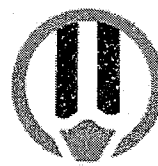


ECONOMICS

ECO 01

28/07/2022

8:30 AM – 11:30 AM



NESA

NATIONAL EXAMINATION AND
SCHOOL INSPECTION
AUTHORITY

TTC NATIONAL EXAMINATIONS, 2021-2022

SUBJECT : ECONOMICS

OPTION : SOCIAL STUDIES EDUCATION (SSE)

DURATION: 3 HOURS

INSTRUCTIONS:

- 1) Do not open this question paper until you are told to do so.
- 2) Write your names and index number on the answer booklet as they appear on your registration form and **DO NOT** write your names and index number on additional answer sheets if provided.
- 3) This paper consists of **TWO** sections **A** and **B**

SECTION A: Attempt **all** questions.

(55 marks)

SECTION B: Attempt any **three** questions from this section.

(45 marks)

- 4) Use **blue** or **black** pen.

SECTION A: ALL QUESTIONS ARE COMPULSORY (55 marks)

- 1) a) State the basic principles of economics. (3 marks)
b) Explain how they are related. (3 marks)
- 2) a) The table below represents a demand schedule. Study it and use the information in it to illustrate the demand curve. (3 marks)

Price of a commodity (Frw)	Quantity demanded of a commodity (Kg)
1,000	6
1,500	4
2,000	2

- 3) Elasticity has been helpful to government in different aspects. Identify five ways in which knowledge and skills of elasticity of demand is of importance to the government. (5 marks)
- 4) Give any five factors that determine standards of living in any country. (5 marks)
- 5) Study the information in the table of a monopolist firm below and answer the questions that follow.

(Q)	AR	TR	MR
0	-	-	-
1	1,000	-	-
2	900	-	-
3	800	-	-

- a) Complete **TR** and **MR** columns. (3 marks)
- b) Explain the trend of **AR & MR**. (2 marks)
- c) Suppose that Average Total Cost at the 3rd unit is 450 Frw, find out the profit that can be realised by the firm. (1 mark)
- 6) Explain any 5 qualities that the Rwandan franc has to fulfil in order to perform its functions. (5 marks)

- 7) What do you understand by the following terms?
- a) Price control. (2 marks)
 - b) Rationing. (2 marks)
 - c) Buffer stock. (2 marks)
- 8) Give four causes of unemployment in any developing country. (4 marks)
- 9) Explain any 5 tools/instruments used by the government of Rwanda to protect its economy. (5 marks)
- 10) Give any five factors that have led to the growth of globalization. (5 marks)
- 11) a) Define the term **Contracting out** as a form of privatization. (2 marks)
- b) What are the forms of privatization under **contracting out**? (3 marks)

SECTION B: ATTEMPT ANY THREE QUESTIONS (45 marks).

- 12) a) i) What do you mean by an industry? (1 mark)
- ii) Differentiate between location and localization of industries. (2 marks)
- b) Suppose that you are appointed as a Minister of trade and commerce in your country, write down what you would consider before establishing firms in a given area. (12 marks)
- 13) a) Suppose that taxable income is 250,000 Frw and tax paid is 40,000 Frw. Calculate the tax rate in this economy. (2 marks)
- b) By referring to the principle of equity/fairness in Rwandan taxation system, calculate the amount of taxes that would be paid by individuals whose incomes are 45,000 Frw and 180,000 Frw respectively. (4 marks)
- c) Explain reasons for a continuous deficit budget in our country. (9 marks)
- 14) a) Discuss the reasons why prices of agricultural products fluctuate more than prices of industrial products. (10 marks)
- b) In Rwandan markets, prices of food items usually fluctuate. Advise the government on how to control this price instability. (5 marks)

- 15) One of the problems that developing countries face to ensure a sustainable development is high population increase. As a student of economics, suggest measures that could be taken into account to solve the negative impact of high population in your country. **(15 marks)**
- 16) Explain the motives behind which countries negotiate for mutual interdependence and form an economic integration. **(15 marks)**

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