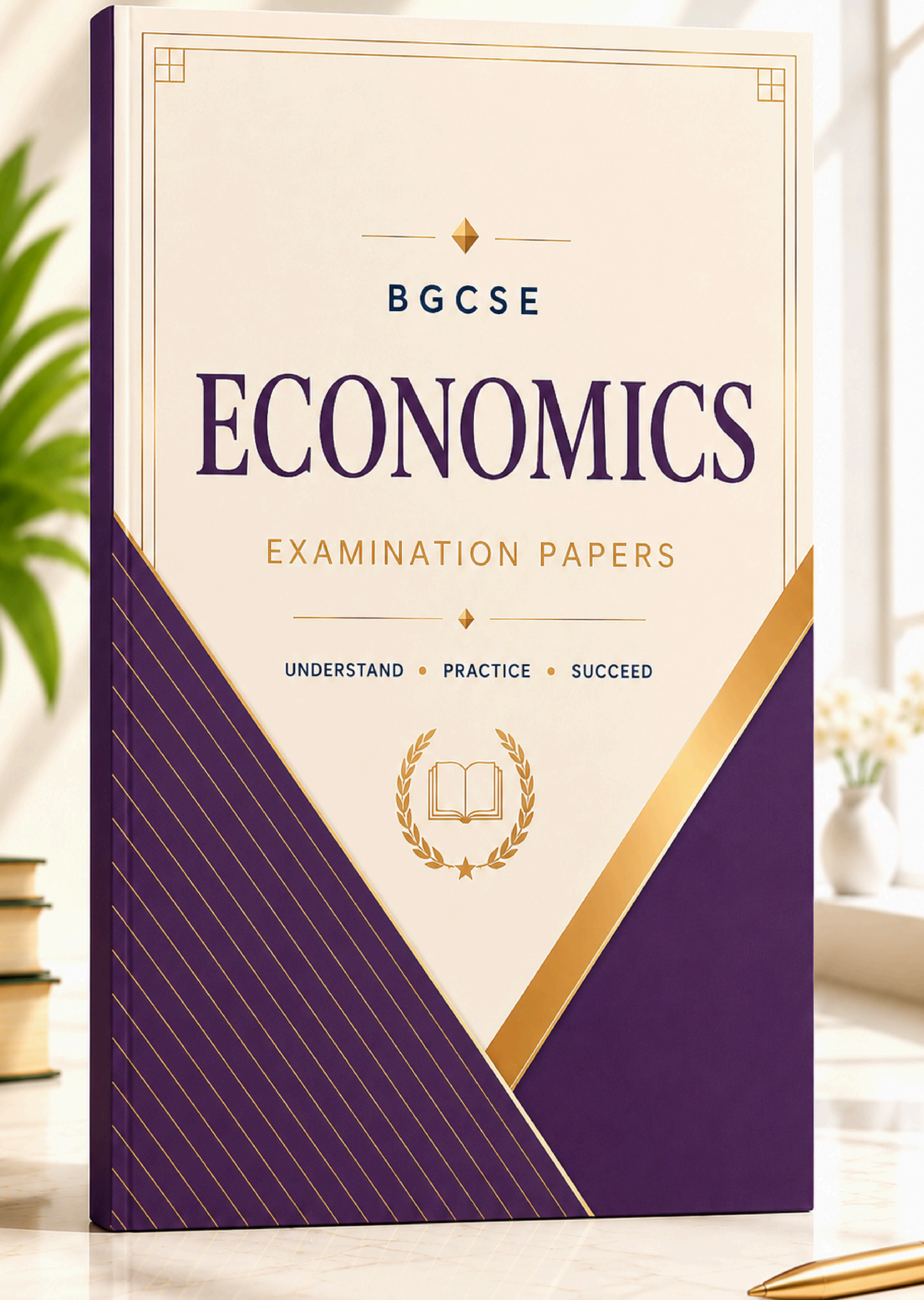

BGCSE
ECONOMICS
EXAMINATION PAPERS
UNDERSTAND • PRACTICE • SUCCEED

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 2 2030/2**

**Tuesday** **4 JUNE 2024** **12:30 P.M. – 3:00 P.M.**

**Additional materials:**
**Graph Paper**

**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 and on any additional sheets used (graph paper).

**Part I** consists of **THREE** questions. Candidates must attempt **ALL** questions.

**Part II** consists of **FIVE** questions. Candidates must choose **ONLY TWO** questions to answer.

Firmly attach the graph paper to the answer booklet.

