

WASSCE / WAEC MAY / JUNE 2017 ECONOMICS PAST QUESTION PAPER
(MULTIPLE CHOICE)

Source WWW.LARNEDU.COM

Visit www.Larnedu.com for [WASSE / WAEC past questions](#), [WASSCE / WAEC Syllabus](#) and more.

Good luck!

Note:

- This Economics past question paper is a little bit different from our standard format but we had to get a copy for our audience ASAP.
- Please ignore the markings on the sheet.
- All rights reserved.

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.

$$3.5 + 3.0 + 4.2 + 5.0 + 4.3 = 5$$

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.

1. Economics is regarded as a science because
 - A. its issues can be easily verified by reference to facts.
 - B. it adopts scientific method in making its analysis.
 - C. its issues are relevant for national development.
 - D. its subject matter studies human behaviour.
2. The opportunity cost of a worker going to the university is
 - A. tuition, fees and books.
 - B. boarding and lodging.
 - C. the wages given up to attend university.
 - D. transportation and entertainment.
3. Which of the following items is not an example of circulating capital?
 - A. Raw material
 - B. Money
 - C. Fuel
 - D. Machinery
4. In a market economy, the problem of what goods to produce is solved primarily by
 - A. directives of the government.
 - B. the pattern of consumers' spending.
 - C. producers of consumer goods.
 - D. people producing what they want.
5. If the weights of five puppies in kilograms are 3.5, 3.0, 4.2, 5.0 and 4.3, then the mean weight of the puppies is
 - A. 3.5 kg.
 - B. 4.0 kg.
 - C. 4.2 kg.
 - D. 5.0 kg.
6. If the coefficient of cross elasticity of demand for goods Y and Z is positive, the two goods are
 - A. complements.
 - B. substitutes.
 - C. luxuries.
 - D. inferior.

2

16.56 4

3

7. The difference between demand and wants is in the
 - A. desire for the commodity.
 - B. significance of the commodity.
 - C. ability to pay for the commodity.
 - D. economic value of the commodity.
8. A demand curve parallel to the Y-axis indicates
 - A. fairly elastic demand.
 - B. perfectly elastic demand.
 - C. perfectly inelastic demand.
 - D. fairly inelastic demand.
9. Which of the following is an example of derived demand?
 - A. Textbook
 - B. Labour
 - C. Staple food
 - D. Mobile phone
10. A rightward shift in the supply curve of a commodity is brought about by an increase in
 - A. the level of technology.
 - B. the price of the commodity.
 - C. cost of production.
 - D. taxation.
11. Effective supply is the total amount of a commodity
 - A. from a single producer.
 - B. in the warehouses of producers.
 - C. offered for sale at a market price.
 - D. produced for the market.
12. Price elasticity of supply can be influenced by the following factors except
 - A. time period.
 - B. cost of production.
 - C. size of consumers' income.
 - D. nature of the product.
13. Increase in the supply of a product can be caused by
 - A. change in tastes and fashion of consumers.
 - B. increase in the incomes of consumers.
 - C. a fall in the cost of production.
 - D. increase in the price of a product.
14. A rational consumer will purchase a commodity whose price is
 - A. greater than his marginal utility.
 - B. less than his marginal utility.
 - C. equal to his marginal utility.
 - D. equal to his total utility.
15. Parallel markets are usually the result of
 - A. excess supply.
 - B. the activities of rich individuals.
 - C. price legislation.
 - D. inadequate information.
16. Another term for equilibrium price is
 - A. price floor.
 - B. demand price.
 - C. market clearing price.
 - D. satisfactory price.
17. When a firm is enjoying internal economies of scale, its
 - A. total cost of production is increasing as output increases.
 - B. average fixed cost is rising continuously.
 - C. average cost of production decreases as output increases.
 - D. average revenue and marginal revenue are decreasing.

18. The specialisation of labour enhances production because people
- can concentrate on all goods they can produce better.
 - can efficiently produce their own needs.
 - can save time and produce more.
 - become experts in all areas of production.
19. Which of the following can be added to a firm's profit to obtain total revenue?
- Total variable cost
 - Total fixed cost
 - Marginal cost
 - Total cost
20. The amount of money that a firm receives from the sale of its output is called
- total profit.
 - total revenue.
 - total cost.
 - average revenue.
21. Which of the following is true of the monopolist?
- His average revenue curve is horizontal
 - He determines both price and output
 - His demand and marginal revenue curves are the same
 - He determines either price or output
22. Equity shares form the bulk of the capital of a
- private company.
 - public company.
 - statutory company.
 - limited partnership.
23. If a state-owned firm is sold through the stock market, the organisation becomes a
- partnership.
 - private company.
 - public limited company.
 - public corporation.
24. The total number of people of working age who are willing and prepared to work at a given wage rate is the
- labour force.
 - supply of labour.
 - demand for labour.
 - occupational demand for labour.
25. A civil engineer who accepts to teach elementary science in a primary school because he cannot get a paid engineering job is an example of
- structural unemployment.
 - disguised unemployment.
 - residual unemployment.
 - frictional unemployment.
26. Which of the following is an implication of a large population?
- Decrease in crime rate
 - Increase in food supply
 - Decrease in standard of living
 - Decrease in cost of living

