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:-

<table>
<thead>
<tr>
<th>No. of Bottles</th>
<th>Total Utility</th>
<th>Marginal Utility</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>2</td>
<td>29</td>
<td>F</td>
</tr>
<tr>
<td>3</td>
<td>42</td>
<td>13</td>
</tr>
<tr>
<td>4</td>
<td>D</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>65</td>
<td>G</td>
</tr>
<tr>
<td>6</td>
<td>75</td>
<td>H</td>
</tr>
<tr>
<td>7</td>
<td>E</td>
<td>0</td>
</tr>
</tbody>
</table>

(a) Determine the missing figures D, E, F, G and H.

(b) Draw the demand curve for the traveller’s consumption of Coca-Cola.

(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.