Calculators are allowed.

**ALL your answers must be written in INK.**

| FOR EXAMINER'S USE ONLY | |
|---|---|
| **Part I: QUESTIONS 1 – 3 MUST BE ANSWERED** | |
| Question 1 | |
| Question 2 | |
| Question 3 | |
| **Part II: ONLY TWO OF FIVE TO BE ANSWERED** | |
| Question 4 | |
| Question 5 | |
| Question 6 | |
| Question 7 | |
| Question 8 | |
| **Total Marks 100** | |

**This question paper consists of 25 printed pages and 3 blank pages.**

**PART I – 60 Marks**

**DIRECTIONS:** Candidates must attempt **ALL** questions in this Part.

1. *People are both owners of factors of production and also consumers of goods and services. They earn money to buy the goods and services they want and need but do not produce themselves in their work. Any income they do not spend, and is not taken in taxation is usually saved. Very often consumers and governments spend more than they earn. To offset this short fall, they both have to borrow from financial institutions.*

**Adapted from *Economics: A complete Course for IGCSE and O Level***
***By Dan Maynihan & Brian Titly***

(a) Define the term *Factors of Production*:

______________________________________________

______________________________________________ [1]

(b) Identify **two *conditions*** that can influence consumer spending.

**CONDITION 1**

______________________________________________

______________________________________________ [1]

**CONDITION 2**

______________________________________________

______________________________________________ [1]

(c) Suggest **two *reasons*** why consumers save money.

**REASON 1**

______________________________________________

______________________________________________

______________________________________________ [2]

**REASON 2**

______________________________________________

______________________________________________

______________________________________________ [2]

(d) Explain **two *reasons*** why financial institutions may allow consumers to borrow money from them.

**REASON 1**

______________________________________________________________

______________________________________________________________

______________________________________________________________ [2]

**REASONS 2**

______________________________________________________________

______________________________________________________________

______________________________________________________________ [2]

(e) The table below shows an economy's ***Demand for Loanable Funds*** schedule and ***Supply of Loanable Funds*** schedule.

| Interest Rate (%) per year | Loanable Funds Demanded (thousands of dollars per year) | Loanable Funds Supplied (thousands of dollars per year) |
|---|---|---|
| 1% | $16 000 | $1 000 |
| 2% | $12 000 | $4 000 |
| 3% | $8 000 | $8 000 |
| 4% | $4 000 | $12 000 |
| 5% | 0 | $20 000 |

(i) Construct the Demand and Supply Curves for Loans on graph paper. [6]

(ii) Explain what has taken place when the Interest Rate is at 3% per year.

______________________________________________________________

______________________________________________________________

______________________________________________________________

______________________________________________________________

______________________________________________________________ [3]

**TOTAL MARKS [20]**

2. The Bahamas has a mixed economic system comprising of two sectors: private sector and public sector. Business organizations can fall in either sector as some are privately owned and some are publicly owned.

