



GOVERNMENT OF SAMOA

STUDENT EDUCATION NUMBER

Samoa School Certificate

ECONOMICS

2023

QUESTION and ANSWER BOOKLET

Time allowed: 3 Hours & 10 minutes

INSTRUCTIONS

1. You have 10 minutes to read **before** you start the exam.
2. Write your **Student Education Number (SEN)** in the space provided on the top right-hand corner of this page.
3. **Answer ALL QUESTIONS.** Write your answers in the spaces provided in this booklet.
4. If you need more paper to write your answers, ask the Supervisor. Write your SEN on all extra sheets used and clearly number the questions. Attach the extra sheets to the appropriate places in this booklet.

STRANDS		Page	Time (min)	Weighting
STRAND 1	PRODUCTION	2 – 6	49	27
STRAND 2	CONSUMPTION	7 – 11	63	35
STRAND 3	MARKET	12 – 18	68	38
TOTAL			180	100

Check that this booklet contains pages 2 - 19 in the correct order and none of these pages are blank.

HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION

SERVICE INDUSTRIES

1. **Identify** any **ONE service**, other than transportation, from the service industry which you have studied in class and that could help a restaurant operation (located) in Saleologa, Savaii.

Service 1: _____

SL 1

2. **Identify** another **service**, other than transportation, provided by a government organization that could help a restaurant operation (located) in Salelologa, Savaii.

Service 2: _____

SL 1

3. **Define** the term individual supply.

SL 1

4. Name the cause of change in quantity supplied.

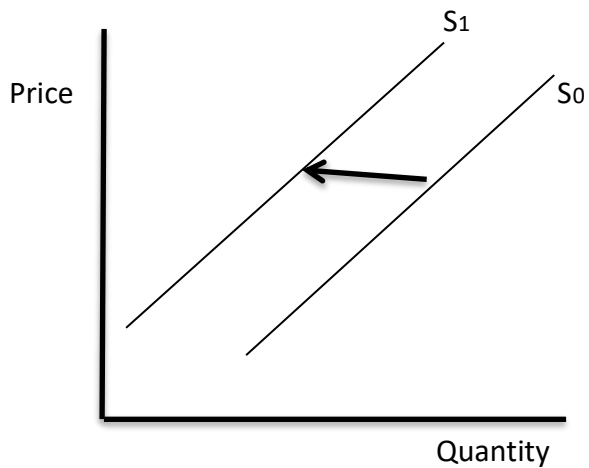
SL 1

5. **Describe** how increasing returns affect productivity of a firm. Must include Marginal Product (MP) in your answer.

SL 2

Study Figure 1 below and use it to answer Question 6.

Figure 1: Supply of breadfruits (ulu)



6. List only TWO causes of the change shown in Figure 1 above for the supply of breadfruits.

1: _____

2: _____

SL 2

7. Describe an economic Industry (aside from the banking industry) and its contribution to the economy in Samoa as a whole.

SL 2

8. **Apply** your understanding of **interdependence** to describe the relationship between **firms** and the **banking industry**.

SL 3

9. **Explain how** fresh/raw taros (agricultural products) are processed through **TWO** different stages of production, from manufacturing to the service sectors. (Do not include the primary sector in your answer).

SL 3

10. **Distinguish** between individual supply and market supply.

SL 3

11. The following are images or icons of two popular online platforms that local producers could use to their advantage. **Explain the advantages/impact** of these platforms on Samoan producers or firms (economy).



SL 4

12. Use your understanding of **scarcity, choice and opportunity cost** concepts and **discuss** how a producer could apply these three concepts when deciding whether to use SAT\$10,000 of his/her savings in the bank to run his/her business or leave it in the bank. (The monthly interest rate of 5% is offered by the bank to the SAT\$10,000 Savings).

SL 4

DEMAND

- 13.
- Define**
- individual demand.

SL 1

- 14.
- Define**
- Market demand.

SL 1

- 15.
- Name**
- the
- ONE**
- cause of change in quantity demanded.

