



## WORLD MISSION

### TECHNICAL SECONDARY SCHOOL

EXAM DETAILS		TRAINEE'S DETAILS	
Sector	ICT & FINANCE	Trainee's name	
Trade	ALL	Trainer's name	KAGABO Octave
Module code		Module title	ECONOMICS
Level	LEVEL 5	Date	December.....,2023

### **Section A. Attempt all questions (5 marks each)**

1. After defining the term microeconomics, describe the goals, measures and challenges of macroeconomics.
2. What is aggregate Economic Activities and Fluctuations
3. The current economic model describing economic fluctuations in a market economy is the business cycle.
  - a. Define what is business cycle
  - b. Show the above term graphically.

4. Identify the Components of Aggregate Demand and the reasons for a downward-sloping aggregate demand curve.
5. Distinguish scarcity, choice, and opportunity cost.
6. What are four major economic agents and fundamental question in economics?
7. Differentiate change in demand from change in quantity demanded.
8. Suppose that a 2% increase in price results in a 6% decrease in quantity demanded. Calculate the price elasticity of demand and mention the type of that elasticity.
9. The own-price elasticity of demand for beer in the SKOOL and BRARIRWA is -0.55 and -0.15, respectively. What do these values tell us about the elasticity of beer in the two companies? How would a 2% increase in price of beer in the SKOOL affect the quantity demanded in this company?
10. The quantity demanded of product A has increased by 12% in response to a 15% increase in price of product B. Calculate the cross elasticity of demand and tell whether the product pair is;
  - a) Apples and oranges, or
  - b) Cars and gas.
11. In a small village RUBAVU, there are 100 small dairy farmers who sell milk to the residents in the village. The supply function of milk by each dairy farmer is given by  $D_s = -2 + 2P$  where  $Q_s$  represents the quantity milk of supplied in litters and  $P$  is the price of milk per litter. The market demand for milk by the residents of the villages is given by

$Q_d = 400 - 100P$  where  $Q_d$  is the total market demand for milk in litters.

- a) Find the equilibrium price and quantity of milk.
- b) Show your answer graphically

**12.** Market is defined as any arrangement that enables buyers and sellers to communicate and exchange goods and services.

- a) Define the term market structure
- b) What are the determinants of market structure?

There are a number of determinants of market structure for a particular good.

- c) States different forms of market structure and characteristics for each.

**13.** Every day, different people do different things. Some people produce goods while others provide services. If we add up in monetary terms the value of all the goods services that have been produced in a country, in a given year, we get that country's national income.

- a) What do you understand the meaning of national income?
- b) Differentiate GDP to GNP
- c) What are other national accounts?

**14.** Study the data in below Table and answer the questions relating to it.

Gross Private Investment	\$124
Exports	\$ 30
Import	\$12
Government Purchases	\$156
Household Consumption	\$304

- a) Calculate the GDP.
  - b) According to your finding, mention if the DGP is for a developing country or a developed country. Define your answer
- 15.** What are the importance and problems of measuring national income?

**Section B. Attempt any 4 questions (10marks each)**

- 16.** Money provides the service of reducing transaction cost, namely the double coincidence of wants.
- a) What is the meaning of money?
  - b) What are the functions and characteristics of money?
  - c) The money supply is categorized as **M<sub>1</sub>**, **M<sub>2</sub>**, **M<sub>3</sub>**. Define these categories of money supply.
- 17.** Economically inflation refers to a persistent, substantial rise in the general level of prices related to an increase in the volume of money and resulting in the loss of value of currency. What are the types and causes of inflation?
- 18.** The informal sector refers to those workers who are self-employed, or who work for those who are self-employed. By large, informal sector is the major employing sector in Rwanda. Informal sector accounts for 64% of output in industry in Rwanda.
- a) Explain different advantages and disadvantages of informal sector.
  - b) Identify other economic factors in Rwanda.
- 19.** A subsistence economy is a non-monetary economic which relies on natural resources to provide for basic needs through hunting, gathering, and subsistence agriculture. Identify the advantages and disadvantages of a subsistence sector.
- 20.** Differentiate between public and private sector and give example companies for both sectors in case of Rwanda
- 21.** Discuss about justifications of public and private sectors in economics.

1. What are the types of equilibrium?
2. Define the term planned economy.

3. What is the meaning Public financial management (PFM)

1. What are the objectives of the PFM system

**End!!!**

**Have good preparation of holiday package**