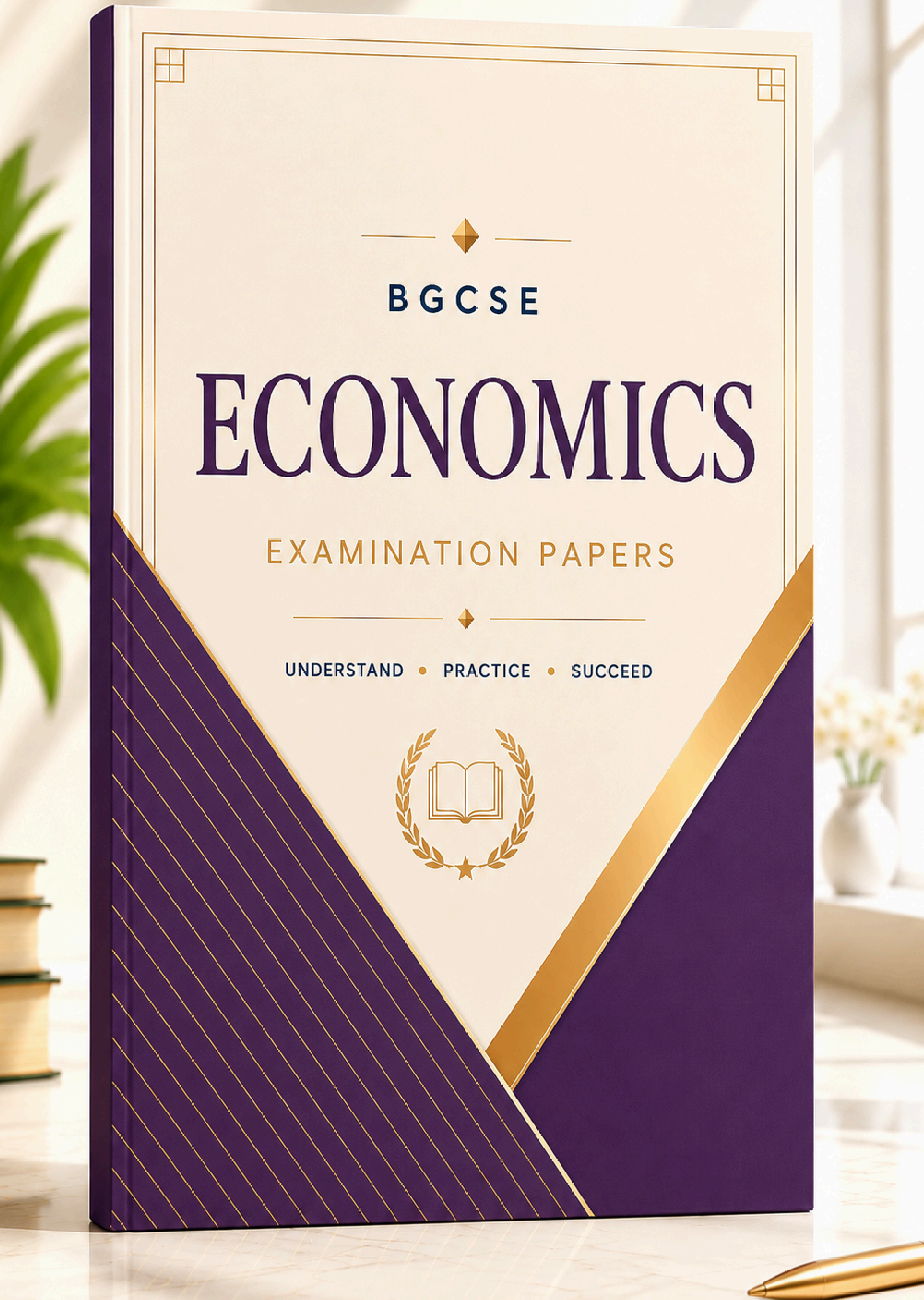
BGCSE
ECONOMICS
EXAMINATION PAPERS
UNDERSTAND • PRACTICE • SUCCEED

THE
OPENHANDED
CLASSROOM

LEARN MORE. ACHIEVE MORE. SMILE MORE.