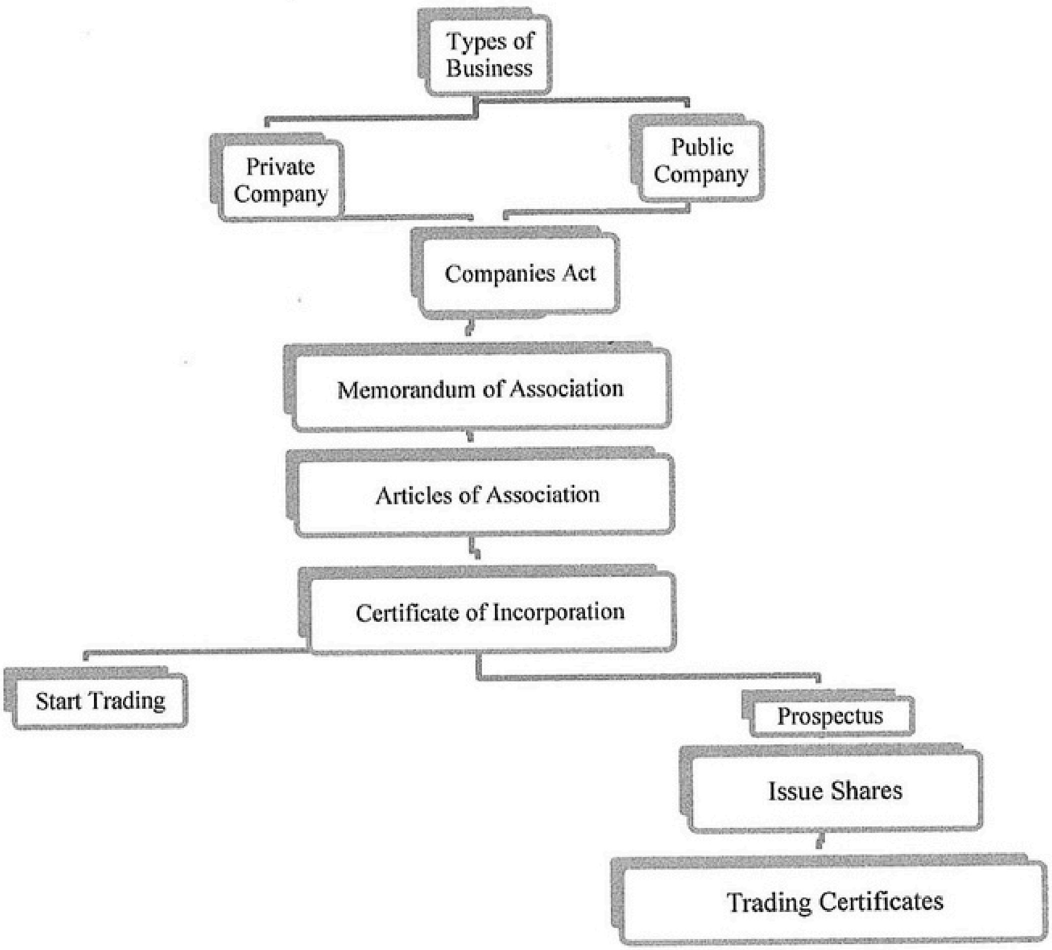



**Fig. 1.1 Forming a Limited Company**

(a) Distinguish between the terms ***economics*** and ***economic system.***

**ECONOMICS**

______________________________________________________________

______________________________________________________________

______________________________________________________________ [2]

**ECONOMIC SYSTEM**

______________________________________________________________

______________________________________________________________

______________________________________________________________ [2]

(b) Give **two *characteristics*** of a company in the private sector that has limited liability.

**CHARACTERISTIC 1**

______________________________________________________________________

______________________________________________________________________ [1]

**CHARACTERISTIC 2**

______________________________________________________________________

______________________________________________________________________ [1]

(c) Refer to Figure 1.1 and answer the following questions.

(i) The diagram shows that a public company raises its capital eventually by the issue of shares.

Explain how a private company raises its capital.

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________ [2]

(ii) Figure 1.1 shows the Memorandum of Association and Articles of Association. At the Registrar General's Office the Memorandum of Association costs $300 and the Article of Association is 10% of that amount. VAT stands at 10%.

Calculate the amount needed in order to set up a business in The Bahamas, including VAT. Show your working in the space below.

[4]

[Turn over

(d) Give **two *benefits*** of the Prospectus for the business owner.

**BENEFIT 1**

______________________________________________

______________________________________________

______________________________________________ [1]

**BENEFIT 2**

______________________________________________

______________________________________________

______________________________________________ [1]

(e) Discuss **three *factors*** that influence the economic decisions made by business owners.

**FACTOR 1**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

**FACTOR 2**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

**FACTOR 3**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

**TOTAL MARKS [20]**

3. *The Principal of a Consulting firm and head of a Small Business Association and Resource Centre said: "A lot of businesses that made it through the pandemic are still in survival mode. There is no major profit development at this stage.*

*"They have had to absorb some costs in order to keep their customers and remain competitive. That's the reality."*

*He noted that small business operators have likewise faced logistical challenges, rising shipping costs, and the impact of global inflation.*

***Eyewitness News***
**August 27, 2022**

(a) Identify the Economics ***factor of production*** under which this '*Principal of a Consulting firm*' would be classified. Give **one** reason to justify your answer.

