ZIMBABWE SCHOOL EXAMINATIONS COUNCIL

General Certificate of Education Advanced Level

ECONOMICS 6073/3

PAPER 3 Essays

NOVEMBER 2021 SESSION 3 hours

Additional materials:
Answer paper

TIME 3 hours

INSTRUCTIONS TO CANDIDATES

Write your name, centre number and candidate number in the spaces provided on the answer paper/answer booklet.

Answer any **four** questions.

Write your answers on the separate answer paper provided.

If you use more than one sheet of paper, fasten the sheets together.

INFORMATION FOR CANDIDATES

The number of marks is given in brackets [ ] at the end of each question or part question.

You are reminded of the need for good English and clear presentation in your answers.

This question paper consists of 2 printed pages and 2 blank pages.

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[Turn over

1 (a) Explain the role of price in a market economy. [10]

(b) Discuss the effectiveness of a planned economy as a means of allocating scarce resources. [15]

2 (a) Outline the functions of commercial banks. [10]

(b) Discuss the benefits of increasing money supply when the economy reaches full employment. [15]

3 Discuss the benefits of changing from a partnership business to a limited company. [25]

4 (a) Explain the following terms:

(i) Economies of scale

(ii) Diseconomies of scale [10]

(b) Discuss the effectiveness of the measures used by government to support Small to Medium enterprises SMEs in your country. [15]

5 Justify the existence of wage differentials between and within occupations. [25]

6 (a) Explain the sources of market failure. [10]

(b) Evaluate the possible solutions to market failure. [15]

7 Assess the effectiveness of trade protectionist measures in your country. [25]

8 Evaluate the usefulness of national income statistics as a measure of economic performance in a developing country. [25]

9 Assess the effectiveness of monetary policy tools used to influence money supply. [25]

10 (a) Explain the following terms:

(i) Elastic demand

(ii) Inelastic demand [10]

(b) Discuss why a government might consider the policy of privatisation to be beneficial to its economy. [15]

11 (a) Explain the following concepts:

(i) allocative efficiency

(ii) productive efficiency [10]

(b) Discuss the measures used by the government to regulate monopolies. [15]

12 Evaluate the benefits of an overvalued currency to your country. [25]