BGCSE
CLASSES

- Exam-Focused Learning
- Past Papers & Strategies
- Stronger Understanding
- Better Grades, Brighter Future

CLICK HERE

SAT
CLASSES

- Smart Test Strategies
- Stronger Scores
- Time Management Skills
- College & Scholarship Ready

CLICK HERE

BJC
CLASSES

- Clear, Simple Explanations
- Focus on Understanding
- Help That Fits Your Pace
- Build Confidence, Get Results

CLICK HERE

EXPERT TEACHING. PROVEN RESULTS.

LEARN SMARTER. ACHIEVE MORE.

FOCUSED SUPPORT. REAL RESULTS.

THEOPENHANDEDCLASSROOM:
(242) 426-8891

EXAM-REAL. EXAM-PROVEN.

FREE LISTENING COMPREHENSION

AUDIO FILES

THE EXACT AUDIO USED IN PAST BJC & BGCSE EXAMS

REAL EXAMS
The exact listening comprehension audio from past papers.

REAL PREPARATION
Hear what you'll hear in the real exam.

REAL RESULTS
Practise with purpose. Improve your confidence and performance.

AVAILABLE FOR:

- BJC ENGLISH
- BGCSE ENGLISH LANGUAGE
- BJC FRENCH
- BJC SPANISH
- BGCSE FRENCH
- BGCSE SPANISH

WHY THESE AUDIO FILES MATTER

EXACT AUDIO
The exact recordings used in past BJC & BGCSE exams.

EXAM FAMILIARITY
Get used to the real voices, speed, accents and exam conditions.

STRATEGIC ADVANTAGE
Walk in confident knowing exactly what to expect.

100% FREE
High quality. No cost. Just results.

CLICK HERE
DOWNLOAD • START PRACTISING

BETTER PREPARATION.
BETTER RESULTS.
You've got this!

PAST EXAMS. REAL AUDIO. BETTER PREP. GREATER CONFIDENCE.

School Number	Candidate Number
Surname and Initials	

ECONOMICS

PAPER 1 2030/1

Tuesday 28 MAY 2024 1:00 P.M. – 3:00 P.M.

Additional materials:
None

MINISTRY OF EDUCATION NATIONAL EXAMINATIONS

BAHAMAS GENERAL CERTIFICATE OF SECONDARY EDUCATION

INSTRUCTIONS TO CANDIDATES

Do not open this booklet until you are told to do so.

Write your School Number, Candidate Number, Surname and Initials at the top of this booklet.

Read the instructions for each task carefully before you start.

Answer **ALL** questions in the booklet.

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

Calculators are allowed.

ALL answers must be written in **INK**. Pencilled answers will **NOT** be accepted.

FOR EXAMINER'S USE ONLY	
Questions 1 – 30 Multiple Choice	
Question 31 – Matching	
Question 32 – True or False	
Question 33 – Structured	
Question 34 – Structured	
TOTAL MARKS 100	

This question paper consists of 16 printed pages.

SECTION A – 30 marks
Multiple Choice Questions 1 – 30

Instructions: Read each question carefully. Answer **ALL** questions. Circle the letter in the booklet next to the **ONE** answer that is correct. Each question is worth **ONE** mark.

1. What is the primary purpose of Economics?

   A. to confront the problem of scarce resources in relation to human wants
   B. to find ways that scarcity can be eliminated for individuals
   C. to outline how the government influences resource allocation
   D. to show how firms manipulate prices for buyers [1]

2 Ricardo designs and sells straw bags. Which example **best** describes the *Factors of Production* for him?

   A. $6 500 used by Ricardo to get his new business operating
   B. hand printed fabric used by Ricardo to cover the inside of straw bags
   C. risk assumed by Ricardo when he started his own business
   D. straw, fabric, sewing machines used by Ricardo to make straw bags [1]

3. In what way may the Local Government system lead to potential ***disadvantages*** for consumers?

   A. Decision making processes include persons within the local community.
   B. Local government allows communities greater involvement.
   C. Local government relies on central government for funds.
   D. Local needs are identified and addressed by persons in the local community. [1]

4. Which action should **not** be considered as a usual role of the consumer?

   A. borrowing
   B. buying
   C. producing
   D. spending [1]

5. Teddy researches online for available options to travel from Exuma to Long Island. Which consumer *right* is being applied?

