ZIMBABWE SCHOOL EXAMINATIONS COUNCIL

General Certificate of Education Advanced Level

ECONOMICS 4050/3

PAPER 3

SPECIMEN PAPER 2 hours

Additional materials:
Answer paper

TIME 2 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 papers 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 specimen paper consists of 3 printed pages and 1 blank page.

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1 **(a)** Outline any **four** features of a free market economy. [8]

(b) Explain any **four** advantages of a free market economy. [12]

2 Explain any **five** causes of wage differentials between workers in the same industry in a developing country such as Zimbabwe. [20]

3 **(a)** Explain any **four** determinants of demand. [8]

(b) Using diagrams, describe;

(i) Change in quality supplied and, [6]

(ii) change in supply. [6]

4 **(a)** With reference to market structures describe;

(i) abnormal profit [3]

(ii) normal profit [3]

(b) With the aid of a diagram explain the short run equilibrium position of a firm in monopolistic competition. [12]

5 Explain any **five** reasons for continued existence of Small to Medium Enterprises (SMEs) despite competition from large firms. [20]

6 **(a)** Outline any **four** uses of National Income Statistics. [8]

(b) Discuss any **four** limitations of National Income Statistics in assessing living standards of people in a country. [12]

7 **(a)** Explain any **four** problems of barter trade. [8]

(b) Describe any **four** functions of commercial banks in the economic development of a country. [12]

8 **(a)** Describe any **four** ways to control population growth. [8]

(b) Explain any **three** economic factors contributing to the spread of HIV and AIDS in adeveloping country such as Zimbabwe. [12]

9 **(a)** State any **four** advantages of foreign trade. [8]

(b) How does Zimbabwe protect itself from foreign trade? [12]

10 **(a)** Outline any **four** characteristics of a developing economy. [8]

(b) Explain any **four** effects of economic growth and development. [12]

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