PC 2032 WASSCE (PC1) 2020 ECONOMICS 2 Essay 2 hours	**2**	**Surname**	**Other Names**
		Centre Number	**Candidate's Number**

THE WEST AFRICAN EXAMINATIONS COUNCIL

West African Senior School Certificate Examination (WASSCE)
for Private Candidates, 2020 - First Series

(PC1) 2020 ECONOMICS 2 2 hours
[80 marks]

For Examiner's Use Only

Question No.	Mark
1	
2	
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Instructions to Candidates

Write your **surname, other names, centre number** *and* **candidate's number** *in the spaces provided at the top of this paper.*

Please **note** *that your* **names** *should be written in the order in which they were captured during registration.*

In addition to writing your name on the front page of this booklet, write your full name in the area provided at the top of pages 5, 7, 9, 11, 13 *and* 15 *in the designated space* **"Candidate's Name:..."**

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

Write boldly and legibly in **ink** *(blue or black) and state your answers precisely.*

Use **2B** *pencil to draw where necessary.*

Write your answers within the spaces provided.

Do **not** *write answer(s) beyond the spaces provided for the question(s).*

Do **not** *write* **more than one** *answer on a line.*

Do **not** *write on the bar codes at the bottom of the pages.*

Do **not** *tear off any part of this booklet. It is an examination malpractice if you do so.*

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PAPER 2 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. Dovi and Sons Ltd. produced 3,000 *units* of its product and sold them at $6.00 **each**. Its cost of operation during the period is shown in **Table 1** below.

Table 1

ITEM	*AMOUNT ($)*
Processing machine	2,000.00
Manager's salary	1,500.00
Wages to casual labour	2,500.00
Fuel	600.00
Raw materials	1,400.00
Factory rent	1,200.00
Electricity bill	800.00

(a) For the period of operation, determine the firm's:
(i) *fixed cost;* [4 marks]
(ii) *variable cost;* [5 marks]
(iii) *average cost.* [4 marks]

(b) Calculate the firm's total profit for the period. [4 marks]

(c) Calculate the tax paid by the firm if the tax rate was 10% of its profit. [3 marks]

2. **Table 2** below shows the percentages of the working population in various occupations in a country for the year 2000. The total working population is 28 million. *Study the table and answer the questions that follow.*

Table 2

OCCUPATION	*PERCENTAGE*
Teaching	16%
Insurance	3%
Mining	19%
Textile production	3%
Aviation	4%
Bottling of fruit juice	2%
Trading	12%
Farming	41%

(a) Calculate the number of people engaged in:

(i) teaching; [2 marks]

(ii) trading. [2 marks]

(b) Calculate the ratio of the labour force in the *primary sector* to that of the *tertiary sector*. [6 marks]

(c) What portion will those in the secondary sector represent on a pie chart? [4 marks]

(d) What type of country does the table represent? Explain your answer. [3 marks]

(e) List **three** characteristics of the type of country identified in **2** *(d)* above. [3 marks]

SECTION B

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

3. *(a)* Differentiate between:

(i) *public joint stock company* and *public corporation*; [4 marks]

(ii) *a share* and *a debenture*. [4 marks]

(b) Outline **four** problems associated with public corporations. [12 marks]

4. *(a)* Define *demand.* [2 marks]

(b) Explain the following types of demand with a relevant example **each**:

(i) *joint demand*; [3 marks]

(ii) *competitive demand.* [3 marks]

(c) Explain the following with relevant diagrams:

(i) *unitary elastic demand*; [4 marks]

(ii) *perfectly elastic demand*; [4 marks]

(iii) *fairly elastic demand.* [4 marks]

5. *(a)* What is *price floor?* [2 marks]

(b) With the aid of a diagram, explain *maximum price legislation.* [9 marks]

(c) Outline **three** effects of instituting a maximum price for a commodity. [9 marks]

6. *(a)* Outline **four** problems of large scale agricultural production in West Africa. [12 marks]

(b) Suggest **two** solutions to any **two** problems identified in **6***(a)* above. [8 marks]

7. *(a)* Define *tariff.* [2 marks]

(b) With a relevant example **each**, explain the following types of tax:

(i) *direct tax;* [3 marks]

(ii) *indirect tax.* [3 marks]

(c) Explain **four** sources of revenue to the government of your country. [12 marks]

8. *(a)* Define *Gross Domestic Product (GDP)* at market prices. [2 marks]

(b) Show how *Net National Product (NNP)* at factor cost is obtained from *Gross Domestic Product (GDP)* at market prices. [6 marks]

(c) Outline any **four** problems of measuring the National Income of an economy using the income approach. [12 marks]

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