REPUBLIC OF RWANDA

MINEDUC

KAMONYI DISTRICT

CLASS: S6MCE & MEG

ECONOMICS HOLYDAYS WORK/100 MARKS

INSTRUCTIONS:

1. Do not open this question paper until you are told to do so.
2. Read carefully instructions for each section, and each question before you provide the answer.
3. An examination is in two sections A and B. A is compulsory to be responded.
4. Do not mix answers from different sections and underline after each answer.

SECTION A .ATTEMPT ALL QUESTIONS/55MARKS

Q1.MULTIPLE CHOICE QUESTION/5MARKS

i. Which of the following would shift the supply curve for a good to the left

a. A decrease in the price of inputs

b. A technological advancement

c. An increase in the price of the good

d. A rise in production cost

ii. Which of the following statement best explain the relationship between inflation and unemployment?

a. A decrease in inflation will always lead to a permanent reduction in unemployment due to the long run tradeoff between the two

b. In short run, there is an inverse relationship between inflation and unemployment, where an increase in inflation typically lead to a decrease in unemployment.

c. The Phillips curve suggests that there is no tradeoff between inflation and unemployment, as they are both determined independently by different factors

d. In the short run, a decreases in inflation will typically lead to an increases I unemployment, but this trade off does not persist in the long run

iii. The balance of payment of a country is a record of:

A .The country's imports and exports of goods and service only

B .The total economic output of the country in a given year

d. All financial transactions between a country and the rest of the world, including trade, investment and capital flows.

4. What is meant by an optimum population for a country?

a. A population that balances its birth rate and its death rate

b. A population that maximizes output per head

c. A population that results in fewest negative externalities

d. A population that uses all resources available.

Q5.Which combination of government policies is most likely to increase the rate of growth of domestic production in an economy.

a. An increase in expenditure on infrastructure and increases in income tax

b. An increases in interest rate and an increase in quotas on imported goods

c. An increases in sales tax and an increase in education expenditure

d. An increase in subsidies to domestic industry and an increase in tariffs.

Q2.The classical economists defined economic as "The science of accumulation of wealth and Robbins defined economics as a "science which studies the relationship between ends and scarce means which have alternatives use"

a. Explain the meaning of each of the two definitions of economics**. /3marks**

b. Which of the two definitions is the most appropriate**? /2marks**

Q3.a. Differentiate between resale price maintenance and reserve price**. /2marks**

   b. State any two uses of price in your country**. /2marks**

Q4a.Give 85 as a country's export unit value index and 120 as its imports unit value index

   i.   Calculate the terms of trade of such a country. /**1mark**

ii.   Comment on the state of terms of trade of such country. /**1mark**

b. Explain why the terms of trade have tended to move against LDC$_S$. /**3marks**

Q5 a. State the marginal productivity theory of wages**. /2marks**

  B . Mention any three limitations of marginal productivity theory of wage. /**3marks**

Q6. a. Mention any four objectives of economic development in your country**. /2marks**

  b. State any four social indicators of underdevelopment in your country. /**2marks**

Q7.a. When the price of commodity X rose from 10000frw to 15000frw, the quantity supplied of commodity Y increased from 200 units to 250 units.

  a. Calculate the cross elasticity of supply**./1mark**
  b. Comment on the nature of commodities X and Y**./1mark**
  c. Suggest two examples of X and Y**./1mark**

Q8.a.Mention any three positive effect of demand pull inflation**. /3marks**

  b. State four reason why may an increase in money supply may not necessary lead to inflation**. /2marks**

Q9. How is the balance of payments deficit correct under?

  a. A floating exchange rate**. /2marks**

  b. A fixed exchange rate**. /2marks**

Q10. a. Giving example from your country, explain any four characteristics of monopolistic competition. **/3marks**

    b. How are the output and price decision of the firm in such industry determined**?
/3marks**

Q11.a.what are the features of economic union? /**2marks**

  b. Examine the factors that may encourage the formation of an economic union in EAST AFRICA**. /3marks**

Q12.Given the information in the table below, use it to answer the questions that follow

output	Total revenue (frw)	Total costs (Frw)
0	-	1100
1	500	1400
2	1000	1620
3	1500	1750
4	2000	1800
5	2500	1850
6	3000	1940
7	3500	2190

a. What is the level of fixed costs**? /2marks**

b. What are the variable costs for the second unit of output? /**2marks**

c. What is the average variable cost for the fourth unit of output**? /2marks**

d. What is the average fixed cost for the fourth unit of output? /**2marks**

SECTION B: ATTEMPT ANY THREE QUESTIONS/45MARKS

Q13 a. What is meant by economic growth**? /3MARKS**

   b. Examine the factors necessary for enhancing the growth of an economy. /**12marks**

Q14.a.What is imported inflation**? /3marks**

  b. How can imported inflation be reduced in your country**. /12marks**

Q15 a. analyse why Rwanda revenue authority has to levy taxes**. /7marks**

   b. Advise the government of Rwanda on how to increase the tax base and capacity in the country**. /8marks**

Q16. a. Differentiate between "shift of" and a" movement along" the demand curve**. /5marks**

   b. What factors may lead to a shift of a demand curve? /**10marks**

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