

## **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
- specializes in the production of one crop.
  - involves the use of small farm holdings.
  - is a capital-intensive system of farming.
  - 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:-

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

- Determine the missing figures D, E, F, G and H.
  - Draw the demand curve for the traveller's consumption of Coca-Coca.
  - Explain the law of diminishing marginal utility as the basis for the slope of the traveller's demand curve.
- 2.
- Distinguish between *economic activities* and *an economic system*.
  - Explain the following terms:
    - production*;
    - distribution*;
    - consumption*.
- 3.
- With the aid of a diagram, explain *a minimum price*.
  - 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.