SL 1

- 16.
- Table 1**
- below shows the differences in the quantity demanded for soft drinks by Maota, Peter and Jay. Fill in the missing blanks
- (i)**
- and
- (ii)**
- under the '
- Total Quantity Demanded**
- ' column.

Table 1: Market Demand Schedule for soft drink (per week)

Number of Cans of Soft Drinks Demanded				
Price per Can (SAT)	Maota	Peter	Jay	Total Quantity Demanded
1.00	5	4	6	15
1.25	4	3	4	(i)
1.50	3	2	2	7
1.75	2	1	1	4
2.00	1	1	0	(ii)

SL 2

17. **List TWO causes** (other than the price of the good) that might cause a shift to the left of a demand curve.

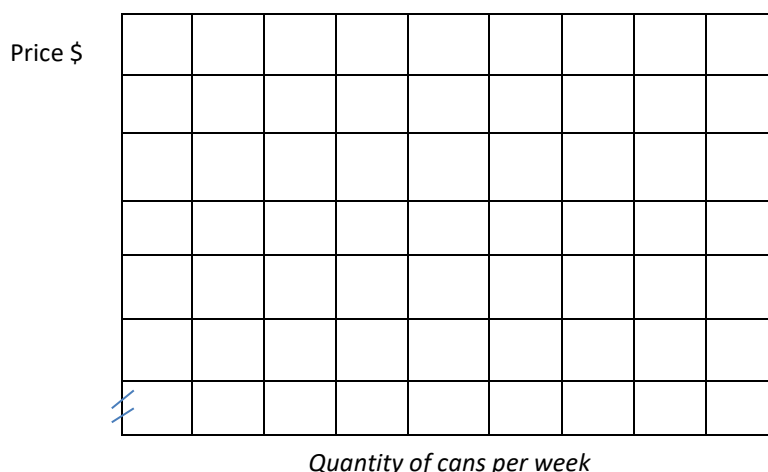
SL 2

18. With reference to Table 1 in Question 17 above, **describe** the law of demand with an example from Table 1.

SL 2

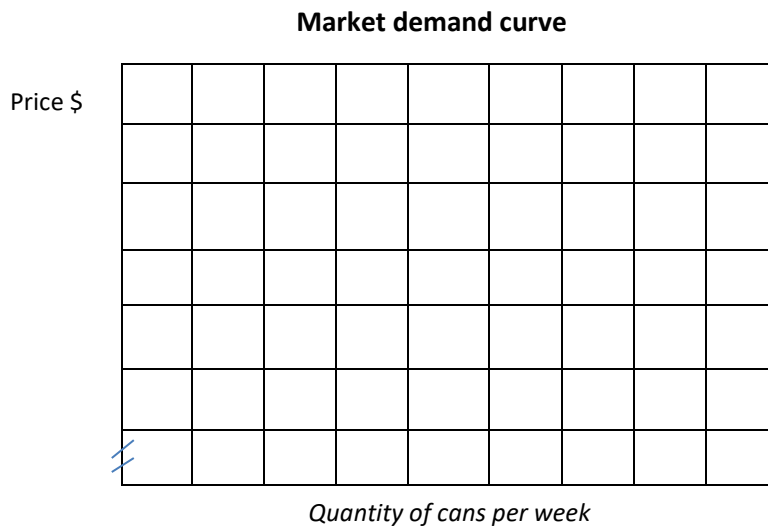
19. **Construct THREE individual demands** curves for Maota, Peter and Jay as shown in demand schedule or Table 1 in Question 16. Label the three demand curves base on the information provided in Table 1 and also use three colours to distinguish each curve).

Three Individual demand curves



SL 3

20. Construct the Market demand curve as shown by Table 1.



SL 4

CONSUMPTION POSSIBILITIES

Study the information below and use it to answer the Questions that follow.

