

WASSCE / WAEC MAY / JUNE 2015 ECONOMICS PAPER 2 (OBJECTIVE TEST)

Visit www.Larnedu.com for more WASSCE / WAEC past questions.

S2032 & 1 June

WASSCE 2015

ECONOMICS 2 & 1

Essay & Objective

3 hours

2&1

Name:

Index Number:

THE WEST AFRICAN EXAMINATIONS COUNCIL

West African Senior School Certificate Examination

June 2015

ECONOMICS 2 & 1

3 hours

Do not open this booklet until you are told to do so. While you are waiting, write your name and index number in the spaces provided at the top right-hand corner of this booklet and thereafter, read the following instructions carefully.

This booklet consists of two papers. Answer Paper 2 which comes first in your answer booklet and Paper 1 in your Objective Test answer sheet. Paper 2 will last for 2 hours after which the answer booklet will be collected. Do not start Paper 1 until you are told to do so. Paper 1 will last for 1 hour.

WASSCE / WAEC MAY / JUNE 2015 ECONOMICS PAPER 2 (OBJECTIVE TEST)

Visit www.Larnedu.com for more WASSCE / WAEC past questions.

2

PAPER 2

ESSAY

2 hours

[80 marks]

Answer four questions in all: one question only from Section A and any three questions from Section B.

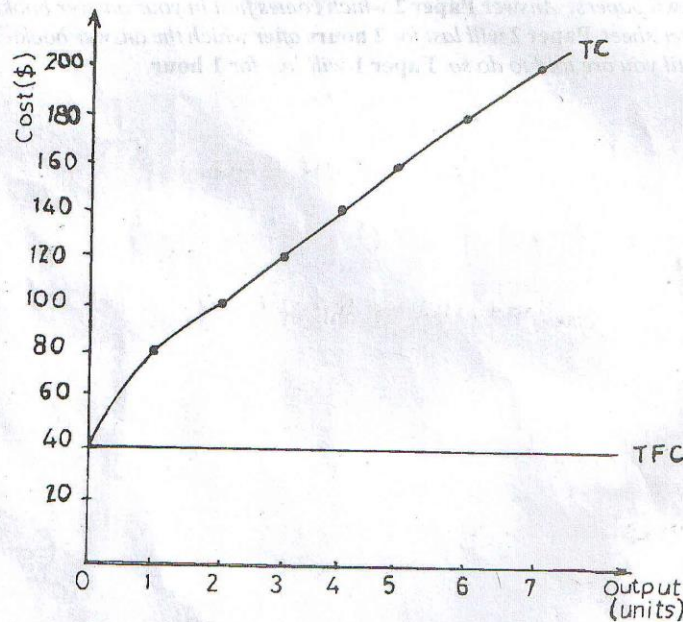
You are reminded of the importance of clarity of expression and orderly presentation of relevant materials.

All questions carry equal marks.

SECTION A

Answer one question only from this section.

1. The total fixed cost (TFC) and total cost (TC) functions of a hypothetical firm are shown in the graph below. Study it and answer the questions that follow:



- (a) Determine the firm's:

Source: www.Larnedu.com

- (i) variable cost at output levels 2, 4 and 6; [6 marks]
- (ii) average total cost at output levels 2 and 3; [4 marks]
- (iii) marginal cost at output levels 4 and 6. [4 marks]

- (b) If the price of the firm's product is \$40, calculate the firm's profit or loss when the following units are sold:

- (i) 2 units; [3 marks]
- (ii) 4 units. [3 marks]

WASSCE / WAEC MAY / JUNE 2015 ECONOMICS PAPER 2 (OBJECTIVE TEST)

Visit www.Larnedu.com for more WASSCE / WAEC past questions.

3

2. The table below shows the incomes and rates of income tax levied on **four** professionals in an economy.

Profession	Income per month (\$)	Tax rate (%)	Disposable income (\$)
Doctor	8,000	10	
Engineer	7,000	12	
Civil Servant	5,000	18	
Nurse	6,000	15	

Use the above data to answer the questions that follow:

- Calculate the disposable incomes of the **four** individuals. [12 marks]
- What system of taxation was employed? [2 marks]
- Give reasons for your answer in 2(b). [2 marks]
- With the aid of a diagram, explain the system of taxation employed in 2(b). [4 marks]

SECTION B

Answer **three** questions **only** from this section.

- What is a *trade union*? [2 marks]
 - Describe any **four** functions of trade unions. [12 marks]
 - Outline any **two** weapons used by trade unions to achieve their objectives. [6 marks]
- Outline any **four** objectives of a price control policy. [8 marks]
 - Highlight any **four** effects of a maximum price control policy. [12 marks]
- What are *infant industries*? [2 marks]
 - State any **four** reasons for protecting infant industries. [12 marks]
 - Outline any **three** ways by which industries can be financed in West Africa. [6 marks]

WASSCE / WAEC MAY / JUNE 2015 ECONOMICS PAPER 2 (OBJECTIVE TEST)

Visit www.Larnedu.com for more WASSCE / WAEC past questions.

4

6. (a) What is balance of *payment disequilibrium*? [3 marks]
- (b) Explain the **two** types of balance of payment disequilibrium. [5 marks]
- (c) Highlight any **four** reasons **most** West African countries are experiencing balance of payment problem. [12 marks]
7. (a) What is *deflation*? [2 marks]
- (b) Outline any **three** positive effects of deflation. [9 marks]
- (c) Explain the ways by which inflation affects any **three** functions of money. [9 marks]
8. (a) What is *protective tariff*? [2 marks]
- (b) Outline any **four** reasons in favour of protective tariff. [12 marks]
- (c) State any **two** reasons against protective tariff. [6 marks]