

SC2031
WASSCE 2024
ECONOMICS 1
Objective
1 hour

1

Name.....

Index Number.....

Answer all the questions.

Each question is followed by four options lettered A to D. Find out the correct option for each question and shade in pencil, on your answer sheet, the answer space which bears the same letter as the option you have chosen. Give only one answer to each question.

An example is given below.

“Economics is a science which studies human behaviour as a relationship between ends and scarce means which have alternative uses.” Ends here refers to

- A. input.
- B. wants.
- C. choice.
- D. output.

The correct answer is wants, which is lettered B and therefore answer space B would be shaded.

[A] ~~[B]~~ [C] [D]

Think carefully before you shade the answer spaces; erase completely any answer(s) you wish to change.

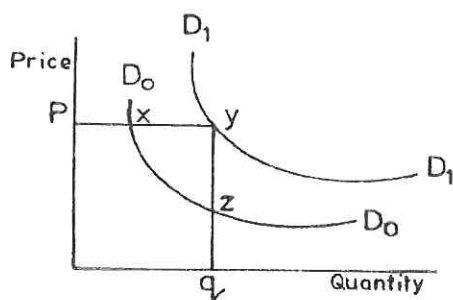
Do all rough work on this question paper.

Now answer the following questions.

- | | |
|---|---|
| <p>1. The main cause of the basic economic problems facing every society is</p> <ul style="list-style-type: none"> A. poverty. B. political instability. C. scarcity. D. social unrest. | <p>3. A type of land, as a factor of production, whose supply is not fixed in the long run is</p> <ul style="list-style-type: none"> A. rice. B. natural gas. C. coal. D. iron ore. |
| <p>2. Any point within the Production Possibility Curve (PPC) shows</p> <ul style="list-style-type: none"> A. the efficient combinations of factor inputs. B. that more of the two goods can be produced given the available resources. C. there is full employment of all factor inputs in production. D. that to produce more of one good, less of the other good must be produced. | <p>4. An economic system in which the state owns and controls all the means of production is</p> <ul style="list-style-type: none"> A. free enterprise. B. socialist economy. C. mixed economy. D. capitalist economy. |
| | <p>5. In capitalism, prices of raw materials are mainly determined by the</p> <ul style="list-style-type: none"> A. production cost of industries. B. planning authority of government. C. market forces in the economy. D. suppliers of the inputs. |

6. Eighty students in a school are represented by a sector of 40° in a pie chart. The total population of students in the school is
- 180.
 - 200.
 - 720.
 - 3200.
7. When a commodity is demanded for multiple purposes, it has
- derived demand.
 - competitive demand.
 - joint demand.
 - composite demand.
8. The measure of the responsiveness of quantity demanded to a change in its determinants is called
- law of demand.
 - elasticity of demand.
 - exceptional demand.
 - effective demand.
9. If demand is **perfectly** elastic, a slight increase in price will make consumers to
- buy smaller quantities of the commodity.
 - buy larger quantities of the commodity.
 - stop buying the commodity.
 - demand for all the quantity supplied.
10. The movement from points x to y might have been caused by
- an increase in population of buyers.
 - a decrease in consumer's income.
 - an increase in price of milk.
 - an increase in tax on milk.
11. If flour is used to bake bread, an increase in the demand for bread results in an increase in the demand for flour. This implies that the demand for flour is a
- competitive demand.
 - composite demand.
 - derived demand.
 - complementary demand.
12. The imposition of an indirect tax will generate much revenue if the commodities involved have
- unit elastic demand.
 - elastic demand.
 - perfectly elastic demand.
 - inelastic demand.
13. A group of workers that are likely to have inelastic supply in the short run are
- taxi drivers.
 - crop harvesters.
 - medical doctors.
 - sanitation workers.

The diagram below shows the demand for milk. Use the diagram to answer question 10.



14. If a fall in the price of one commodity, leads to an increase in the supply of another commodity produced from the same raw material, the two commodities have
- joint supply.
 - competitive supply.
 - complementary supply.
 - composite supply.

15. The quantity demanded of a commodity and the price a consumer is prepared to pay for each unit **mainly** depends on
- A. packaging.
 - B. designing.
 - C. marginal utility.
 - D. total utility.
16. The negative slope of the marginal utility curve reflects the law of
- A. diminishing marginal utility.
 - B. diminishing total utility.
 - C. decreasing marginal returns.
 - D. increasing marginal utility.
17. The government policy that prevents price fluctuations of agricultural produce is **termed**
- A. minimum price legislation.
 - B. market price determination.
 - C. price ceiling.
 - D. minimum wage regulation.
18. The equilibrium price of apartments is \$ 250. If the government fixes rent at \$ 200, the market supply of apartments will
- A. increase drastically.
 - B. remain constant.
 - C. be lower than equilibrium quantity.
 - D. be greater than equilibrium quantity.
19. Division of labour increases productivity because
- A. it discourages the use of machinery.
 - B. each worker is assigned a task that suits their skill.
 - C. it promotes monotony of work.
 - D. small markets are catered for.
20. The advantages which a firm enjoys because of the growth in the size of the industry is
- A. constant returns to scale.
 - B. returns to scale of production.
 - C. internal economies of scale.
 - D. external economies of scale.
21. Short-run is a period of time when output can be increased by
- A. increasing both the fixed and variable factors.
 - B. reducing the fixed factors only.
 - C. increasing the inputs of labour and raw materials only.
 - D. reducing the variable inputs only.
22. If the fixed cost of a firm is \$ 200, variable cost is \$ 600 and output is 40 *units*, the average cost of producing one unit is
- A. \$ 40.
 - B. \$ 20.
 - C. \$ 15.
 - D. \$ 10.
23. Selling the same product at different prices to different buyers is **best** referred to as
- A. price regulation.
 - B. exploitation of buyers.
 - C. rationing of goods.
 - D. price discrimination.

