

GHS

Economics/Holiday

S. 5

1 Hour 50 minutes

April 2014

Answer all questions

1. What is the difference between Microeconomics and Macroeconomics? (04 marks)
2. What is scarcity? Explain this statement: "because scarcity exists, choices must be made" (06)
3. What is an economic system? State four ways in which laissez faire system and a command economy are different. (06 marks)
4. Identify the economic questions. Discuss how the free enterprise economy answers the fundamental economic questions. (10 marks)
5. What advantages do consumers get from the competition between sellers that exists in a free enterprise economy? (04 marks)
6. "Free enterprise guarantees economic success" Discuss. (10 marks)
7. What is a Mixed economy? (02 marks)
8. Why do you think Uganda's economy is mixed? (06 marks)
9. Explain the benefits of a mixed economy. (10 marks)
10. Distinguish between Public goods and Private goods (02 marks)
11. Explain the meaning of the following terms in relation to goods: (08 marks)
 - i) Non-excludable
 - ii) Free riders
 - iii) The tragedy of commons
 - iv) Zero cost
 - v) Zero price
 - vi) Non-exhaustible
 - vii) Free goods
 - viii) Economic goods
12. Identify each of the following as either a public good or a private good: (04 marks)
 - i) A pair of shoes
 - ii) Sunshine
 - iii) A pizza
 - iv) National defence
13. Why won't a private business firm produce a public good? (04 marks)
14. How a public is good paid for? (02 marks)