



STUDENT EDUCATION NUMBER									

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# Samoa National Junior Secondary Certificate

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# ECONOMICS

# 2022

## 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
STRAND 1	PRODUCTION	2-6	54	30
STRAND 2	CONSUMPTION	7-12	54	30
STRAND 3	MARKET	13-19	72	40
TOTAL			180	100

Check that this booklet contains pages 2-20 in the correct order.

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

1. The three main types of producer organizations in every economy are: Private, Government, and Non-profit Organizations.

Describe **ONE** role of government organizations in satisfying the needs and wants of society.

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SL 2

2. Use your knowledge of the characteristics of a partnership to complete the table below. The characteristics for Sole Trader have been done for you, as an example.

Table 1:

Ownership Types	Number of Owners	Source of Finance	Advantages	Local/International Example
Sole trader	Only one	Personal savings	Keeps all profit	Retail shop or Hair salon
Partnership				

SL 2

3. Describe **ONE** goal of community organizations.

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SL 2

4. Explain the role of Parents and Teachers Association (PTA) in satisfying the needs and wants of schools.

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SL 3

5. Distinguish between a firm and an industry.

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SL 3

6. Define the term business management.

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SL 1

7. Business enterprises normally have many goals. Profit is one motivating factor for individuals to start up a business.

Explain why making profit is an important goal of a business.

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SL 3

8. Poor management is one of the main reasons why a business fails and closes down. Explain why poor management poses a very high-risk to the success of a business.

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SL 3

9. Describe how market research enables a business to maximize its profits.

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SL 2

10. Define the Law of Supply.

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SL 1

11. Suppose your father owns a two-acre taro plantation and he sells his produce at the local market.

State **ONE** factor that may decrease your father's supply of taro to the market.

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SL 1

12. Compare the centralized business structure of a sole trader to the decentralized structure of a company.

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SL 3

13. Discuss the impact of a change in price on the supply of a commodity and illustrate this on a graph.

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SL 4

The figure below illustrates a consumer shopping in a supermarket. Use the figure and your knowledge to answer Question 14.

**Figure 1**



Source: Sourceessay.com

14. List the **steps** involved in the decision-making process of consumers.

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SL 2

15. Explain the effect of imposing Goods and Service Tax (GST) on consumer decisions in the community.

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SL 3

16. Complete the table below to distinguish between the types and features of earned and unearned incomes for the household sector.

The first one has been done for you as **an example**.

**Table 2:**

Type of Income	Definition	Example
Wages	Based on a rate per hour per week	Incomes for the casual workers: cleaners; babysitters; all part time workers
Fee		
Welfare pension		

SL 3

17. Remittance is a major source of income for the economy of Samoa. Describe **ONE advantage/benefit of remittances** to our economy.

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SL 2

18. The following concepts are alternative ways of spending income wisely.

**Buying in bulk; buying reputable goods; buying from the right place; conserving and recycling; check unit pricing.**

One way of using income more effectively is for consumers to buy quality goods. Which phrase from the list above relates to buying quality goods?

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SL 1



19. In economics, when an individual makes a choice, the next best alternative is not chosen and this is referred to as the opportunity cost of that decision.

Identify the opportunity cost of your decision as a student?

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SL 1

20. Compare the cost of buying goods and services with cash and buying on credit.

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SL 3

Use the information below and your knowledge of Budget to answer Questions 21 – 25.

**Table 3:**

<u>Tina's Budget for One Week</u>			
<u>Income</u>		<u>Expenditure</u>	
Net Wage	\$250	Board rent	\$50
		Fares	\$20
		Lunches	\$15
		Clothes	\$30
		Hire Purchase (stereo)	\$20
		Make-up	\$5
		Other Items	\$10
		Savings	\$ ____
	<hr/> <b>\$250</b>		<hr/>

21. Define the term Budget.

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SL 1

22. Describe **ONE** example of a fixed expense in Tina’s budget.

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SL 2

23. Describe how Tina’s income and expenses will affect her budget balances.

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SL 2

24. Tina plans to go on a trip overseas in six months’ time and will need to save at least \$1000.

Calculate how much Tina will be able to save from her budget in time for the trip. (Assumed 4 weeks per month).

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SL 2



26. Use the information in the table below and your knowledge of demand to predict and illustrate how changes in price affect the quantity demanded.