24. The barrier to entry in monopoly market may be as a result of
- the competitive power of the monopolist.
 - government's grant of exclusive right to production.
 - the low price always charged by the monopolist.
 - the power given to the employers' association.
25. Which of the following is **not** a feature of a Private Limited Company?
- It has a minimum of two shareholders
 - Shares can be sold on the stock exchange
 - The company is managed by board of directors
 - The company is a separate legal entity
26. An advantage of sole proprietorship is that it
- has ability to raise large capital.
 - enjoys perpetual existence.
 - can make quick decisions.
 - achieves economies of scale.
27. Warehousing facilities in the distribution and marketing of products are **mainly** provided by
- supermarkets.
 - wholesalers.
 - retailers.
 - consumers.
28. Malthus preventive checks did **not** include
- late marriages.
 - moral restraint.
 - family planning.
 - outbreak of diseases.
29. A country can have a youthful population, *ceteris paribus*, if there is
- an increase in immigration.
 - a fall in birth rate.
 - a decline in death rate of the aged.
 - an increase in emigration of young people.
30. Efficiency of a worker is best measured in terms of
- wages paid to labour.
 - capital used by labour.
 - output per man-hour.
 - quantity of inputs used.
31. Mechanized farming is difficult to practice in West Africa **mainly** because of
- lack of unskilled workers.
 - land fragmentation.
 - pests and diseases.
 - urban-rural migration.
32. Many West African farmers can **not** obtain credit from banks **mainly** because
- they are very poor.
 - they cannot provide collateral security.
 - there are not enough banks.
 - they are peasant farmers.
33. Gross Domestic Product (*GDP*) measures the output of a country's
- residents at market prices.
 - citizens at market prices.
 - industries at factor cost.
 - nationals at factor cost.

34. Of the items below, the one that is **not** considered a transfer payment is
- A. monthly pension.
 - B. money given to a beggar.
 - C. student's pocket money.
 - D. daily wage.
35. The standard of living of a country can be measured by
- A. calculating the output of all industries.
 - B. determining the volume of agricultural output.
 - C. calculating the gross domestic product per head.
 - D. determining the volume of imports into a country.
36. Goods can be bought on credit because money serves as a
- A. standard for deferred payment.
 - B. medium of exchange.
 - C. unit of account.
 - D. store of value.
37. Transactions demand for money will be high if
- A. income level is high.
 - B. family size is small.
 - C. interest rate on savings is high.
 - D. unemployment level is high.
38. If the supply of money increases and output of goods decreases, there will be
- A. economic growth.
 - B. a rise in the price of commodities.
 - C. a fall in the price of goods.
 - D. full employment.
39. Which of the following functions is **not** performed by commercial banks?
- A. Distribution of coins and currencies
 - B. Acting as trustees and executors
 - C. Selling of foreign exchange
 - D. Formulating monetary policy
40. If the Central Bank increases the cash-deposit ratio, the
- A. money in circulation is increased.
 - B. bank rate on loans is reduced.
 - C. money in circulation is reduced.
 - D. interest paid on deposits is increased.
41. A country experiences a budget surplus when her
- A. total revenue equals her total expenditure.
 - B. incomes from taxation and other sources are less than her expenditure.
 - C. incomes from exports are higher than payments on imports.
 - D. total revenue is more than her total expenditure.
42. For the burden of tax to fall wholly on the consumer, the demand for a good must be
- A. perfectly inelastic.
 - B. infinitely elastic.
 - C. unit elastic.
 - D. fairly inelastic.
43. Economic growth is **best** defined as an increase in the
- A. geographical size of a country.
 - B. size of a country's population.
 - C. output of goods and services in a country.
 - D. volume of a country's international trade.

44. Which of the following is a feature of a developing nation?
- A. Low population growth rate
 - B. Low per capita income
 - C. High rate of industrialization
 - D. Highly diversified economy
45. The difference between the *values of the visible goods exported* and *imported* is the
- A. balance of payments.
 - B. balance of trade.
 - C. balance on capital account.
 - D. balance on current account.
46. A deficit on the balance of payments account can be corrected by
- A. relaxing foreign exchange control.
 - B. reducing the value of the domestic currency.
 - C. liberalizing import of non-essential commodities.
 - D. placing embargo on the export of farm produce.
47. A benefit of trade protection is that it will
- A. cause a fall in the price of imports.
 - B. make local industries charge higher prices.
 - C. increase the demand for imports.
 - D. increase domestic production of goods.
48. Harmonisation of economic policies among member countries is a key feature of
- A. an economic union.
 - B. a free trade area.
 - C. a customs market.
 - D. a common market.
49. The International Monetary Fund (*IMF*) was **not** set up for the purpose of
- A. promoting stability of foreign exchange rates among members.
 - B. providing long-term loans for financing members' development projects.
 - C. providing temporary assistance to members with insufficient foreign currencies.
 - D. helping to curb members' balance of payments disequilibrium.
50. Companies that are involved in mining activities **usually** pay
- A. capital gains tax.
 - B. royalties.
 - C. excise tax.
 - D. grants.

END OF PAPER