 | 600 |
| 600 | 400 | 400 |
| 500 | 600 | 150 |
| 400 | 900 | 50 |

1. i) What is the equilibrium price and why? (2 marks)
2. Calculate the elasticity of demand when the price increases from 500fcfa to 600FCFA.( 4marks)
3. i) If the government imposes a minimum price of 800 FCFA, calculate the total cost to the government if she wants to buy the surplus? ( 2 marks)
4. State and explain three consequences if the government fixed a maximum price of 500fcfa per kg? (6marks)
5. State and explain three factor which influence elasticity of demand? (6 marks)

3a) Define the following as applied in economics

1. Efficiency of labour
2. Supply of labour
3. Division of labour
4. Mobility of labour (3 Marks each)
5. Explain four factors that can encourage geographical mobility of labour in Cameroon? 8 marks
6. a) Differentiate between a partnership and a public limited company as business unit under the following headings;
7. Formation,
8. Ownership and control,
9. Membership,
10. Sources of finance. 3 marks each
11. Give four reasons why you will prefer a sole proprietorship form of business to a partnership. 8 marks
12. Explain with examples the following types of integrations
13. Vertical integration
14. Horizontal integration
15. Diversified integration(conglomerate) 4marks each
16. State and explain four reasons why firms integrate? (8 marks)
17. Study the table below which shows the output of corn :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Fixed factor (land) | Variable factor(labour) | Total product/(kg) | Marginal product/(kg) | Average product/(kg) |
| 1 | 0 | - | - |  |
| 1 | 1 | 8 |  |  |
| 1 | 2 | 22 |  |  |
| 1 | 3 | 40 |  |  |
| 1 | 4 | 50 |  |  |
| 1 | 5 | 55 |  |  |
|  |  |  |  |  |

1. (i). Complete the table above by calculating the values of marginal product and average product (10 marks)

(ii) At what level of employment will this farmer experience: increasing returns? (2 marks)

(iii) Diminishing returns(2marks)

b) . Distinguish with examples between internal economies of scale and external economies of scale (4 marks)

C) . State two advantages of small firms? (2marks)

7(a) With the aid of a diagram distinguish between a change in quantity supplied and a change in supply :(:8marks)

b) Study the table below and answer the questions that follows:

|  |  |  |
| --- | --- | --- |
| Price/kg(FCFA° | Quantity demanded(units) | Quantity supplied(units) |
| 40 | 4000 | 2000 |
| 50 | 3000 | 3000 |
| 60 | 1000 | 4000 |

Calculate price elasticity of demand when price fall from60FCFA to 40FCFA (4 marks)

C. Explain four factor that will cause the demand for any commodity to increase (8marks)

8(a). Define the term monopoly power (4marks)

(b). State and explain four (4) sources of monopoly power (8marks)

(c). State and explain two disadvantages and two advantages of monopoly power. (8marks)