**Table 4:**

Tina's Demand for Ice-creams (one week)	
Price of an ice-cream (cents)	Demand (quantity purchased)
80	4
70	5
60	8
50	12
40	15
30	8
20	28

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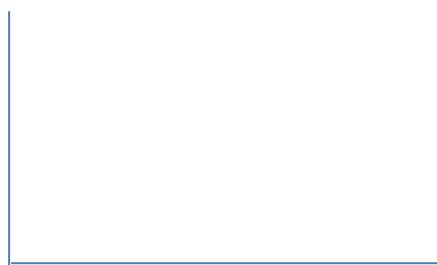
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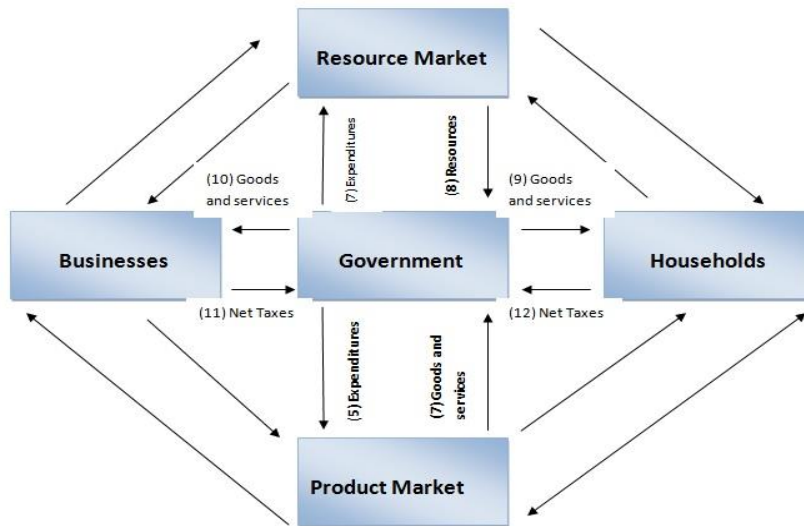
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SL 4



Use the diagram below and your knowledge to answer Questions 27 – 29.

Figure 3:



27. Identify a sector from the diagram above that is also known as the public sector.

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SL 1

28. Describe the relationship between the household sector and business sector in the factor market.

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SL 2

29. Construct a simple circular flow model to illustrate the interdependence between the two primary sectors of the economy.

SL 4

30. Distinguish between real flows and money flows using examples from the circular flow model.

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SL 3

31. Explain the difference between open economy and closed economy. Use appropriate examples.

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SL 3

32. Describe the term 'market as a situation.' Give an example.

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SL 2

33. Describe **ONE** type of exchange that takes place in a factor market.

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SL 2

34. Describe the role of the foreign exchange market.

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SL 2

35. Explain the difference between perfect and imperfect competition in relation to the type of product sold.

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SL 3

36. Identify "Let the Buyer Beware" as a right or a responsibility of a consumer.

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SL 1



37. Describe **ONE** example of Consumer Laws that currently exist in Samoa.

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SL 2

38. Define the term contract.

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SL 1

39. Identify **ONE** rule or condition under which a contract is valid and enforceable by law.

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SL 1

40. Distinguish between formal and informal contracts. Give examples.

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SL 3

41. Superannuation at the National Provident Fund (NPF) and Accident Compensation Corporation (ACC) are amongst the most popular forms of insurance service providers in Samoa.

Discuss how the services of these two government corporations are beneficial to the economy and people of Samoa.

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SL 4

42. Describe the principle of 'utmost good faith' as an example of a formal contract.

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SL 2

The two main kinds of contracts are formal and informal contracts. Formal contracts are written, contain all the specific details of the situation, signed and submitted to the courts. Informal contracts can be oral or written and are usually more simple or for smaller items or amounts of money.

43. Discuss how informal contracts are enforced or implemented to protect consumer rights. Include examples to further clarify your answer.

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SL 4

STUDENT EDUCATION NUMBER									

## ECONOMICS

2022

(For Scorer only)

STRANDS		Weighting	Scores	Check Scorer	AED (Check)
STRAND 1	PRODUCTION	30			
STRAND 2	CONSUMPTION	30			
STRAND 3	MARKET	40			
<b>TOTAL</b>		<b>100</b>			