**FACTOR OF PRODUCTION**

______________________________________________

______________________________________________ [1]

**JUSTIFICATION**

______________________________________________

______________________________________________

______________________________________________ [2]

(b) Based on the excerpt above, describe **two *challenges*** faced by small business operators in The Bahamas.

**CHALLENGE 1**

______________________________________________

______________________________________________ [1]

**CHALLENGE 2**

______________________________________________

______________________________________________ [1]

(c) The excerpt indicates that there are costs associated with running a small business.

Distinguish between the ***fixed costs*** and ***variable costs*** providing an example for each.

**FIXED COST**

______________________________________________

______________________________________________

______________________________________________ [2]

**EXAMPLE**

______________________________________________ [1]

**VARIABLE COST**

______________________________________________

______________________________________________

______________________________________________ [2]

**EXAMPLE**

______________________________________________ [1]

(d) Figure 1.2 shows the marginal product of labour.

| *LABOUR* | *TOTAL OUTPUT* | *MARGINAL PRODUCT* |
|---|---|---|
| 0 | 0 | |
| 1 | 20 | |
| 2 | 40 | |
| 3 | 55 | |
| 4 | 40 | |
| 5 | 25 | |

**Figure 1.2**

(i) Calculate the marginal product of labour. [1]

Write your response in the Marginal Product column of Figure 1.2.

(ii) Using the information from the completed table, determine the point at which the business is experiencing ***increasing returns*** and ***diminishing returns***. Show all working in the space below.

[2]

(e) Identify and explain **two *causes of inflation*** that can affect small businesses in The Bahamas.