   A. right to be informed
   B. right to choose
   C. right to redress
   D. right to representation [1]

6. In the private sector, which business units are likely to have access to the most capital?

A. partnerships
B. private limited companies
C. public limited companies
D. sole traders [1]

7. Which document outlines the company's relationship with the outside world?

A. Articles of Association
B. Memorandum of Association
C. Prospectus
D. Statutory Declaration [1]

8. What is it called when the production of goods and services is transferred away from the public sector?

A. corporatization
B. nationalization
C. privatization
D. rationalization [1]

9. What is the ***least*** appropriate measuring tool for the size of a business?

A. amount of persons employed
B. size of the market for the goods and services
C. value of the capital equipment used
D. value of its output of goods and services produced [1]

10. Which of these is an example of *horizontal integration*?

A. Sunny Gas Station merges with Super Sandwich Restaurants Bahamas Ltd.
B. Sunny Gas Stations merge with Easy Gas Stations
C. Sene Coal Company in Ukraine merges with Sunny Oil Bahamas
D. Sunny Gas Stations merge with Sene Oil Company in Ukraine [1]

11. What is it called when the firm is operating at the lowest average cost?

A. diseconomies of scale
B. economies of scale
C. increasing returns to scale
D. optimum size [1]

[Turn over

12. Which best describes a ***disadvantage*** of division of labour?

A. Employees and equipment are required to operate at rapid speed.
B. Limited tools are needed when work is specialized.
C. Mechanization is made possible.
D. 'Practice makes perfect'. [1]

13. Micro technology has revolutionized the services industry. What is **not** correct about micro technology?

A. It is cost efficient.
B. It takes up less space.
C. It requires little expertise.
D. It uses less construction material. [1]

14. If an investor is looking for somewhere in The Bahamas to set up a business, which industry is likely to be most attractive?

A. essential services
B. construction
C. seafood processing
D. resort facilities [1]

15. What new innovation is the government using to change the employment procedures through the Department of Labour?

A. apprenticeship programs that facilitate the development of local skills
B. offering job placement training at University of The Bahamas to better match job seekers with employers
C. use of measurement tools that can effectively assess the performance of the local labour market
D. conducting research to determine the demand for various fields of employment in The Bahamas [1]

16. Which is most likely to be present in the midst of general unemployment?

A. increased demand for useful goods and services
B. improved total spending in an economy
C. more production of goods and services
D. seasonal patterns in the demand for labour [1]

17. What activities are usually carried out by the Industrial Tribunal of the Commonwealth of The Bahamas?

    A. Deciding employment disputes in essential and non-essential services.
    B. Decreeing non-binding decisions or awards on both parties.
    C. Hearing trade disputes in both essential and non-essential services.
    D. Preparing Industrial Agreements for essential and non-essential services. [1]

18. What is the broadest role of trade unions?

    A. advocating the improvement of pay and working conditions of members
    B. protecting workers from unfair dismissal
    C. representing the workers in wage negotiations
    D. seeking compensation for workers in the form of redundancy pay [1]

19. What is the **best** definition of *demand*?

    A. the willingness, ability and desire of consumers to buy a good or service at a reasonable price
    B. the willingness, ability and desire of consumers to buy a good or service at a specific price
    C. the willingness, ability and desire of firms to offer goods and services for sale at various prices
    D. the willingness, ability and desire of firms to offer goods and services for sale at a specific price [1]

20. If the price of one product rises and the demand for another product falls, what is the relationship between the products?

    A. complementary
    B. inferior
    C. relatively inelastic
    D. substitutes [1]

21. What is the formula for calculating *price elasticity* of demand?

    A. $\dfrac{\text{\% change in price}}{\text{\% change in quantity demanded}}$
    B. $\dfrac{\text{\% change in quantity demanded}}{\text{\% change in price}}$
    C. $\dfrac{\text{change in price}}{\text{change in quantity demanded}}$
    D. $\dfrac{\text{change in quantity supplied}}{\text{change in price}}$ [1]

22. What does the law of supply state?

A. Other things being equal, more will be demanded at lower prices than at higher prices.
B. Other things being equal, more will be supplied at lower prices than at higher prices.
C. Other things being equal, more will be supplied at higher prices than at lower prices.
D. Other things being equal, more will be demanded at higher prices than at lower prices.

