



GOVERNMENT OF SAMOA
MINISTRY OF EDUCATION, SPORTS AND CULTURE

STUDENT EDUCATION NUMBER

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Samoa School Certificate

ECONOMICS

2021

QUESTION and ANSWER BOOKLET

Time allowed: 3 Hours & 10 minutes

INSTRUCTIONS

1. You have 10 minutes to read **before** you start the exam.
2. Write your **Student Education Number (SEN)** in the space provided on the top right hand corner of this page.
3. **Answer ALL QUESTIONS.** Write your answers in the spaces provided in this booklet.
4. If you need more paper to write your answers, ask the Supervisor. Write your SEN on all extra sheets used and clearly number the questions. Attach the extra sheets at the appropriate places in this booklet.

STRANDS		Page	Time (min)	Weighting
MULTIPLE CHOICE		2	24	13
STRAND 1	PRODUCTION	6	38	23
STRAND 2	CONSUMPTION	12	52	31
STRAND 3	MARKET	18	66	33
TOTAL			180	100

Check that this booklet contains pages 2-25 in the correct order.

HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

INSTRUCTION: Choose the **BEST** answer and write the correct letter in the box provided.

1. The making of goods and services is also known as:

- A. output.
- B. division of labour.
- C. production.
- D. economies of scale.

SL 1

2. When a specific task is separated into smaller tasks, carried out by different workers or groups, it is called:

- A. division of labour.
- B. worker group.
- C. specialisation.
- D. factory workers union.

SL 1

3. When the working space is too small or there is not enough equipment the amount of extra units of output begins to fall. This is called:

- A. economies of scale.
- B. increasing returns to scale.
- C. diminishing returns to scale.
- D. constant returns to scale.

SL 1

4. When the process of producing banana chips uses more human effort compared to other inputs, this type of process is called:

- A. banana plantation.
- B. labour intensive.
- C. technology.
- D. machinery.

SL 1

5. The amount of goods or services a consumer is willing and able to purchase at various prices at a certain time is called:

- A. individual demand.
- B. demand curve.
- C. market price.
- D. market demand.

☐

SL 1

6. When one decides to spend money on a purchase and as a result, forgo the chance to spend that money on other purchases, this is called:

- A. money supply.
- B. demand.
- C. supply.
- D. opportunity cost.

☐

SL 1

7. The possible combination of commodities that can be purchased by the individuals of a nation is called:

- A. production-possibility.
- B. balanced diet possibility.
- C. consumption possibility.
- D. government final consumption.

☐

SL 1

8. Which one of the following will cause demand to shift to the right?

- A. Price.
- B. Increase in income.
- C. The presence of substitute goods.
- D. Increase in the price of complementary goods.

☐

SL 1

9. The value of all goods and services produced for sale within a country in a year is the:

- A. gross domestic product.
- B. gross national income.
- C. gross national expense.
- D. income approach.

☐

SL 1

10. With reference to the circular flow diagram, which of the following reduces the income flow to the households?

- A. Tax.
- B. Producers.
- C. Subsidies.
- D. Export receipts.

☐

SL 1

11. One of the following is a cause of cost-push inflation.

- A. Decrease in the cost of wages.
- B. Increase in cost of production.
- C. A drop in the cost of raw materials.
- D. Increase demand and supply.

☐

SL 1

12. The point at which the market supply curve crosses the market demand curve is the:

- A. production-possibility.
- B. budget constraint.
- C. consumption-possibility.
- D. market equilibrium.

☐

SL 1

13. A market with many firms where buyers and sellers do not have perfect information but have some degree of market power and also has product differentiation is called:

- A. monopsony.
- B. monopoly.
- C. oligopoly.
- D. monopolistic competition.

☐

SL 1

SERVICE INDUSTRIES

14. Describe the concept of interdependence.

SL 2

Use Resource 1 below and your knowledge to answer Question 15.