**CAUSE OF INFLATION 1**

______________________________ [1]

**EXPLANATION**

______________________________

______________________________

______________________________ [2]

**CAUSE OF INFLATION 2**

______________________________ [1]

**EXPLANATION**

______________________________

______________________________

______________________________ [2]

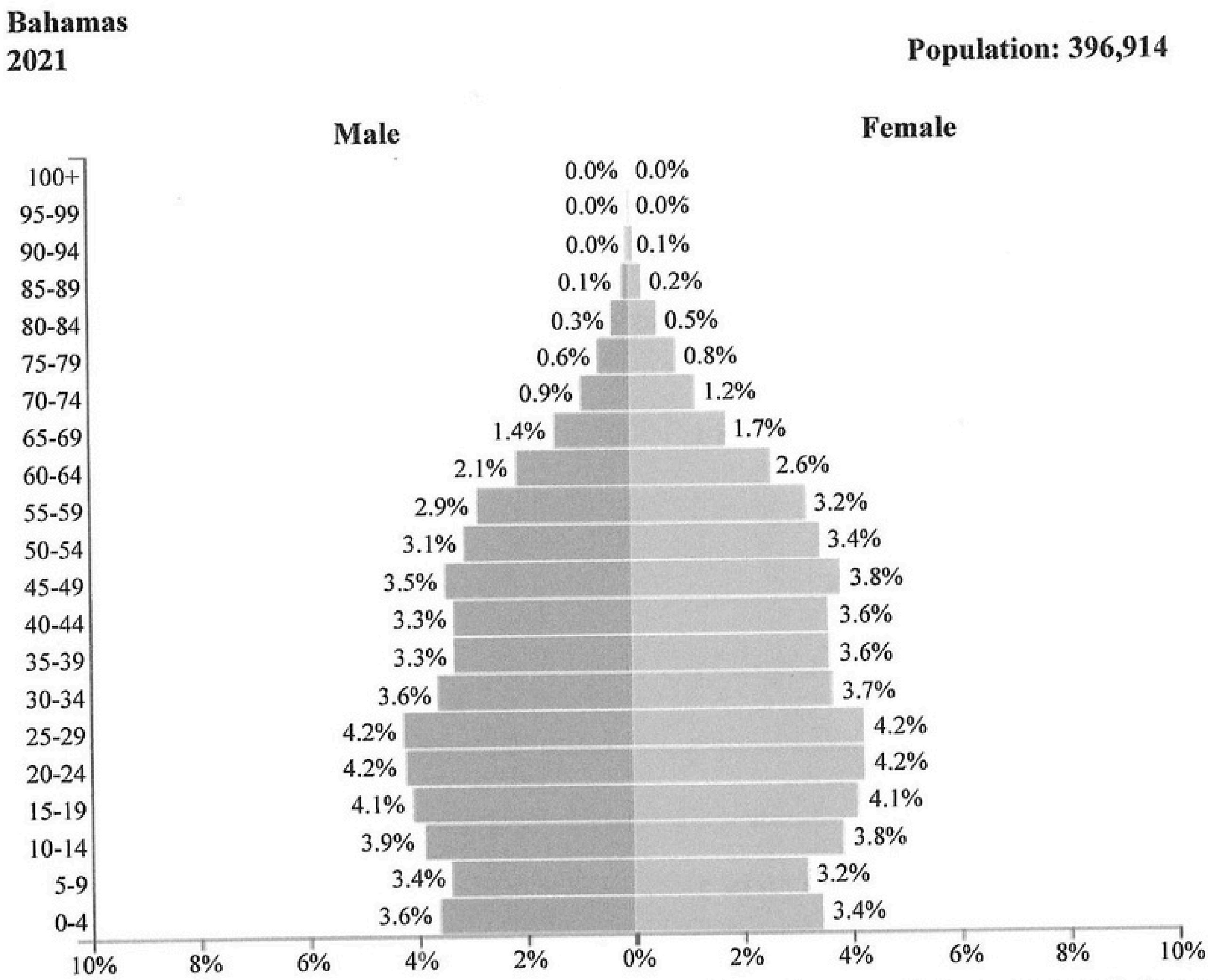
**TOTAL MARKS [20]**

## PART II – 40 Marks

**Directions:** ***ANSWER*** any **TWO** questions from this section.

4. The Bahamas' population is ageing, and the pace of this ageing is predicted to increase.

*PAHO, 2021*




**https://www.populationpyramid.net/bahamas/2021**

**Figure 1.3**

(a) Besides age and sex, list **two** other ways to measure the distributions of the population.

**METHOD 1**

_______________________________________________ [1]

**METHOD 2**

_______________________________________________ [1]

(b) Give **two *distinguishing factors*** between *over-population, under-population* and *optimum population.*

**OVER-POPULATION**
**Factor 1**

______________________________________________

______________________________________________ [1]

**Factor 2**

______________________________________________

______________________________________________ [1]

**UNDER-POPULATION**
**Factor 1**

______________________________________________

______________________________________________ [1]

**Factor 2**

______________________________________________

______________________________________________ [1]

**OPTIMUM POPULATION**
**Factor 1**

______________________________________________

______________________________________________ [1]

**Factor 2**

______________________________________________

______________________________________________ [1]

(c) Refer to Figure 1.3 and answer the following questions.

(i) Identify and explain which gender has a longer life span.

**GENDER**

______________________________________________ [1]

**EXPLANATION**

______________________________________________

______________________________________________

______________________________________________ [2]

(ii) Calculate the number of people in the population aged 65 and over of The Bahamas. Show your working in the space below.

[3]

(d) Identify and describe **two** ***economic effects*** of the population aged 65 and over on an economy.

**EFFECT 1**

______________________________________________

______________________________________________ [1]

**DESCRIPTION**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

**EFFECT 2**

______________________________________________________________________

______________________________________________________________________ [1]

**DESCRIPTION**

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________ [2]

**TOTAL MARKS [20]**

5. *There are various consumer protection agencies in The Bahamas that are designed to uphold the consumer rights and responsibilities.*

***URCA's website and the Consumer Protection Commission information booklet***
***Government Printing Department***

(a) Define the term *consumer rights*.

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________ [2]

(b) Explain **two** ***reasons*** why consumers need protection

**REASON 1**

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________ [2]

**REASON 2**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

(c) For each of the following scenarios, state the name of the *Consumer Law (Act)* that is being breached. Write your responses in the table below.

| SCENARIO | LAW |
|---|---|
| 1. A can of soda contains 9 ounces instead of 12 ounces as per the label. | |
| 2. Restaurant Neavu does not show ingredients used to make their signature dish. | |
| 3. A set of cooking pots and pans that you did not order are delivered from an online store. | |
| 4. Flyer claims that an Air BnB is located next to the beach, however, the beach is actually five miles away from the house. | |

[4]

(d) Suggest **two** ***disadvantages*** for consumers if consumer laws are removed.

