



# KITH & KIN INTERNATIONAL COLLEGE

7/11, Kaoli Olusanya Street, Owode Ibeshe, Ikorodu, Lagos State.

## FIRST TERM EXAMINATION 2025/2026 ACADEMIC SESSION

NAME				
SUBJECT	ECONOMICS	CLASS	SS2	DURATION 2 HOURS

### SECTION A (OBJECTIVES)

**Instruction:** Answer all question

1. Price control refers to
  - A. the way of making more goods available in the market
  - B. a policy of ensuring stable price in the market
  - C. a general reduction in the price level
  - D. effective working of the forces of demand and supply
2. At the equilibrium price, quantity demanded is
  - A. greater than quantity supplied
  - B. equal to quantity supplied
  - C. less than quantity supplied
  - D. equal to excess supply
3. If the government fixed a price of a commodity above equilibrium price, the quantity supplied will be
  - A. less than quantity demanded
  - B. equal to the quantity demanded
  - C. greater than quantity demanded
  - D. equal to zero
4. If demand for postal services decline as a result of increased use of e-mails, then the two services are in
  - A. composite demand.
  - B. derived demand.
  - C. competitive demand.
  - D. complementary demand.
5. one of the factors determining price elasticity of demand for a commodity is the
  - A. availability of close substitutes
  - B. number of producers
  - C. government policy
  - D. price of other commodities
6. If elasticity of demand for a commodity is less than one, demand is
  - A. unitary elastic
  - B. inelastic
  - C. infinitely elastic
  - D. zero elastic
7. The demand for beans in bags is given by the function  $Q = 36 + 0.4P = 0$ . Where P is price in naira and Q is quantity. Find Q when P = 20 naira.
  - A. 12 bags
  - B. 24 bags
  - C. 28 bags
  - D. 30 bags
8. The theory of diminishing marginal utility states that as more units of a commodity are consumed, the
  - A. satisfaction from an extra unit decreases
  - B. satisfaction from an extra unit rises
  - C. satisfaction from an extra unit remains constant
  - D. total satisfaction from the goods remains the same
9. Which of the following factors does not cause a change in demand
  - A. Taste and fashion
  - B. vagaries of weather
  - C. price of other commodities
  - D. price of commodity
10. If the co-efficient of elasticity of demand is 1.5, then the demand is
  - A. fairly inelastic
  - B. perfectly elastic
  - C. elastic
  - D. inelastic
11. At a co-efficient of price elasticity of supply of 0.5, supply is
  - A. perfectly inelastic
  - B. inelastic

C. perfectly elastic  
D. elastic

12. If an increase in earning leads to more of a commodity being demanded, the good is said to have  
A. positive income elasticity  
B. negative income elasticity  
C. positive cross elasticity  
D. negative cross elasticity

13. Government fixing of prices below the equilibrium point is aimed at protecting the  
A. sellers  
B. industries  
C. distributors  
D. consumers

14. A consumer maximizes his utility in consuming a good 'X' when  
A.  $M_{UX} = P_x$   
B.  $P_x > M_{UX}$   
C. price is falling  
D.  $M_{UX} > P_x$

15. The sum of items divided by the number of items is the  
A. frequency  
B. mean  
C. median  
D. mode

X	2	3	4	5
Y	2	5	2	1

16. Use this above diagram to answer this question. From the table, the mean of the distribution is  
A. 2.2  
B. 2.5  
C. 3  
D. 4.5

X	2	3	4	5
Y	2	5	2	1

17. Use this above diagram to answer this question. What is the median of the distribution?  
A. 5  
B. 4  
C. 3  
D. 2

18. Goods for which demands rises as income rises are  
A. complementary goods  
B. inferior goods  
C. normal goods  
D. substitutes

19. A decrease in supply with demand remaining unchanged will cause the equilibrium price for a good to  
A. be unchanged  
B. remain elastic  
C. remain inelastic  
D. rise

20. At the highest level of total utility, marginal utility is  
A. negative  
B. positive and falling  
C. positive and rising  
D. zero

21. The co-efficient of income elasticity of demand for inferior goods is  
A. positive  
B. equal to one  
C. less than one  
D. negative

22. If a 20% rise in price of Whiskey leads to a 30% increase in quantity demanded of Schnapps, the cross elasticity of demand is  
A. 3.0  
B. 2.5  
C. 2.3  
D. 1.5

23. A supply curve which is vertical has an elasticity co-efficient of  
A. 0.0  
B. 0.5  
C. 1.5  
D. 2

24. price fixed above the equilibrium is to  
A. protect agricultural producers  
B. discourage agricultural producers  
C. lower the price of agricultural producers  
D. favour consumers

