ECONOMICS 2
0525

CAMEROON GENERAL CERTIFICATE OF EDUCATION BOARD

General Certificate of Education Examination

JUNE 2019   **ORDINARY LEVEL**

Subject Title	Economics
Paper No	**2**
Subject Code No	**0525**

Two and a half hour

You are required to answer ANY FIVE questions. ONLY THE FIRST FIVE QUESTIONS ANSWERED WILL BE MARKED

All questions carry equal marks.

You are reminded of the necessity for good English and orderly presentation in your answers.

1. (a)   Give **Five (05)** reasons for a population census.   **(10 marks)**

    (b)   Explain **Four (04)** possible ways by which the government of Cameroon of Cameroon can reduce death rates in the country.   **(10 marks)**

2. (a)   Define the following terms as used in Economics
    (i)   Division of Labour
    (ii)   Efficiency of Labour
    (iii)   Supply of Labour
    (iv)   Mobility of Labour   **(4 x 2 = 8 marks)**

    (b)   State and explain **FOUR (04)** Limitation to the Process of Division of Labour.   **(12 marks)**

3. The table below shows the Demand and Supply Schedule of apple per week.

Quantity Demanded (Kg)	Price (FCFA)	Quantity Supply (Kg)
60	100	70
50	125	100
40	150	125
25	175	150
15	200	175

    (a)   (i) Calculate the Price Elasticity of demand when the price increases from 100 FCFA to 175 FCFA.
                                                                                                          (4 marks)

            (ii) Calculate the Price Elasticity of Supply when the price falls from 200 FCFA to 175 FCFA.
                                                                                                          (4 marks)

            (iii) Briefly explain **Two (02)** importance of price elasticity of demand to the government.   **(4 marks)**

    (b)   Given Qd = 30 − 2P and Qs = 2P − 10:
            Determine;   i) the equilibrium quantity.   **(4 marks)**
                            ii) the equilibrium price.   **(4 marks)**

            Note: Qd = Quantity demanded
                        Qs = Quantity supply
                         P = Price

4. (a)   Clearly explain **Four (04)** qualities of money which enable it to perform its function   **(10 marks)**

    (b)   Briefly outline **Four (04)** methods by which Commercial Banks act as agents of payment.   **(10 marks)**

Edukamer

5. (a) Distinguish between Comparative Cost Advantage and Absolutely Advantages **(4 marks)**

(b) Explain any **Four (04)** short term measures used by the Government to cure a Balance of Payments deficit **(8 marks)**

(c) Define the following terms as used in Economics:
  (i) Currency appreciation
  (ii) Currency depreciation
  (iii) Currency devaluation
  (iv) Currency revaluation **(4 X 2 = 8 marks)**

6. (a) Define the following terms as used in Economics:
  (i) Transfer Payment
  (ii) Investment
  (iii) Per Capita Income
  (iv) Consumption
  (v) Depreciation **(5 X 2 = 10 marks)**

(c) Explain **Four (4)** Factors that can increase the size of a country's National Income. **(10 marks)**

7. (a) Define the following terms as used in Economics:
  (i) Economic planning
  (ii) Economic development **(2 X 2 = 4 marks)**

(b) Explain **Four (04)** factors that hinder Economic growth. **(8 marks)**

(c) State and explain **Four (04)** disadvantages of Economic growth **(8 marks)**

8. (a) With the use of diagram(s) distinguish between a Progressive Tax System and a Regressive Tax System. **(6 marks)**

(b) State and explain **Five (05)** criteria any Government takes into account, in introducing a new form of tax. **(10 marks)**

(d) Explain any **Two (02)** reasons why a Government may adopt a budget deficit **(4 marks)**