**DISADVANTAGE 1**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

**DISADVANTAGE 2**

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________ [2]

(e) Discuss **one** ***way*** in which consumers can protect their rights, and **one** ***way*** in which consumers can exercise their responsibility in the economy.

**PROTECTING CONSUMER RIGHT**

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________ [3]

**EXERCISING CONSUMER RESPONSIBILITY**

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________

______________________________________________________________________ [3]

**TOTAL MARKS [20]**

**[Turn over**

6. *The Caribbean Development Bank (CDB) is putting US$43.3 million into the construction of a brand-new comprehensive school and the rehabilitation of two others in East Grand Bahama to accommodate students whose schools were destroyed by Hurricane Dorian in 2019.*

**Press Release Statement from the CDB**
**December 20, 2022**

(a) List **two *roles*** of the Caribbean Development Bank.

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

________________________________________________________________________ [2]

(b) Name and describe **two** other international organizations for which The Bahamas is a member other than the Caribbean Development Bank

**INTERNATIONAL ORGANIZATION 1**

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

________________________________________________________________________ [2]

**INTERNATIONAL ORGANIZATION 2**

____________________________________________________________________________

____________________________________________________________________________

____________________________________________________________________________

________________________________________________________________________ [2]

(c) Suggest **two *benefits*** for The Bahamas to be involved as members of international organizations.

**BENEFIT 1**

_______________________________________________

_______________________________________________

_______________________________________________

_______________________________________________ [2]

**BENEFIT 2**

_______________________________________________

_______________________________________________

_______________________________________________

_______________________________________________ [2]

(d) The table below shows The Bahamas' Income for the year 2022.

(i) Calculate the total amount of Income gained from international organizations.

Show your working in the space below

| SOURCE | $ (millions) |
|---|---|
| Road Traffic | 2.0 |
| IDRB | 100.0 |
| Caribbean Development Bank | 45.2 |
| Custom Duties | 21.7 |
| Non Tax Revenue | 11.4 |
| Value Added Tax | 20.4 |

[2]

(ii) Calculate the percentage of the country's income that is gained from international organizations. Show your working in the space below.

[2]

(e) The Bahamas opened an office in Geneva, Switzerland to facilitate its membership in the World Trade Organization.

Explain **three *objectives*** of the World Trade Organization.

**OBJECTIVE 1**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

**OBJECTIVE 2**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

**OBJECTIVE 3**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

**TOTAL MARKS [20]**

7. *To better understand how economies operate and how their performance might be improved, macro-economists collect and analyze economic data and tend to focus on a few statistics to assess the health and development of an economy. Chief among these statistics are gross domestic product, unemployment and inflation.*

**Principles of Economics: A Bahamian Perspective**
**Karagiannis & McHardy**
**2010**

(a) Define the term *gross national* product.

______________________________________________

______________________________________________

______________________________________________ [2]

(b) Identify **two *distinguishing features*** between *nominal GDP* and *real GDP*.

**FEATURE 1**

______________________________________________

______________________________________________

______________________________________________ [2]

**FEATURE 2**

______________________________________________

______________________________________________

______________________________________________ [2]

(c) Identify **two *limitations*** of GDP giving justification for each.

**LIMITATION 1**

______________________________________________________________

______________________________________________________________ [1]

**JUSTIFICATION**

______________________________________________________________

______________________________________________________________

______________________________________________________________ [2]

**LIMITATION 2**

______________________________________________________________

______________________________________________________________ [1]

**JUSTIFICATION**

______________________________________________________________

______________________________________________________________

______________________________________________________________ [2]

(d) ***Firm A*** manufactures fabric and sells a bolt of fabric for $20 to ***Firm B***. ***Firm B*** operates a fabric store and sells a bolt of fabric for $30 to ***Firm C***. ***Firm C*** uses the fabric to make skirts to sell to the general public for $45 each.

(i) Calculate the total value of the sales of these three items. Show working.

[2]

(ii) The outputs of these firms will be included in the GNP.

Indicate the *Total Value of Output* recorded.