- Haven’s Budget SAT\$8.00
- Price of the Bottle of Water 500ml SAT\$2.00
- Price of one Taco-bell Tuna Sandwich SAT\$1.00

21. Complete blanks (i), (ii) and (iii) in Table 2 below for Haven’s consumption possibility schedule using the information above.

Table 2: Consumption Possibilities Schedule for Haven

Possibility	Bottle of Water (500ml) (quantity per day)	Tuna Sandwiches (quantity per day)	(\$) Total Expenditure or money spent by Haven (SAT)
A	4	0	8
B	3	2	8
C	(i)	(ii)	8
D	1	6	8
E	0	(iii)	8

SL 3

22. **What** is Haven's opportunity cost of consuming or buying two (2) Taco-bell sandwiches at possibility **B**? (That is from possibility **A** to **B**).

SL 1

23. Use the data in Table 2 to **construct** Haven's **Consumption Possibility Curve (CPC)** or Budget Line, with Taco-bell Sandwiches **plotted on the Y-axis**. Label this CPC as **CPC₁**.

SL 3

24. **Describe** consumption possibility curves/graphs.

SL 2

25. **Describe** how an increase in price of the bottles of water affects Haven’s CPC for the bottles of water.

SL 2

26. **Discuss** the importance of the concept of Consumption Possibility to consumer choices.

SL 4

27. Discuss clearly the **relationship between scarcity, choice and opportunity cost**. Use the data or information from Table 2 (page 9) to support your answer. *(That is, discuss what is limited, what choice Haven has made and an opportunity cost that could result from one of Haven’s possible choices).*

SL 4

CIRCULAR FLOW

28. **Define** Aggregate Demand.

SL 1

29. **Define** GDP as an economic measure.

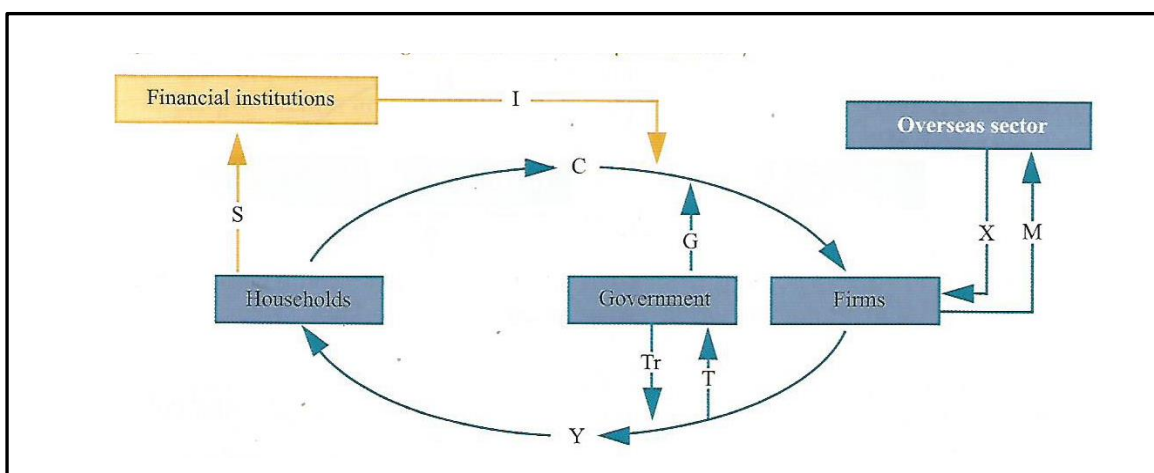
SL 1

30. **List TWO components of Aggregate Demand** that are immediately influenced by an increased in consumer Income.

SL 2

Study the Circular Flow diagram in Figure 2 below and answer Questions 31 and 32 as follow:

Figure 2: Circular Flow Diagram



31. **Describe** the role of the **financial sector** (the banks/financial institutions) in promoting economic growth in the economy (as shown in Figure 2).

SL 2

32. **Interpret** the interdependence of the **Government** sector and **firms'** sector as shown in the circular flow diagram (Figure 2). (Include in your answer three areas both the government and firms show interdependence).

