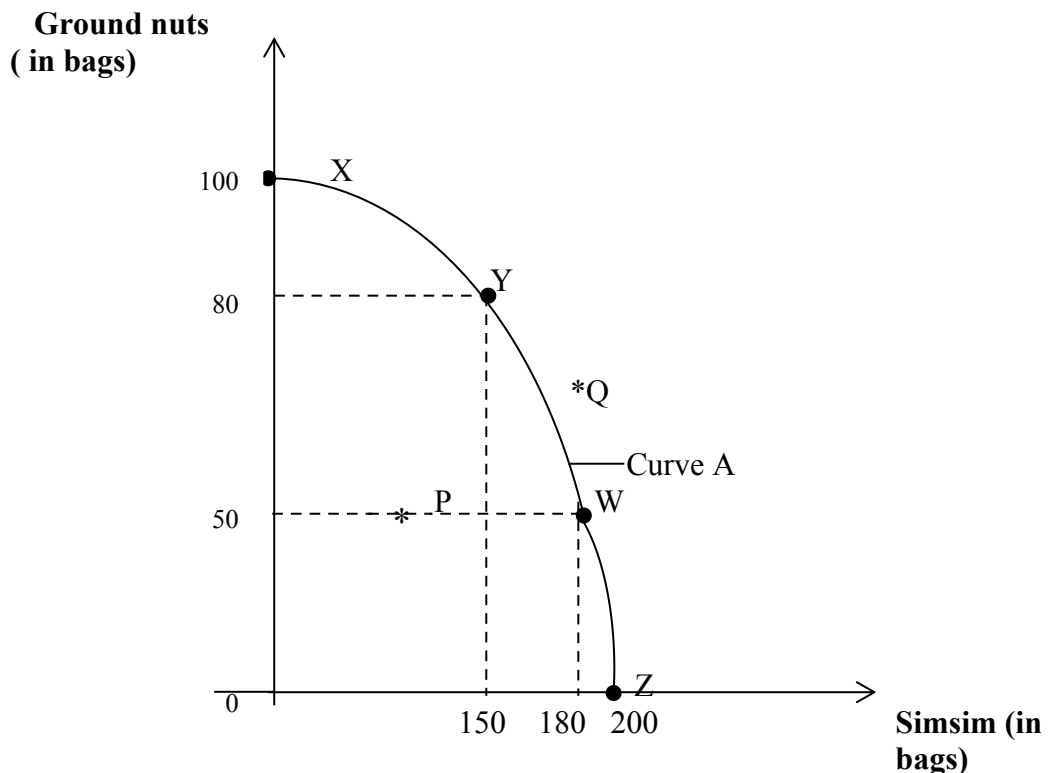


S.5 ARTS/SCIENCE 2020
UMSSN
P220 ECONOMICS
INTRODUCTORY EXERCISE
1½ hours

Attempt **all** questions.

SECTION A:

1. (a) Mention any **four** traits of wealth (4 marks)
- (b) Mention any **four** traits of human wants. (4 marks)
- (c) Using examples distinguish between
 - (i) Free goods and Economic goods (2 marks)
 - (ii) Giffen goods and Inferior goods (2 marks)
- (d) (i) Define the term **Economy**. (1 mark)
- (ii) Mention **three** economic agents. (3 marks)
- (e) Study the diagram below and answer questions that follow:



- (e) (i) Mention the curve labelled **A** (1 mark)
- (ii) Why may combination **Q** not be obtained in the short run? (1 mark)
- (iii) What does combination **P** represent on the diagram? (1 mark)
- (iv) Why may combination **X** and **Z** not be good choices for the economy? (1 mark)
- (f) Referring to the above diagram:

- (i) What do combinations **X, Y, W and Z** represent? (1 mark)
- (ii) **What is the opportunity cost of the following:**
- Producing at point **Y** instead of **X**?
 - Producing at **W** instead of **Z**?
 - Producing at point **W** instead of **Y**?
 - Producing at point **Z** instead of **Y**?
 - Producing at point **X**?
 - Producing at point **Z**? (06 marks)
- (iii) Calculate the Opportunity cost ratio of producing combination **W** instead of combination **Y** in terms of **sim**. (2 marks)
- (g) Explain any **four** measures that the economy can employ to achieve combination **Q**. (4 marks)
- (h) Give any **four** features of a mixed economic system (4 marks)
- (i) Give any **two** limitations and two uses of the concept of opportunity cost (4 marks)
- (j) Explain the meaning of the following concepts as used in Economics
- (i) consumer sovereignty (1 mark)
 - (ii) social welfare (1 mark)
 - (iii) scale of preference (1 mark)
 - (iv) socialistic economy (1 mark)

SECTION B:

2. (a) Outline any **four** distinguishing features between a Planned Economy and a Capitalistic Economy (8 marks)
- (b) Outline the merits and demerits of a capitalistic economic system. (12 marks)

Bridge Gaps for Excellence and Keep at home to fight COVID 19.

END