Made in Samoa products

Source: loop Samoa

Use Resource 2 below and your knowledge to answer Question 16.



Source: Samoa Observer

16. Discuss ONE advantage of the public transportation service to the Samoan economy. Use examples to support your answer.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

SL 4

17. List TWO examples of the banking and financial services provided in Samoa.

SL 2

PRODUCTIVITY

Use Resource 3 below and your knowledge to answer Questions 18 – 20.



Source: <https://ravidhingreja.com/igcse-economics-0455-classification-of-firms/>

18. Describe how increasing returns affect productivity.

SL 2

19. Distinguish between a firm and an industry.

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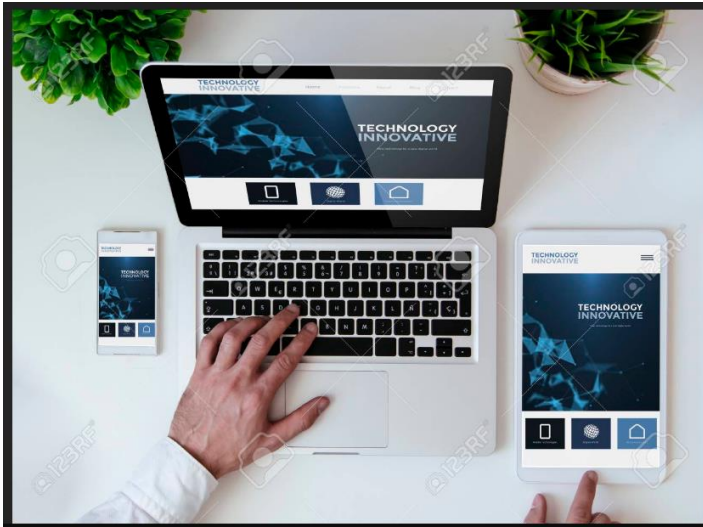
SL 3

20. Explain the relationship between individual firms and the service industries.

[illegible]

SL 3

Use Resource 4 and your knowledge to answer Question 21.



Source: <https://www.123rf.com/>

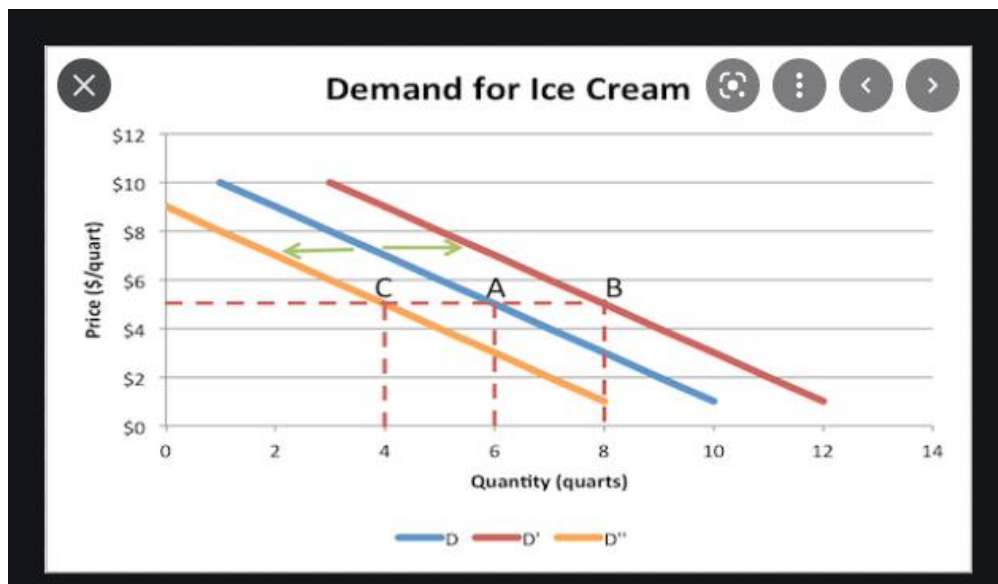
21. Discuss the impact of smartphones within and between businesses. Use examples to support your answer.