25. If a 6% decrease in price results in more than 6% decrease in quantity supplied, supply can be regarded as  
A. elastic  
B. unitary elastic

C. perfectly inelastic  
D. perfectly elastic

26. Which of the following best describes the mode? The

- observation with the highest frequency
- average of two middle numbers
- item that occupies the middle position
- difference of two extreme values

27. Where a commodity takes an insignificant proportion of the consumer's income, demand for it will be

- unitary elastic
- price inelastic
- fairly elastic
- income inelastic

28. Any price below the equilibrium price will lead to

- increase in supply
- excess demand
- equality of demand and supply
- decreases in demand

29. If a particular consumer derives total utility of 22 utils having consumed 4 units of a given product, his average utility will be

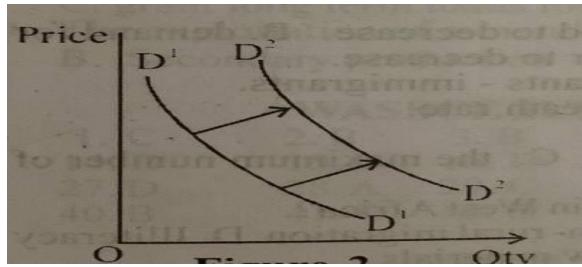
- 88 utils
- 18 utils
- 5.5 utils
- 3.5 utils

30. If a commodity has a high marginal utility, its market price will be

- stable
- high
- zero
- constant

31. Which of the following can be used to calculate the price elasticity of demand?

- percentage change in quantity demand  
percentage change in price
- percentage change in quantity demand  
percentage change in price
- percentage change in quantity demand  
percentage change in quality demand
- percentage change in quantity demand  
percentage change in income



The figure above shows the change in demand for Commodity X which is a normal good. Use it to answer the question that follows.

32. Which of the following caused the change in demand from D<sub>1</sub>D<sub>2</sub> to D<sub>2</sub>D<sub>3</sub>

- fall in the income of consumers
- rise in the price of a substitute
- rise in the price of a complement
- fall in the supply of commodity

33. Goods consumed out of habit have

- elastic demand
- perfectly elastic demand
- inelastic demand
- unitary elastic demand

The diagram above shows the demand for milk. Use it to answer questions this question.

34. The movement from point x to z might have been caused by

- a change in taste in favour of milk.
- a decrease in price of milk.
- an increase in income of consumers.
- a favourable weather condition.

35. The rate of increase in utility is

- average utility
- increasing utility
- total utility
- marginal utility

36. Due to an increase in price, a seller increases the quantity offered for sale from 400 units to 450 units. What is the percentage change in quantity supplied?

- 1 %

- B. 7.5%
- C. 12.5%
- D. 20%

37. if a given change in price brings a proportionately larger change in quantity demanded, the

- A. demand is relatively price elastic
- B. demand is relatively price inelastic
- C. price elasticity of demand is unitary
- D. price elasticity of demand is constant

38. One relationship between marginal utility and total utility. When total is

- A. rising, marginal utility is rising
- B. falling, marginal utility is negative
- C. maximum, marginal utility is maximum
- D. falling, marginal utility is rising

39. if the coefficient of cross elasticity of demand for goods Y and Z is positive, the two goods are?

- A. complements
- B. substitutes
- C. luxurious
- D. inferior

40. A demand curve parallel to the Y-axis indicates

- A. fairly elastic demand
- B. perfectly elastic demand
- C. perfectly inelastic
- D. fairly inelastic demand

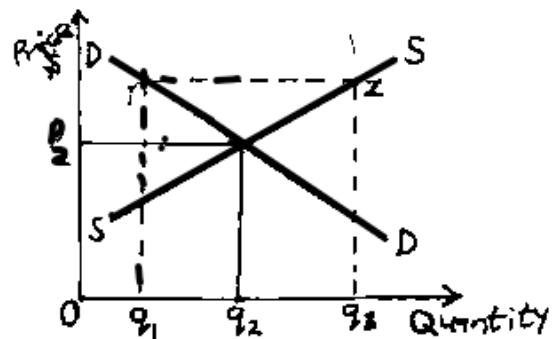
41. goods whose demand vary directly with money income are called?