[1]

(iii) Assume that this industry is subject to 10% VAT.

Calculate the total cost of VAT payable on the transactions described above. Show working.

[1]

(e) Explain **two *reasons*** why GDP is calculated by both the output-expenditure approach and the income approach.

**REASON 1**

______________________________________________

______________________________________________

______________________________________________ [2]

**REASON 2**

______________________________________________

______________________________________________

______________________________________________ [2]

**TOTAL MARKS [20]**

**[Turn over**

8. *Prime Minister, Philip Davis, says he hopes The Bahamas can benefit from the establishment of a Loss and Damage Fund to aid vulnerable nations, most at risk of the impacts of climate change. The Fund was announced on Sunday as one of the greatest accomplishments to come from this year's COP27, held in Sharm El-Sheikh, Egypt from November 6 to 18, 2022.*

**By KHRISNA RUSSELL**
**Tribune Chief Reporter**
**Tuesday, November 22, 2022**

(a) Name and describe three roles of the government of any nation.

**ROLE 1**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

**ROLE 2**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

**ROLE 3**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

(b) The government gets most of its revenue from taxation. Give **two *distinguishing features*** between *direct taxes* and *indirect taxes.*

**FEATURE 1**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

**FEATURE 2**

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

(c) The table below shows aggregate government expenditure for July 2022 as reported by the Ministry of Finance of The Bahamas. Use Figure 1.4 to answer the following questions.

Aggregate expenditure equated $219 million, an 8.6 % ($20.7 million) decrease compared to the same period of the prior year.

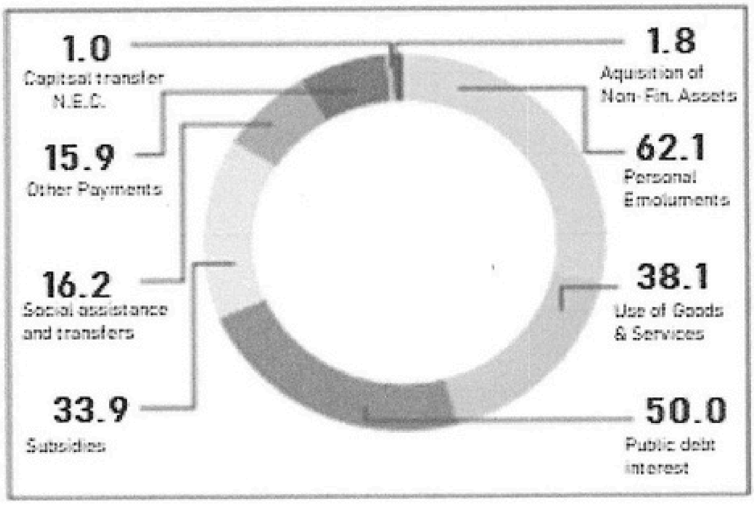



**Figure 1.4 Total Expenditure – July 2022**

**Monthly Fiscal Summary Report**
**Ministry of Finance**
**https://www.bahamas.gov.bs**
**Released October, 2022**

(i) *Personal Emoluments* as a percentage of total expenditure were largest at $62.1 million of total expenditure.

Explain the term, ***personal emoluments***.

______________________________________________

______________________________________________

______________________________________________

______________________________________________ [2]

(ii) Calculate the percentage of ***personal emoluments*** for 2022. Show your working.

[2]

(d) The Prime Minister addressed the challenges of climate change for a small developing state like The Bahamas.

Identify and describe **two *ways*** that climate change can seriously hinder the economic growth of small, vulnerable countries like The Bahamas.

**ECONOMIC CHALLENGE 1**

[3]

**ECONOMIC CHALLENGE 2**

[3]

**TOTAL MARKS [20]**

**End]**

BLANK PAGE

ECONOMICS GRAPH PAPER

**MINISTRY OF EDUCATION**
**BAHAMAS GENERAL CERTIFICATE OF SECONDARY EDUCATION EXAMINATION**

**AB7**

| | | | | |
|---|---|---|---|---|
| School No. | Candidate No. | | Level: | For Examiner's Use |
| Subject Number & Title: | | | Paper: | |
| Surname & Initials: | | | Section: | |
| Signature: | | Date: | Qu. No. | |