[1]

23. What will shift the supply curve to the right?

A. decline in productivity
B. higher taxes
C. increase in the number of sellers
D. rise in input prices [1]

24. Which factor ***least*** influences the elasticity of supply?

A. excess capacity
B. income
C. stock of goods
D. time [1]

25. What is the ***major*** function of commercial banks?

A. accept fixed deposits
B. grant and process loans
C. issue notes and coins
D. provide financial insurance [1]

26. What is a function of any Central Bank?

A. control the money supply
B. decide the amount of government expenditure
C. issue shares on behalf of the government
D. raise taxes [1]

27. Governments have various responsibilities that do **not** normally include which action?

A. implementing fiscal policy
B. increasing taxes
C. protecting the environment
D. setting company profit levels [1]

Figure 1 below shows the total output of two goods in two countries that divide their resources equally between the production of the two goods.

COUNTRY	CLOTHING (UNITS)	FISH (lbs)
China	50	200
Thailand	100	600

Figure 1

28. Based on the information in Figure 1, which statement is true regarding the two countries?

    A. China has the absolute advantage of producing fish over Thailand.
    B. China has the absolute advantage in producing clothing over Thailand.
    C. Thailand has the comparative advantage of producing clothing over China.
    D. Thailand has the comparative advantage of producing fish over China. [1]

29. In what circumstances would the protection of infant industries be essential?

    A. if the number of workers they will hire decline over time
    B. if their long-term costs are higher than the revenue earned by them
    C. if they are a local monopoly market
    D. if they have the potential to grow and gain a comparative advantage [1]

30. Which tactic has been the most successful means of attracting multinational corporations to set up in The Bahamas?

    A. cheap land
    B. government concessions
    C. government grants
    D. low taxes [1]

TOTAL MARKS [30]

SECTION B – 10 marks
MATCHING

31. Match the terms labelled **1 – 10** with their appropriate meaning by placing the correct letter **A – J** in the space provided.

PART I

TERM	MEANING
1. ______ Scarcity	A. The measure of the small change in satisfaction caused by consuming more or less of a good or service over a given period of time.
2. ______ Opportunity Cost	B. The excess of human wants over what can actually be produced to satisfy those wants.
3. ______ Trade-off	C. The measure of the complete satisfaction obtained from the consumption of a good or a bundle of goods in a given time period.
4. ______ Total Utility	D. The most desired alternative given up when making a decision.
5. ______ Marginal Utility	E. An alternative that is lost when one action is chosen rather than another.

PART II

TERM	MEANING
6. ______ World Trade Organisation	F. A regional agreement that seeks to implement provisions for the free movement of trade and professional restrictions.
7. ______ Free Trade Area of the Americas	G. An organization whose goal is free global trade and lower tariffs.
8. ______ North American Free Trade Agreement	H. A regional group of twenty developing countries that works together to shape policies for the region and encourages economic growth and trade.
9. ______ Caribbean Community & Common Market	I. An agreement that was proposed to eliminate or reduce the trade barriers among all countries in the Americas, excluding Cuba.
10. ______ Caribbean Single Market Economy	J. An agreement that will eliminate all tariffs and other trade barriers between Canada, Mexico and the United States.

TOTAL MARKS [10]

SECTION C – 10 marks
TRUE/FALSE

32. The following statements are either **TRUE** or **FALSE**. **Circle** the letter that best describes each statement. One mark will be awarded for each correct answer.

STATEMENT	TRUE	FALSE
1. In a market economy all decisions are made by the government.	**T**	**F**
2. The main disadvantage of a sole trader type of business units is unlimited liability.	**T**	**F**
3. The size of a firm is determined by how many stores they have.	**T**	**F**
4. Capital-intensive is a form of production.	**T**	**F**
5. Gross personal income minus all compulsory deductions equals disposable personal income.	**T**	**F**
6. Cross elasticity of demand measures the responsiveness of quantity demanded of one commodity to a change in price of another commodity.	**T**	**F**
7. Supply is the amount of a good or service that producers are willing and able to offer for sale at a given price over a given period of time.	**T**	**F**
8. The capital market is a market that deals in short term loans.	**T**	**F**
9. The tax burden of Value Added Tax is on the seller.	**T**	**F**
10. A floating exchange rate system allows the exchange rate to be determined by supply and demand.	**T**	**F**

