

SC 2031
WASSCE (SC) 2021
ECONOMICS 1
Objective Test
1 hour

1

Name:

Index Number:

THE WEST AFRICAN EXAMINATIONS COUNCIL

West African Senior School Certificate Examination (WASSCE) for School Candidates, 2021

SC 2021

ECONOMICS 1

1 hour

OBJECTIVE TEST

[50 marks]

Do not open this booklet until you are told to do so. While you are waiting, write your name and index number in the spaces provided at the top right-hand corner of this booklet and, thereafter, read the following instructions carefully.

1. Use **HB pencil** throughout.
2. If you have got a blank answer sheet, complete its top section as follows.
 - (a) In the space marked *Name*, write your **surname** followed by your **other names**.
 - (b) In the spaces marked *Examination, Year, Subject* and *Paper*, write 'WASSCE (SC)', '2021', 'ECONOMICS' and '1' respectively.
 - (c) In the box marked *Index Number*, write your **index number** vertically in the spaces on the left-hand side. There are numbered spaces in line with each digit. Shade carefully the space with the same number as each digit.
 - (d) In the box marked *Paper Code*, write the digits 203112 in the spaces on the left-hand side. Shade the corresponding numbered spaces in the same way as for your index number.
 - (e) In the box marked *Sex*, shade the space marked **M** if you are **male**, or **F** if you are **female**.
3. If you have got a pre-printed answer sheet, check that the details are correctly printed, as described in 2 above. In the boxes marked *Index Number, Paper Code* and *Sex*, **reshade** each of the shaded spaces.
4. An example is given below. This is for a **male** candidate whose name is **Chinedu Oladapo DIKKO**, whose **index number** is **4251102068** and who is offering **Economics 1**.

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PRINT IN BLOCK LETTERS

Name: DIKKO CHINEDU OLADAPO Examination: WASSCE (SC) Year: 2021
Surname Other Names

Subject: ECONOMICS Paper: 1

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SEX				
Indicate your sex by shading the space marked M (for Male) or F (for Female) in this box: <table style="display: inline-table; vertical-align: middle;"> <tr> <td style="padding: 0 10px;">M</td> <td style="padding: 0 10px;">F</td> </tr> <tr> <td style="text-align: center;"><input type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>	M	F	<input type="checkbox"/>	<input type="checkbox"/>
M	F			
<input type="checkbox"/>	<input type="checkbox"/>			

- INSTRUCTIONS TO CANDIDATES**
1. Use grade **HB pencil** throughout.
 2. Answer each question by choosing one letter and shading it like this: [A] [B] [C]
 3. Erase completely any answer(s) you wish to change.
 4. Leave extra spaces blank if the answer spaces provided are more than you need.
 5. Do not make any markings across the heavy black marks at the right-hand edge of your answer sheet.

For Supervisors only.
If candidate is absent shade this space:

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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.

The correct answer is wants, which is lettered B and therefore answer space B would be shaded.

[A] [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. The study of economics is important to every society because it
 - A. enables individuals to satisfy all their wants.
 - B. helps in the utilization of scarce resources.
 - C. helps producers to know what to produce.
 - D. restores equilibrium between producers and consumers.
2. A consumer with \$10 needs a dress, a pair of shoes, a handbag and jewellery costing \$20, \$10, \$7 and \$3 respectively. The opportunity cost of buying the pair of shoes is the
 - A. dress.
 - B. jewellery.
 - C. handbag and jewellery.
 - D. dress and jewellery.
3. The distinguishing function of an entrepreneur is
 - A. planning.
 - B. control.
 - C. risk-bearing.
 - D. management.
4. When a commodity market operates without government interference, commodities are distributed through
 - A. government distribution agencies.
 - B. the operation of price mechanism.
 - C. a central planning committee.
 - D. retailers only.
5. One way of obtaining the median of a given data is to
 - A. sum the value and divide by the number of items.
 - B. arrange the data in ascending order and subtract each item from the mean.
 - C. arrange the data in descending order and add each item to the least.
 - D. arrange the data in either ascending or descending order and find what item divides the set in two equal parts.
6. An increase in rice harvest, all things being equal, may cause
 - A. price to increase substantially.
 - B. price to fall substantially.
 - C. demand to fall substantially.
 - D. farmer's incomes to be more than doubled.



