

ECONOMICS

SUBJECT 9158

NOVEMBER 2012

PAPER 03

GENERAL RESPONSE

Most candidates were well prepared for the examination. They performed fairly well in questions chosen. Choice of questions by candidates showed that adequate preparation for the examinations has been made.

QUESTION 1

This was a very popular question, attempted by most candidates. On part (a), most candidates failed to clearly answer the basic economic questions under the market and the planned economics.

On part (b), most candidates were able to address the needs of the question. The question needs comparison of cost and benefits of the two economic systems. Quite a number of candidates failed to apply the concept of efficiency to the economic systems. Candidates were supposed to assess whether resources are more efficiently allocated in the market economy.

QUESTION 2

This was a question attempted by many candidates. On part (a) most candidates were able to explain the elasticity concepts.

Part (b) was a poorly answered question by most candidates. Most of them were unable to apply the elasticity concepts to small-scale miners in Zimbabwe.

QUESTION 3

This was a less popular question attempted by a few candidates.

Part (a) was poorly answered by many candidates who attempted it. Quite a number of candidates were unable to explain the difference between the two concepts. Part (b), most candidates who attempted it were able to assess the extent to which profitability of a firm measures its efficiency.

QUESTION 4

This was a very popular question, attempted by many candidates. Candidates did fairly well on this part. Quite a number of candidates were able to identify and explain factors which determine the size of the firm on part (a).

On part (b), most candidates displayed knowledge of the benefits of SMEs in general. Quite a number of them failed to apply the benefits and costs of SMEs to the Zimbabwean situation.

QUESTION 5

This was a popular question, attempted by many candidates. Most candidates were unable to address the question, i.e. to analyse the similarities and differences between the two market structures. Anyway, they showed knowledge of the characteristics of the two market structures although quite a number of candidates confused monopolistic completion with monopoly.

QUESTION 6

This was a question attempted by very few candidates and poorly answered by many who answered it. Quite a number of candidates failed to explain the link between levels of pay to the strength of the Trade Union. However, they appreciated other factors influencing the levels of pay such as the MRP theory, minimum wage, discrimination, etc.

QUESTION 7

This was a popular question, fairly performed by most candidates.

In part (a), most candidate displayed lack of knowledge on commercialization. In part (b), quite a number of candidates confused benefits of privatization with benefits of a free market economy. However, most of them were able to discuss the benefits of privatization to the consumers, firms and government.

QUESTION 8

This was a relatively less popular question and fairly performed by candidates who attempted it. The question required candidates to discuss applicability of the comparative advantage theory to trade flows between countries. Most candidates just considered explanation of the theory as application thus leading to low scores on this question.

QUESTION 9

This was quite a popular question and well answered by most candidates. Most candidates displayed good knowledge of the gaps and gave correct illustration. On part (b), most candidates were able to explain how fiscal policy can be used to close the gaps. However, quite a number of them failed to evaluate effectiveness of the policy in correcting these gaps.

QUESTION 10

This was a very popular question, attempted by many candidates. On part (a), most candidates were able to explain demand-pull and cost-push inflation.

On part (b), most candidates were able to discuss the effectiveness of price controls and fiscal policy in correcting a high rate of inflation. However, a good number of candidates failed to identify that the price ceiling and contractionary fiscal policy are the most appropriate policies in reducing inflation.

QUESTION 11

A very popular question attempted by quite a number of candidates. Most candidates scored high marks on both part (a) and part (b), displaying good knowledge of the problem of unemployment.

QUESTION 12

This was a popular question, answered by quite a number of candidates. Most candidates scored average marks on part (a), giving limited analysis on the relationships. Good candidates were able to give some evaluation on the relationships especially on inflation and unemployment.