TOTAL MARKS [10]

SECTION D – 50 Marks
STRUCTURED QUESTIONS

33. *In a national address Prime Minister of the Commonwealth of The Bahamas Honorable Philip Davis announced that the government was "tackling head on the burden of inflation and the other issues that have driven up the cost of living for Bahamians". He announced that the minimum wage would increase from $210 to $260 per week. The importance of this increase in income would pave the way for economic benefits for families and the country. Bahamians would be in a better position to afford the basic needs and wants as the price of breadbasket items have increased (Price Control Amendment November 1, 2022).*

Adapted from www.bahamas.gov.bs –
October 12, 2022 "PM's National Address"

The Price Commission, a statutory body that protects the consumer from unscrupulous merchants, and Trade Unions, associations of workers that negotiate for the pay and working conditions of its members, work in various ways to assist and protect the needs of consumers.

(a) List **three** basic needs for individuals.

NEED 1

______________________________ [1]

NEED 2

______________________________ [1]

NEED 3

______________________________ [1]

(b) Other than employment, state **one** way individuals can receive income.

____

______________________________ [1]

(c) Identify **three** ways that the Price Commission protects the consumer.

____

____

______________________________ [3]

(d) Distinguish between *money* income and *real* income.

MONEY INCOME

____

____

____ [2]

REAL INCOME

____

____

____ [2]

(e) Assume that the demand for a breadbasket item, bread, decreased from 100 units at $5.00 to 80 units at $6.00. What would be the elasticity of demand? Show your working in the space below.

[3]

(f) State whether price elasticity of demand is elastic or inelastic or unitary.

____ [1]

(g) Trade Unions influence the supply of Labour. Explain **two** reasons why Unions demand higher wages.

REASON 1

____

____

____ [2]

REASON 2

____

____

____ [2]

(h) Suggest and analyze **two** ways in which an increase in minimum wage can affect the employer.

SUGGESTION 1

____ [1]

ANALYSIS

____

____

____ [2]

SUGGESTION 2

____ [1]

ANALYSIS

____

____

____ [2]

TOTAL MARKS [25]

34. *The Securities Commission of The Bahamas ("the Commission") is a statutory body established in 1995 pursuant to the Securities Board Act, 1995. The Act has since been amended to the Securities Industry Act 2011.*

2022 Bahamas Financial Services Board

(a) State the primary function of *The Commission.*

____

____ [1]

(b) Distinguish between the *capital market* and the *money market*, giving **one** example of an organisation operating in each.

CAPITAL MARKET

____

____

____ [2]

EXAMPLE

____ [1]

MONEY MARKET

____

____

____ [2]

EXAMPLE

____ [1]

(c) Identify **two** types of securities traded in financial markets.

SECURITIES 1

____ [1]

SECURITIES 2

____ [1]

(d) Identify and explain ***three challenges*** that an established company in The Bahamas may encounter in efforts to raise capital.

CHALLENGE 1

____

____

____ [2]

CHALLENGE 2

____

____

____ [2]

CHALLENGE 3

____

____

____ [2]

(e) Assume that Z Company Ltd., a public limited company in The Bahamas, issued shares to the public.

Share Capital	Company's Capital $
15 000 5% Preference Shares of $3 each	45 000
15 000 Ordinary Shares of $1 each	15 000
Total Company Capital	60 000

The Dividend to be paid out by this company is $10 000.

Calculate:

(i) the dividends payable to Preference Shareholders. Show your working below.

[1]

(ii) the rate of return on Dividends given to Ordinary Shareholders. Show your working below.

[3]

(f) The Bahamas Investment Authority highlights in its Overview Guide for Investors that, 'The business community has come to realize that The Bahamas is truly a paradise for many reasons'.

Identify and analyze ***two factors*** that may lead investors to capitalize on what The Bahamas has to offer.

FACTOR 1

____ [1]

ANALYSIS

____

____

____ [2]

FACTOR 2

____ [1]

ANALYSIS

____

____

____ [2]

TOTAL MARKS [25]

End]