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7. The demand for wood and labour is an example of
- effective demand.
 - complementary demand.
 - derived demand.
 - competitive demand.
8. What will be the reaction of consumers in a market if there is a fall in the price of the substitute of commodity X?
- Price of commodity X will increase
 - Demand for the substitute of commodity X will decrease
 - Demand for commodity X will decrease
 - Supply of both commodity X and its substitute will increase
9. An increase in market supply is caused by the following factors **except**
- an improvement in innovation and technology.
 - an increase in the price of the commodity.
 - a reduction in the cost of raw materials.
 - a favourable weather condition.
10. The coefficient of price elasticity of supply of land is usually
- one.
 - greater than one.
 - zero.
 - less than one.
11. The price of soap rose from \$10 to \$20, causing a trader to increase her supply from 50 to 120 boxes per week. This makes supply
- unitary elastic.
 - perfectly inelastic.
 - fairly elastic.
 - inelastic.
12. A leftward shift in the supply curve for a commodity indicates
- an increase in quantity supplied.
 - a decrease in supply.
 - a reduction in quantity supplied.
 - an increase in supply.
13. Market supply may increase if there is an increase in the
- price of the product.
 - prices of factors of production.
 - tax paid on raw materials.
 - subsidies on raw materials.
14. Governments can increase farmers' incomes by
- fixing maximum prices.
 - fixing minimum prices.
 - encouraging them to produce surplus output.
 - increasing taxes on inputs.
15. When market supply increases, the equilibrium price
- rises and quantity falls.
 - falls and quantity rises.
 - and quantity increase.
 - and quantity fall.
16. The supply of mangoes is represented as $P = 0.3Q$, where P is the price (\$) and Q is the quantity.
What is P when Q is 50?
- \$ 1.50
 - \$ 15.00
 - \$ 150.03
 - \$ 166.67
17. The output of an extra unit of an input is referred to as
- output of the input.
 - marginal product of the input.
 - average product of the input.
 - utility of the input employed.
18. The *law of diminishing returns* is applicable to the
- fixed inputs of production.
 - variable factors of production.
 - plants and machinery of the firm.
 - equipment and other capital.



A firm incurred the following costs in production. Use the information in the table to answer questions 19 and 20.

Output (bags of rice)	0	10	20	30	40	50	60
Total Cost (\$)	100	200	300	380	440	520	600

19. The *fixed cost* of production is
- \$ 100.
 - \$ 200.
 - \$ 300.
 - \$ 600.
20. The *average cost* of producing 40 bags of rice is
- \$ 10.
 - \$ 11.
 - \$ 60.
 - \$ 80.
21. The relationship between the *marginal revenue (MR)* and the *average revenue (AR)* of a monopolist is that the marginal revenue curve
- is above the average revenue curve.
 - slopes down to the right and is below the AR curve.
 - and the AR curve are downward sloping and are identical.
 - is vertical while the average revenue curve is horizontal.
22. A major source of finance to the Railway Corporation in West African countries is
- sale of shares.
 - government subvention.
 - trade credit.
 - surplus.

23. Separation of ownership of resources and their control is **mostly** found in a
- sole proprietorship.
 - partnership.
 - joint stock company.
 - consumer co-operative.
24. By-passing the middlemen in the chain of distribution can lead to
- a problem of unemployment of labour.
 - the creation of artificial scarcity.
 - high prices of goods and services.
 - an increase in government tax revenue.
25. Two factors which can improve the efficiency of labour are
- population size and age of retirement.
 - school leaving age and number of disabled workers.
 - work environment and health status of workers.
 - school leaving age and number of part-time workers.

The age distribution of a country's population is shown below. Use the information to answer questions 26 and 27.

AGE GROUP (YEARS)	POPULATION
0 - 15	30 %
16 - 40	45 %
41 - 60	15 %
Over 60	10 %

26. What is the percentage of the working population?
- 75 %
 - 60 %
 - 45 %
 - 15 %

27. What is the *dependency ratio*?
- 2 : 3
 - 3 : 2
 - 1 : 2
 - 6 : 1
28. The supply of land for agricultural purpose can be increased through
- the introduction of mechanized farming.
 - reclamation and irrigation.
 - increase in prices of land.
 - conversion of building sites to farmlands.
29. Non-economic factors that influence the location of firms include
- the existence of required materials for production.
 - availability of population of buyers.
 - adequate supply of power, good road and rail network.
 - the activities of politicians in deciding location of firms.
30. Which of the following is **not** an argument for the policy of privatization in West Africa?
- To make businesses more profitable
 - Government is able to participate and control the operation of the privatized businesses
 - Members of the public are able to acquire shares
 - It encourages the inflow of capital and expertise from local and foreign sources

The following data relates to the national income of a country.

Gross domestic product = \$ 2800

Net factor income from abroad = \$ 250

Depreciation = \$ 700

Indirect taxes = \$ 120

Use it to answer questions 31 and 32.

