ZIMBABWE SCHOOL EXAMINATIONS COUNCIL

General Certificate of Education Advanced Level

ECONOMICS 6073/3

PAPER 3 Essays

SPECIMEN PAPER 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 3 printed pages and 1 blank page.

Copyright: Zimbabwe School Examinations Council, Specimen Paper.
©ZIMSEC SPECIMEN PAPER

[Turn over

1 **(a)** Explain how the free market economy allocates scarce resources. [5]

(b) Discuss any five reasons why the free market economy might fail to allocate resources efficiently. [20]

2 **(a)** Explain the following terms:

(i) substitute goods,

(ii) inferior goods. [10]

(b) Discuss the usefulness of demand elasticity concepts to a retailer. [15]

3 **(a)** Assess the contribution of Small to Medium Enterprises (SMEs) in developing countries like Zimbabwe. [12]

(b) Discuss the effectiveness of government assistance to Small to Medium Enterprises. [13]

4 **(a)** Distinguish between monopolistic and oligopolistic market structures. [12]

(b) With the aid of a diagram, discuss the efficiency implications of a monopolistic market structure. [13]

5 On the basis of economic theory, justify the existence of wage differentials in your country. [25]

6 **(a)** Explain the methods of calculating gross domestic product used in National Income Statistics (NIS). [12]

(b) To what extent can National Income Statistics show changes in standards of living? [13]

7 **(a)** Explain the causes of a disequilibrium in the current account of a balance of payments. [10]

(b) Discuss the measures that may be used to correct a balance of payments deficit. [15]

8 **(a)** Explain the instruments of monetary policy. [10]

(b) Discuss the policies that can be used to reduce inflation in your country. [15]

9 **(a)** Explain the characteristics of developed countries. [12]

(b) Discuss the significance of economic growth to a developed country. [13]

10 **(a)** Explain the causes of unemployment. [10]

(b) Discuss the effectiveness of the policies the government may take to reduce unemployment in your country. [15]

11 Discuss the effectiveness of policies the government may use to redistribute income and wealth in an economy. [25]

12 Discuss the measures that developing countries may use to protect their industries from competition from industries in developed countries. [25]

BLANK PAGE