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SL 4

DEMAND

Use Resource 5 below and your knowledge to answer Questions 22 – 25.



Source: <https://study.com/academy/lesson/demand-in-economics-definition-lesson-quiz.html>

22. Describe the law of demand.

SL 2

23. List TWO causes of a change in a demand curve.

SL 2

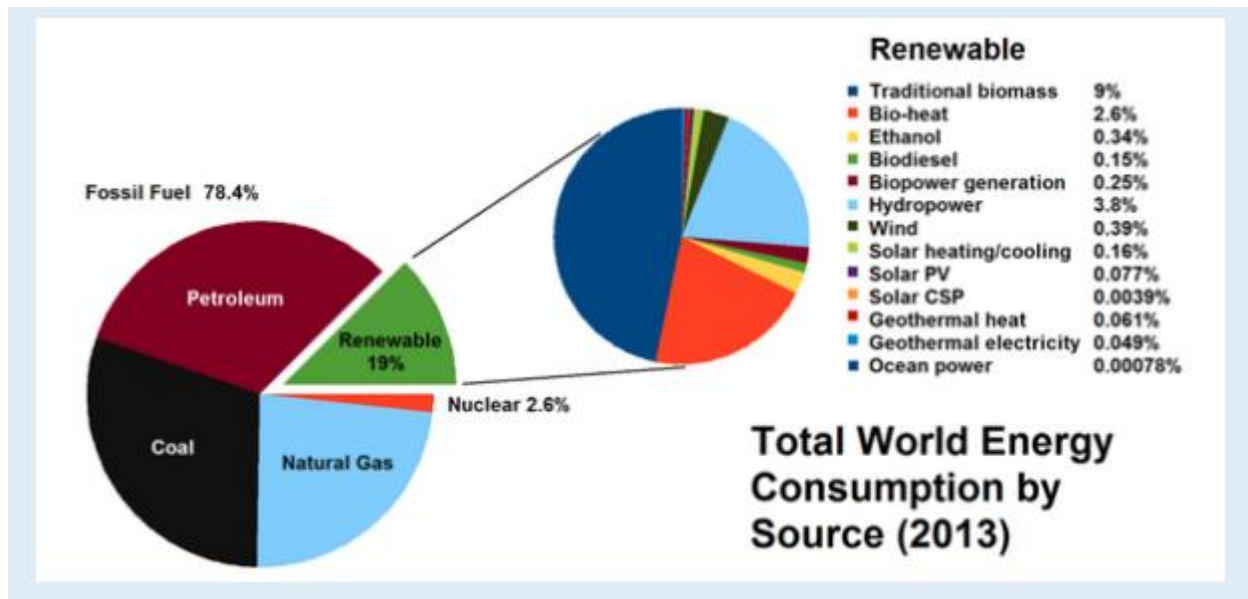
24. Distinguish between individual demand and market demand.

SL 3

25. Predict how TWO determinants of demand will affect the demand curve. Use examples to support your answer.

SL 4

Use Resource 6 below and your knowledge to answer Question 26.



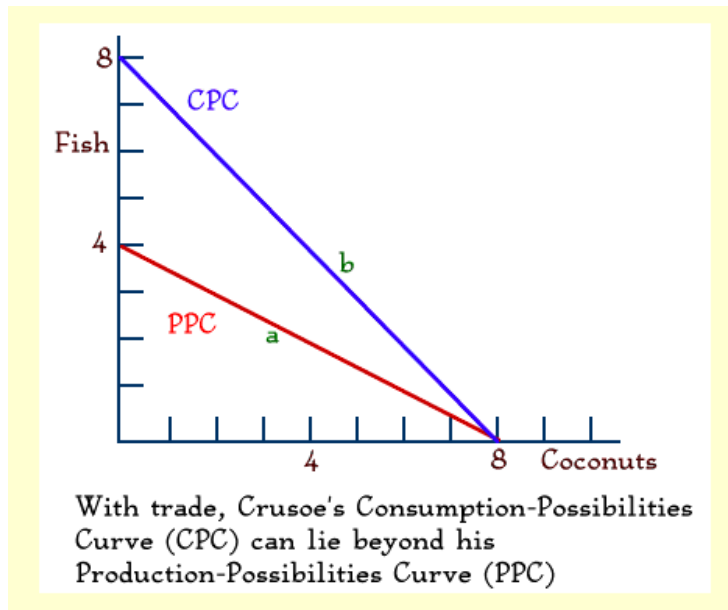
Source: <http://geographymonkey.com/changing-patterns-of-energy-consumption.html>