SL 3

Study Table 3 below on changes/movements in Samoa GDP growth rates from 2019/20 to 2024/25. Growth rates from 2019/20 to 2021/22 are actuals whereas 2022/23 to 2024/25 are projections.

Table 3: Samoa GDP Growth Rates from 2019/20 to 2024/25

Output	2019/20	2020/21	2021/22	2022/23	2023/2024	2024/25	
Real GDP	-3.1	-7.1	-6.0	5.0	3.6	3.0	

Sources: Data provided by the Samoan authorities; and IMF staff estimates and projections.

33. **Discuss** in your own words the movements/changes in Samoa GDP growth rates from 2020/21 to 2022/23. (Include in your answer two economic reasons/effects as a result of the COVID19 Pandemic that led to changes in the Samoa GDP growth rates from the financial years 2020/21 to 2022/23. Note that in 2022/23 the local economy grew).

SL 4

MONEY AND INFLATION

34. **Define** the term ‘money supply.’

SL 1

35. Define Inflation.

SL 1

36. Consumer Price Index (CPI) for Tiktokland in 2021 and 2022 are provided in Table 4 below. Calculate the inflation rate for Tiktokland from 2021 to 2022 using the CPI figures

Table 4: Tiktokland CPI 2021 to 2022

Year	CPI
2021	1457
2022	1627

SL 2

Your calculation:

Your answer:

37. Discuss **TWO effects** of Inflation on the business sector (firms). Do not give definition of inflation.

SL 4

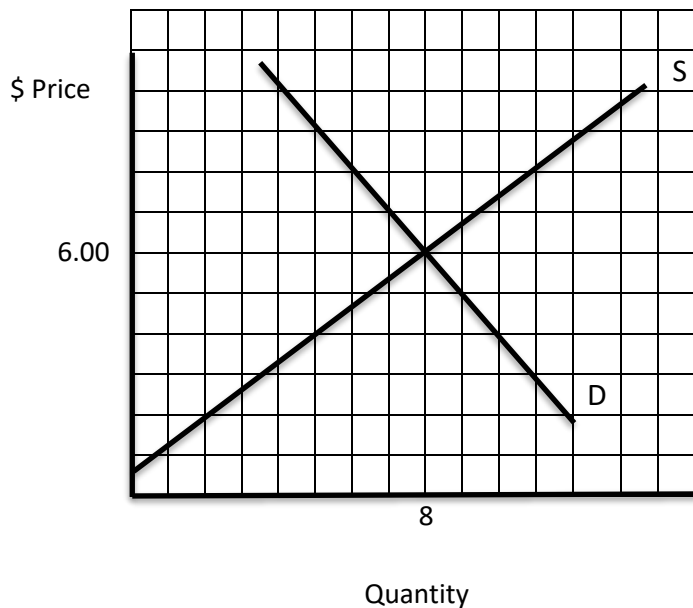
MARKET EQUILIBRIUM

39. **Describe** excess demand.

SL 2

40. Use the **Figure 3** below to **identify (label) excess demand**. \$6.00 is the equilibrium price and 8 is the equilibrium quantity. (Identify/label a price and quantity that will indicate excess demand, must label **Qd** and **Qs** resulted from the price you think will lead to excess demand).

Figure 3: Market Equilibrium



SL 3

41. Discuss **TWO** economic effects of an increase in income tax on the household sector.

Effect 1: _____

Effect 2: _____

SL 4

42. Define Perfect competition as market structure.

SL 2

43. Give an example of a perfect competition market structure in Samoa.

SL 2

STUDENT EDUCATION NUMBER									

SSC ECONOMICS

2023

(For Scorer only)

STRANDS		Weighting	Scores	Check Scorer	AED (Check)
STRAND 1	PRODUCTION	27			
STRAND 2	CONSUMPTION	35			
STRAND 3	MARKET	38			
TOTAL		100			