

## **ECONOMICS**

### **SUBJECT 9158**

**JUNE 2011**

#### **PAPER 03**

#### **GENERAL COMMENTS**

The question paper was up to standard and covered the whole syllabus. Generally, candidates displayed knowledge of economic concepts and theories. A good number of candidates failed to display high order skills needed to answer the questions. The overall performance was fair.

#### **QUESTION 1**

This was a very popular question and fairly answered by many candidates.

- (a) Candidates were able to identify basic economic questions but failed to analyse them.
- (b) Candidate failed to apply the concept of economic systems to Zimbabwe.

#### **QUESTION 2**

This question was attempted by many candidates.

- (a) Candidates displayed limited knowledge on efficiency concepts.
- (b) Most candidates were not able to link government interventions to efficiency.

#### **QUESTION 3**

This was a very popular question answered by most candidates.

- (a) Most candidates confused factors of elasticity of demand with factors influencing demand.
- (b) Most candidates failed to discuss the applicability of concepts of elasticity to butchery.

#### **QUESTION 4**

This was a very popular question attempted by most candidates.

- (a) Most candidates successfully answered this part but failed to classify the taxes into direct and indirect tax.
- (b) Most candidates displayed lack of knowledge on indirect taxes and link them to government intervention in Zimbabwe.

#### **QUESTION 5**

This question was attempted by most candidates.

- (a) Most candidates could not clearly explain the concepts of price discrimination.
- (b) Candidates were not able to come up with clear benefits of price discrimination to society.

#### **QUESTION 6**

- (a) Most candidates failed to explain wages determination using the MRP theory.
- (b) Candidates were not able to discuss wage determination in their country.

#### **QUESTION 7**

This was a very unpopular question answered by very few candidates.

- (a) Almost all candidates were not able to identify commercialization and explain privatization.
- (b) Candidates could not link privatization to efficiency.

#### **QUESTION 8**

This question was less popular and attempted by very few candidates.

- (a) Candidates failed to distinguish the terms of trade to BOP.

- (b) Most candidates displayed knowledge of cost of BOP deficit but were not able to write a good discussion.

### **QUESTION 9**

This was a less popular question with candidates unable to illustrate the two gaps. Candidates were able to identify policies but failed to discuss their effectiveness to reduce inflation.

### **QUESTION 10**

This question was very popular.

- (a) Most candidates explained the consequences of inflation but failed to analyse them in their country.
- (b) Candidates were able to identify the instrument of Monetary Policy but were unable to discuss their effectiveness.

### **QUESTION 11**

This was a very popular question answered by most candidates.

- (a) Most candidates were able to identify characteristics of developing countries but did not explain them.
- (b) Most candidates lacked understanding of the question and went off-topic.

### **QUESTION 12**

Very few candidates wrote the question.

- (a) Almost all candidates who wrote the question were able to define, describe and explain full employment.
- (b) Because of the difficult encounter in part (a), candidates were unable to discuss the requirement of part (a). They all lacked the skill of analysis and evaluation.