26. Describe the energy consumption **pattern** shown in the Resource 6 above.

SL 2

CONSUMPTION POSSIBILITIES

Use Resource 7 below and your knowledge to answer questions 27 – 30.



27. Describe how an increase in price affects the consumption possibility curve.

SL 2

28. Describe the use of consumption possibility schedules.

SL 2

29. Explain the concept of consumption possibility.

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

SL 3

30. Illustrate how changes in costs affect the consumption possibility Curve.

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SL 3

31. Discuss the importance of the concept of consumption possibility to consumer choices. Use examples to support your answer.

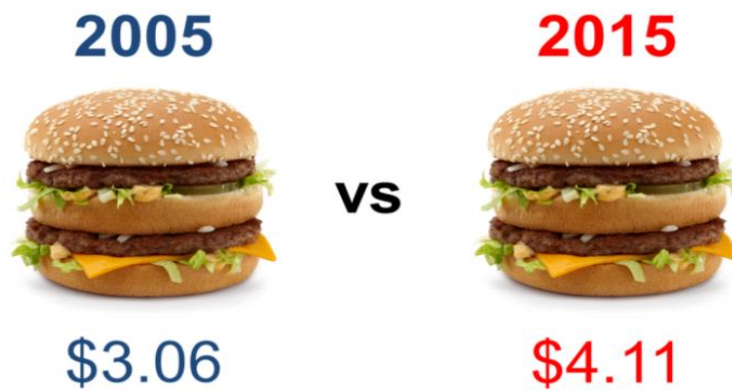
SL 4

32. Discuss the relationship between scarcity and opportunity cost. Use examples to support your answer.

SL 4

MONEY AND INFLATION

Use Resource 8 below and your knowledge to answer Questions 33 – 35.



Source: <https://medium.com/@mentatapp/lesson-1-how-to-turn-inflation-into-wealth-643e8e30322d>

33. Describe ONE cause of demand pull inflation.

SL 2

34. Distinguish between cost-push inflation and demand-pull inflation.

SL 3

Use Resource 9 below and your knowledge to answer Questions 36 – 37.



Source: <https://www.travelonline.com/samoa/currency>

36. Describe ONE of the many roles that money plays in the Samoan economy.

SL 2

37. Explain TWO functions of money within the Samoan economy.

SL 3

38. Describe excess demand.

SL 2

39. Describe ONE non-price competition strategy that can be found in Samoan markets.

SL 2

40. List ONE imperfect market structure that can be found in Samoa and provide one example to support your answer.

SL 2

41. Analyse the effect of a subsidy on the market equilibrium.

[illegible]

