

REPUBLIQUE DU CAMEROUN
Paix-Travail-Patrie

MINISTERE DES ENSEIGNEMENTS
SECONDAIRES

ECONOMICS 0525 PAPER II

REPUBLIC OF CAMEROON
Peace-Work-Fatherland

MINISTRY OF SECONDARY
EDUCATION

**LITTORAL ECONOMICS TEACHERS ASSOCIATION (LETA)
LETA REGIONAL MOCK GCE EXAMINATION**

0525 ECONOMICS

ORDINARY LEVEL

PAPER TWO

TIME ALLOWED: 2HRS 30 MINUTES

Mobile phones are NOT ALLOWED in the examination room

INSTRUCTION TO CANDIDATES

You are required to **answer FIVE questions**

All questions carry equal marks

You are reminded of the necessity for good English and orderly presentation of

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your answer

LITMOC/0525/2/2022

1a) Explain the following concepts as used in Population studies.

- i. Population growth rate
- ii. Natural growth rate
- iii. Net migration rate
- iv. Dependency ratio **(2+2+2+2=8mks)**



b. With the aid of a diagram, distinguish between optimum population and over population **(4mks)**

c. Explain four (04) negative effects to a country having a lot of emigrants **(8mks)**

2a) Define the following concepts as used in Economics.

- i. Income elasticity of demand
- ii. Price elasticity of supply **(3+3= 6mks)**

b) The table below shows the price and quantities of butter and margarine in a week.

Price of butter (per tin)	Quantity demanded of margarine (tins)
900	250
1000	300

Calculate the cross elasticity of demand. **(4mks)**

c) With the aid of diagrams distinguish between an increase in supply and an increase in quantity supplied. **(10mks)**

3a) Define each of the following:

- i. The value of money
- ii. Open market operations
- iii. Creeping inflation **(2+2+2)= 6 mks**

b) "Inflation leads to arbitrary redistribution of income." State and explain four (4) groups of persons who gain during the process **(6mks)**

c) State and explain four (4) aims of a country's monetary policy. **(8mks)**

4a) Distinguish between absolute cost advantage and comparative cost advantage. **(4mks)**

b) This question is based on the following showing the BOP of a country.

ITEMS	AMOUNTS (MILLIONS FCFA)
Value of visible exports	60
Value of visible imports	50
Income from tourism	15
Income from other invisibles	80
Capital invested from abroad	10
Capital invested abroad	25

Calculate:



- i. Visible balance.
- ii. Invisible balance
- iii. Current account balance
- iv. Capital account balance (2+2+2+2=8 mks)

c) State and explain four reasons why countries engage themselves in international trade. (8mks)

5a) Define the following:

- i. Gross Domestic Product
- ii. Gross National Product
- iii. Net property income from abroad (2+2+2)=6mks

b) State and briefly explain three methods of measuring the national income. (6mks)

c) State and explain four (4) uses of the National income statistics. (8mks)

6a) Define each of the following as used in Business Organisations.

- i. Dormant partners
- ii. Unincorporated business
- iii. Certificate of trading (2+2+2)= 6mks

a) This question is based on the capital structure of Eto's company Ltd,

110,000 Ordinary shares of 1000 FCFA each.

25,000 8% Preference shares of 10,000 FCFA each

10,000 12% debentures of 5000 FCFA each.

The company realizes a profit of 36million FCFA at the end of the year.

Calculate

- i) The total authorized capital. (4mks)
- ii) The total share of profit that debenture holders will received (4mks)

b) State and explain four (4) external sources of finance to a company in Cameroon (6mks)

7a) What is a mixed economic system? (4mks)

b) Give the differences between a market economy and a state planned economy in terms of;

- i. Consumers' sovereignty
- ii. Price determination
- iii. Ownership and control of resources
- iv. Level of unemployment. (2+2+2+2=8mks)

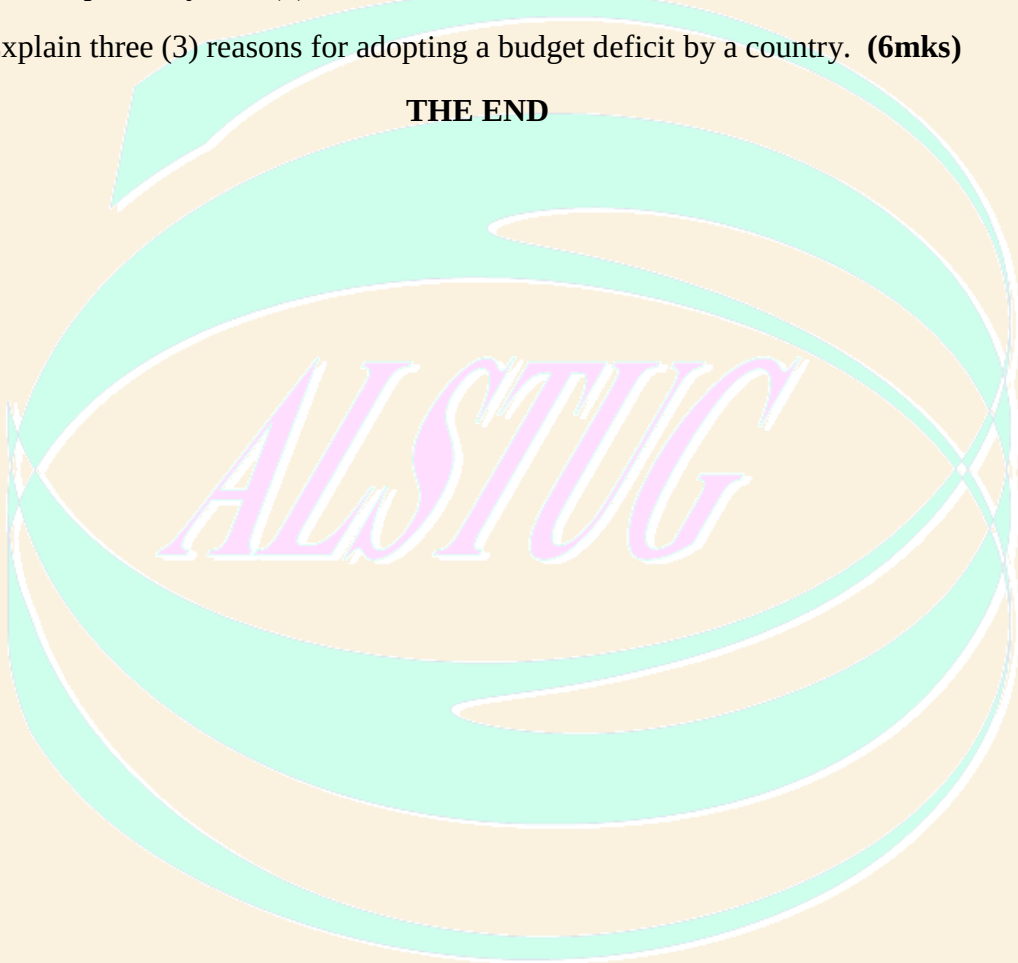
c) Explain two differences between each of the following:

- i. Public goods and merit goods.
- ii. Economic goods and free goods (4+4=8 mks)

- 8a) Differentiate between the National debt and the Public debt. (2mks)
- b) Explain the economic consequences of taxation on the following;
- i) Distribution of income
 - ii) International trade (2+2)=4 mks.
- c) i. what is a value added tax? 2mks
- ii, Explain any four (4) effects of an increase in value added tax in Cameroon. 6mks)
- d) Explain three (3) reasons for adopting a budget deficit by a country. (6mks)



THE END



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