Economics, 2012 EC, social science, entrance exam

Grade 12 · Economics · 2012 E.C.

Time allowed: 120 minutes **Questions:** 30 **Total marks:** 30

Name ____________ Grade ________ ID No. ________ Date ________

1. Two major service providers that help Ethiopia earn considerable foreign exchange compared to other service providers are (1)

A. National Museum and National Lottery.
B. National Lottery and Ethio-telecom.
C. Ethiopian Airlines and Ethiopia Shipping Lines.
D. National Museum and Ethio-telecom.

2. The 1992 Proclamation on Ethiopian transport policy allows except (1)

A. free entry into existing transport associations.
B. obtaining licenses to form new transport associations.
C. regulation of the freight transport industry.
D. promotion of efficiency and equitable transport distribution.

3. Compared to other African countries, Ethiopia is more successful in terms of (1)

A. Railways transport.
B. Metro transport services.
C. Road transport.
D. Air transport and Civil Aviation.

4. All are key resource bases of Ethiopia except; (1)

A. availability of many rivers and lakes.
B. availability of sea port.
C. abundant valuable minerals.
D. high potential to produce hydroelectric and geothermal energy.

5. What can we say about the current population composition of Ethiopia (1)

A. The proportion of female is close to 50%.
B. More than half of the whole population lives in urban areas.
C. There is very high proportion of old age people in the economy.
D. The proportion of literate people is greater than 80%.

6. The following are true of Bi-modal agricultural strategy except it (1)

A. creates off-fam job opportunities.
B. allows the transfers of technology.
C. supports individual rights to acquire land.
D. promotes large scale-diversification.

7. Which of the following is not true about the agriculture sector in Ethiopia? (1)

A. It is the mainstay of the Ethiopian population.
B. It covers the largest share in terms of export earnings.
C. It has contributed the largest share to the country's GDP in recent years.
D. It dominated by small holder farm system.

8. Challenges in an attempt to transform the Ethiopian agricultural sector include except (1)

A. credit offering at lower interest rates.

B. inadequate rural markets.

C. inappropriate pricing policy towards agricultural land property

D. inappropriate entitlement of land property.

9. To mitigate the problems affecting the Ethiopian agricultural sector, it is important to take the following possible remedies except (1)

A. Pursue an effective land - ownership right in a way farmers can develop long-term farm practices

B. use capital intensive technology

C. reduce the prevailing heavy dependence on rain-fed agricultural practices.

D. promote committed literacy companies to help farmers understand price and farm-technique information.

10. The industrial groups that have recently contributed most to the Ethiopian foreign exchange earnings are (1)

A. paper-printing and chemical.

B. metals and non-metals.

C. food-beverage and textiles.

D. leather-footwater and wood-furniture.l

11. Identify the correct statement about minerals and environment in Ethiopia. (1)

A. The contribution of the mineral sector to the GDP of the country is very high.

B. The economy has no environmental problems.

C. There are insufficient amount minerals in the country.

D. The development the mineral sector is at infant stage.

12. Under the Derg regime, (1)

A. Ethiopia experienced a widespread drought.

B. the private sector was able to grow at a very high rate.

C. Ethiopia had no development plans.

D. the country was structured Under a capitalist system.

13. What do the development plans under the Derg and EPRDF have in common? (1)

A. They focus on industrialization as the only way to growth and development.

B. The plans never talk about poverty reduction and buildings democracy.

C. They aim to bring growth and development in the economy.

D. They have nothing in common.

14. Relative to unimodal agriculture, bimodal agriculture (1)

A. protects peasants from eviction

B. focuses only on production of food crops.

C. reduces inequality among rural households.

D. promotes transfer of technology.

15. Today, the Ethiopian economy is predominantly an agrarian economy since (1)

A. the majority of the growth rate in the GDP comes from the agricultural sector.

B. most of the total national investment projects go to this sector.

C. nearly 80% of Ethiopian live in rural areas.

D. most of the GDP comes from this sector.

16. The Ethiopian industrial sector is characterized by the following except (1)

A. strong competition from improved goods.

B. usage of labor intensive technology.

C. absence of adequate institutional support.

D. a consumer bias against loca products.

17. over recent years, to establish a large-scale manufacturing hub within Africa, the Ethiopian government has particularly been doubling its efforts on (1)

A. road constructions

B. hotel and tourism works.

C. special zones of industrial parks establishment.

D. agriculture and irrigation expansion.

18. The theory of linkages stresses that (1)

A. when certain industries are developed first, their interconnections with other industries will induce the development of new industries.

B. the relation between agriculture and non-agriculture sector is very strong in developing countries.

C. when certain industries are developed first, their interconnections with other industries will reduce the development of new industries.

D. when certain industries are developed fist, there is uncertainty whether this could help facilitate the development of new industries.

19. In an industry when a firm buys a good from another firm to use as an input for its outputs is called (1)

A. backward linkages.

B. localization economies.

C. agglomeration economies.

D. forward linkages.

20. When transportation costs are significant to a main market, users of the outputs off an industry may benefit from a nearby location to save costs of transportation. This benefit is a type of (1)

A. backward linkages.

B. localization economies.

C. agglomeration economies.

D. forward linkages.

21. For a rational consumer, total utility will be a maximum when (1)

A. average utility is zero.

B. marginal utility is zero.

C. marginal utility equals total utility.

D. marginal utility equals average utility.

22. Indifference curves are convex to the origin because we assume that two consumption goods are (1)

A. imperfect substitutes.

B. unrelated

C. perfect substitutes.

D. perfect complements.

23. A decrease in income of consumer with no changes in the price of either good will cause, assuming both goods are normal (1)

A. an outward shift of the budget line.

B. no change in the budget line.

C. a rotation of the budget line along the horizontal axis.

D. an inward shift of the budget line.

24. In the ordinary theory of utility, the income consumption curve (ICC) shows the way in which (1)

A. income is affected as prices of two commodities change.

B. consumption varies as income of the consumer changes.

C. consumption varies as price of a commodity changes.

D. consumption varies as prices of two commodities change.

25. Which one of the following is true statement of short run production function with one variable input? (1)

A. The lowest Average product (AP) occurs where AP and Marginal product (MP) are equal to each other

B. AP and MP curves meet at MP's maximum point.

C. When AP Curve is rising, MP is higher than AP.

D. MP is above AP is falling.

26. Which of the following is a microeconomic issue? (1)

A. Inflation dramatically increased in Ethiopia in the previous year.

B. The price of edible oil increased in Ethiopia over the last 2 months.

C. The Ethiopian economy experienced rapid economic growth last year.

D. Unemployment rate soared in Ethiopia in recent years.

27. The opportunity cost of any economic action is (1)

A. all the possible alternatives forgone.

B. the next best alternative forgone.

C. the monetary cost but not the time required.

D. the time required but not the monetary cost.

28. Shortage of economic resources mainly implies that people must (1)

A. make choices to satisfy their wants.

B. compete to satisfy their wants.

C. cooperate to satisfy their wants.

D. trade to satisfy their wants.

29. The major role entrepreneurs can play in an economy is (1)

A. borrowing money from financial institutions to start their businesses.

B. providing loans to financial companies at high rates of interest.

C. telling consumers what they should want or expect from the business environment.

D. talking risks to create businesses that yield products that meet the wants and needs of consumers

30. The law of demand states that, ceteris paribus, the higher the price of a good, (1)

A. the larger is the quantity of the good demanded.

B. the smaller is the quantity of the good demanded.

C. the smaller is the demand for the good.

D. the larger is the demand for the good.

— END OF EXAMINATION —