- A. inferior goods
- B. complementary goods
- C. substitutes
- D. normal goods

42. A price floor is usually fixed

- A. at the equilibrium and causes shortage
- B. above the equilibrium and causes shortage
- C. below the equilibrium and causes shortage

- D. above the equilibrium and causes surplus

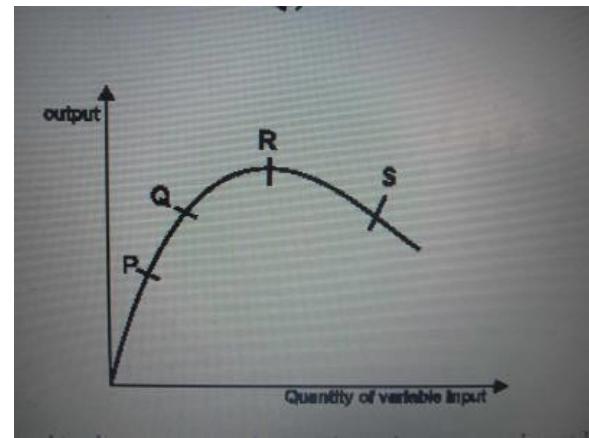


43. In the figure above, YZ represents

- A. excess demand
- B. excess supply
- C. equilibrium quantity
- D. equilibrium price

44. A minimum price legislation is also called

- A. price ceiling
- B. price mechanism
- C. price control
- D. price floor



45. At what point on the total product curve shown above will marginal product be negative?

- A. Q
- B. S
- C. R
- D. P

46. A seller increased the quantity he offered for sale from 200 units to 250 units when the price of his product increased by 12.5%. What is the price elasticity of the supply of his product?

- A. 2.00
- B. 1.50
- C. 1.00
- D. 0.50

47. Expenditure on food takes a large proportion of the incomes of people in

- A. industrialized countries
- B. advanced countries
- C. developing countries
- D. capitalist countries

48. Goods that are abundant in supply usually have low

- A. total utility
- B. marginal utility
- C. average utility
- D. time utility

49. All the following are methods of determining prices except?

- A. maximum pricing
- B. rationing
- C. minimum pricing
- D. auctioning

50. in any economic system , which of the following is not an economic problem?

- A. what goods and services to produce
- B. what techniques of production to be adopted
- C. equal distribution of goods and services
- D. how to ensure that the economy grow over time

**SECTION A****TOTAL MARKS: 40 marks****INSTRUCTION: Answer only one question from this section**

1. The supply situation for rice in country X over a period as shown in the table below. Use the information in the table to answer the questions that follow.

Period	Price (\$)	Quantity supplied (bags)
December 2004	30	100
January 2007	40	150
April 2009	50	160

(a) Calculate the co-efficient of price elasticity of supply for rice between December 2004 and January 2007. (3 marks)

(b) Is the supply of rice elastic? Give a reason for your answer. (4 marks)

(c) State any three reasons which may cause an increase in the supply of rice, (3 marks)

(WAEC 2009)

2.

Oranges	Total Utility	Mangoes	Total Utility
1	100	1	50
2	190	2	95
3	270	3	135
4	340	4	170
5	400	5	200
6	450	6	225
7	490	7	245
8	520	8	260

The table above shows Mr. Y's schedule of total utility for oranges and mangoes. The prices of oranges and mangoes are at \$1.00 each. Mr. Y has \$10. 00 to spend on the goods.

Use the information contained in the table to answer the questions that follow

(a) Calculate the marginal utility for all the levels of consumption for the goods. (4 marks)

(b) At equilibrium, how many (i) oranges (ii) mangoes, will the consumer buy? (2 marks)

(c) (i)State the law of diminishing marginal utility. (ii) State the marginal condition for utility maximization (4 marks)

(WAEC 2007)

**SECTION B****Answer three questions from this section**

3. (a) What is price elasticity of demand? (2 marks)

(b) With carefully labeled diagrams, illustrate each of the following:

(i) perfectly inelastic demand (2 marks)

(ii) unitary elastic demand (2 marks)

(iii) fairly elastic demand **(2 marks)**  
(iv) perfectly elastic demand. **(2 marks)**

**(WAEC 2023)**

4. Outline any two objectives of a price control policy. **(2 marks)**  
(b) Highlight any three effects of a maximum price control policy. **(3 marks)**

(c) With the aid of a diagram, explain a minimum price. **(5 marks)**

**(WAEC 2004)**

5. Distinguish between the following pairs of concepts

i.income elasticity of demand and cross elasticity of demand **(4marks)**  
ii.normal goods and inferior goods **(2 marks)**  
iii.change in demand and change in quantity demanded **(4marks)**

6. (a.) Define elasticity of supply **(4marks)**  
(b.) When is supply described as (i.) elastic (ii.) inelastic? **(4marks)**  
(c.) Outline any two factors that influence elasticity of supply. **(2marks)**

7. (i.) Differentiate between hoarding and rationing **(6marks)**  
(ii.) Highlight four effects of hoarding and rationing **(4marks)**