27. The system of agriculture which involves the cultivation of crops and rearing of animals for family consumption only is termed
- peasant farming.
 - plantation agriculture.
 - commercial farming.
 - subsistence farming.
28. An industry whose product loses considerable weight after processing must be sited close to
- the source of finance.
 - a ready market.
 - a power station.
 - the source of raw material.
29. Which of the following is a threat to the existence of middlemen?
- Consumers' cooperative societies
 - Producers' cooperative societies
 - Sales agents
 - Large scale producers
30. In an industrial area, the location of industries is particularly influenced by
- extent of the division of labour.
 - external economies.
 - internal economies.
 - nearness to financial institution.
31. Which of the following is a transfer income?
- Dividends
 - Rent
 - Pensions
 - Interest
32. The value-added method used in measuring national income is to
- measure output at factor cost.
 - avoid multiple counting of output.
 - deduct depreciation of capital assets.
 - add net factor income from abroad.
33. Which of the following is most likely to be of benefit to a debtor?
- Inflation
 - Deflation
 - Revaluation
 - Monetization
34. The formula $Y = C + I + G + (X - M)$ will be appropriate for measuring national income using the
- income approach.
 - expenditure approach.
 - output approach.
 - factor approach.
35. A measure of the value of money in an economy is the
- size of workers' income.
 - general price level.
 - total level of savings.
 - total amount of loans granted by the banks.
36. One characteristic of money is that it should be
- a standard for deferred payment.
 - stable in value.
 - a store of value.
 - acceptable by the central bank.

37. A financial institution that specializes in giving loans using real assets as collateral security is a
- development bank.
 - insurance company.
 - central bank.
 - D. mortgage bank.
38. The function that distinguishes commercial banks from the central bank is that the former
- is a lender of last resort.
 - B. accepts deposits from the public.
 - services the public debt.
 - regulates foreign exchange.
39. Direct taxes include
- A. excise duty.
 - ad valorem tax.
 - specific tax.
 - capital gains tax.
40. The control of aggregate demand through changes in government spending and tax rates is referred to as
- A. monetary policy.
 - government policy.
 - income policy.
 - D. fiscal policy.
41. Which of the following is **not** a feature of economic underdevelopment?
- Monocultural economy
 - B. High productivity
 - Low life expectancy
 - Income inequality

42. **One** way of speeding up the economic development of a country is by encouraging
- the consumption of consumer goods.
 - B. early marriages.
 - the importation of more consumer goods.
 - D. savings and investment.
43. Dumping in international trade occurs when a foreign firm sells
- above its cost of production at home and abroad.
 - below its cost of production at home and abroad.
 - C. more goods to a country than the country has need of.
 - below its cost of production in a foreign market.
44. Infant industries can be described as
- A. newly established industries.
 - industries enjoying tax holidays.
 - industries producing baby products.
 - newly commercialised industries.
45. Modern international trade is based on the principle of
- absolute cost advantage.
 - B. comparative cost advantage.
 - terms of trade.
 - balance of trade.
46. Which of the following items is recorded in a country's current account section of the balance of payments?
- Investment income
 - B. Foreign direct investment
 - Long-term capital flows
 - Long-term loans
47. **One** problem facing the economic integration of countries in West Africa is the
- presence of large and developed markets.
 - B. uneven development among West African countries.
 - existence of different central banks in the countries.
 - D. failure of labour to move freely in the region.
48. One objective of the Organisation of Petroleum Exporting Countries (OPEC) is to
- A. harmonise and stabilize oil prices.
 - ensure excess supply of oil to consuming countries.
 - C. subsidise oil prices in member countries.
 - assist member countries to exploit oil resources.

49. Which of the following resources is renewable?
- A. Coal
 - Iron ore
 - C. Rice
 - Limestone
50. The *negative* effects of mining in West Africa does **not** include
- A. reafforestation in rural communities.
 - land degradation.
 - destruction of farmlands.
 - pollution of water bodies.