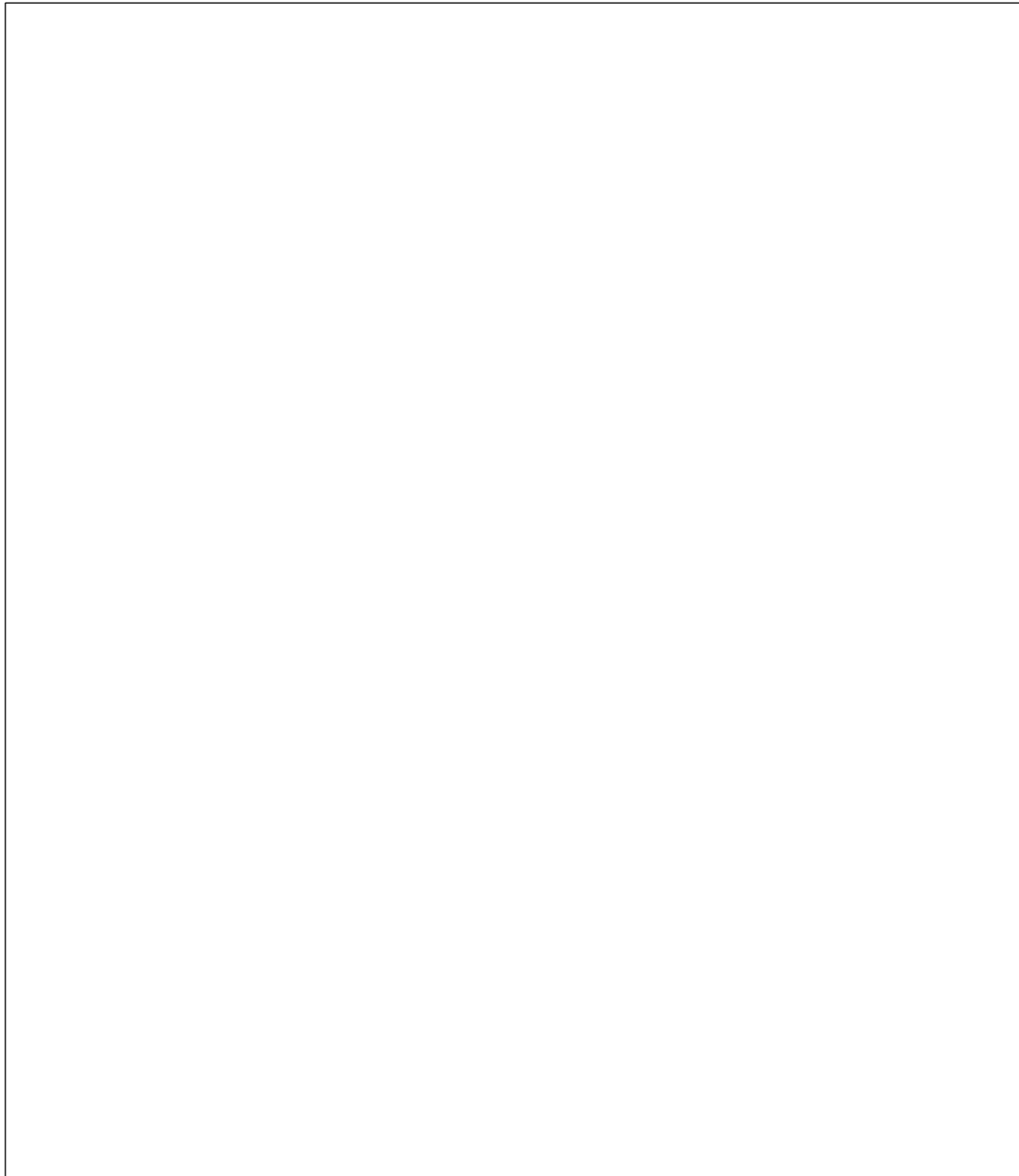
SL 3

42. Explain TWO problems of the barter exchange system.

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SL 3

43. Construct a fully-labelled circular flow diagram to show the interdependence of the major sectors in the Samoan economy.



SL 3

STUDENT EDUCATION NUMBER									

ECONOMICS

2021

(For Scorer only)

STRANDS		Weighting	Scores	Check Scorer	AED (Check)
MULTIPLE CHOICE		13			
STRAND 1	PRODUCTION	23			
STRAND 2	CONSUMPTION	31			
STRAND 3	MARKET	33			
TOTAL		100			