31. What is the country's Gross National Product (GNP)?
- \$ 3,050
 - \$ 2,680
 - \$ 2,350
 - \$ 2,100
32. What is the country's Net National Product (NNP) at factor cost?
- \$ 3,050
 - \$ 2,680
 - \$ 2,230
 - \$ 2,220
33. The standard of living in two countries can be compared using the
- number of industries in each country.
 - size of their arms and ammunition.
 - size of their national incomes only.
 - gross national product per head.
34. Government can curb inflation by
- encouraging banks to lend for any purpose.
 - increasing her own expenditure.
 - buying treasury bills in the open market.
 - selling securities in the open market.
35. Functions of money does **not** include
- store of value.
 - medium of exchange.
 - standard of deferred payment.
 - general acceptability.

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36. Demand-pull inflation can be as a result of
- increase in the cost of production.
 - excessive supply of foodstuff.
 - deficit financing by the government.
 - increase in import duties.
37. An increase in cash ratio by the central bank will
- increase the supply of money.
 - increase banks' lending.
 - encourage borrowing.
 - reduce the supply of money.
38. When a government cuts down her expenditure to reduce inflation, she has embarked on
- a restrictive fiscal policy.
 - an expansionary monetary policy.
 - physical policy.
 - implementing budget deficit.
39. In order to enable the government of a country to increase its tax revenue, it will be advisable for it to increase taxes on
- textile materials with elastic demand.
 - alcoholic beverages with inelastic demand.
 - agricultural products with inelastic supply.
 - luxury goods with elastic supply.
40. People who dispose of their assets are expected to pay
- value added tax.
 - capital gains tax.
 - expenditure tax.
 - sales tax.
41. A floating exchange rate means that the exchange rate is fixed by the
- central bank of the country.
 - forces of demand and supply.
 - International Monetary Fund (IMF).
 - Ministry of Finance.
42. A measure that can be adopted to correct a country's balance of payments deficit is to
- allow the currency to appreciate to encourage imports.
 - allow the currency to depreciate to encourage imports.
 - adopt import substitution strategy.
 - restrict trade with all countries.
43. Records of a country's invisible trade are recorded in her
- trade account.
 - capital account.
 - current account.
 - financial account.
44. If a country's import bill is high, she can encourage exports by
- allowing her currency to depreciate.
 - allowing her currency to appreciate.
 - liberalizing importation.
 - increasing taxes on all locally produced goods.
45. If a country imposes a barrier on trade, the resultant effect will be
- a halt in buying and selling.
 - high quality goods from local industries.
 - an increase in the demand for locally produced goods.
 - shutdown of infant industries.



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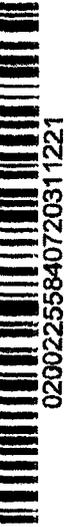
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46. A country may be able to earn more from exports if she
- A. increases her export duty.
 - B. devalues her currency.
 - C. increases her import duty.
 - D. allows her currency to appreciate.
47. A customs union is an economic grouping which has
- A. free movement of factors of production.
 - B. common tariffs against non-members.
 - C. common currency for trading.
 - D. common military defence.
48. Balance of payments and trade problems that arose after the world wars were resolved by the
- A. International Bank for Reconstruction and Development.
 - B. International Monetary Fund.
 - C. African Development Bank.
 - D. Organization of Petroleum Exporting Countries.
49. Examples of land that are non-renewable include
- A. marshy and water-logged land.
 - B. farmlands already used for many years.
 - C. some natural resources such as natural gas.
 - D. oxygen and carbon dioxide in the atmosphere.
50. Abundant natural resources do **not** contribute to economic growth in developing countries because of
- A. high rate of inflation.
 - B. urban congestion.
 - C. over-reliance on multiple commodities.
 - D. mismanagement and corruption.

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PAPER 2

2 hours

[80 marks]

Answer **four** questions in **all**. **One** question only from A and any **three** questions from Section B.

You are reminded of the importance of clarity of expression and orderly presentation of relevant materials

All questions carry equal marks,

SECTION A

Answers **one** question **only** from this section.

1. **Table 1** below shows the distribution of the population of a country in various occupations. Study it and answer the questions that follow.

Table 1

OCCUPATION	TOTAL
Shoe production	30 million
Banking	37 million
Fish processing	19 million
Warehousing	12.2 million
Mining	16.1 million
Fish farming	10.8 million
Food crop production	15.6 million
Baking	19 million
Laundry	10.3 million

- (a) Calculate the size of the entire labour force in the country. [3 marks]
- (b) What percentage of the labour force is engaged in the:
(i) *primary sector*; [3 marks]
(ii) *secondary sector*; [3 marks]
(iii) *tertiary sector*? [3 marks]
- (c) Calculate the ratio of the workers in mining to the workers in shoe production. [2 marks]
- (d) Calculate the percentage of the people engaged in warehousing. [3 marks]
- (e) (i) Identify the type of economy depicted in the table. [1 mark]
(ii) Give a reason for your answer in 1(e) (i) [2marks]

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