



ZIMBABWE EZEKIEL GUTI UNIVERSITY

FACULTY OF LAW, BUSINESS INTELLIGENCE AND ECONOMICS

DEPARTMENT OF ECONOMICS, MARKETING AND ENTREPRENEURSHIP

EXAMINATION PAPER

COURSE CODE : CEC 111
COURSE TITLE : Principles of Economics
SPECIAL REQUIREMENTS : Non-programmable calculator
Graph paper.
DURATION : 3 Hours
LEVEL : 1.1
DATE : 31 JUL 2024

INSTRUCTIONS TO CANDIDATES:

1. No cell phones are allowed in the examination venue.
2. Use of silent, non-programmable calculators is allowed.
3. Answer any **four (4)** questions.
4. Begin each question on a new page.
5. The number of marks for each question or part question is shown in brackets []

Write

- a) Gross Domestic Product. [5 marks]
- b) Gross National Product. [5 marks]
- c) Oppressed inflation. [5 marks]
- d) Law of demand. [5 marks]
- e) Indifference curves. [5 marks]

QUESTION 2

- a) Explain whether firms operating in a market structure of monopolistic competition are less efficient than those operating in perfect competition. [13 marks]
- b) Tacit collusion of oligopolies may involve various types of price-leadership. State and explain two types of price leadership found in oligopolies. [12 marks]

QUESTION 3

Zimbabwe has been facing high levels of inflation in recent years. State and explain the causes of inflation in Zimbabwe using example and proffer solutions to curbing inflation in the country. [25 marks]

QUESTION 4

- a) With aid of diagrams, explain the difference between a change in quantity demanded and a change in demand. [8 marks]
- b) Explain any **four (4)** determinants of Price Elasticity of Demand (PED). [12 marks]
- c)) Differentiate ordinal utility and cardinal utility. [5 marks]

QUESTION 5

- a) Identify and explain the approaches that are utilised in GDP accounting. [13 marks]
- b) Analyse the information given in the table below and answer the question that follows.

Country	Population	GDP (\$)	GDP per Capita
Japan	1 507 0000	341 255 869	
South Africa	62 583 000	128 557 369	

Netherlands	53 145 697	251 583 697	
Zimbabwe	14 876 321	31 587 368	

Calculate the GDP per capita for each country and complete the table.

[12 marks]