



GOVERNMENT OF SAMOA

STUDENT EDUCATION NUMBER

Samoa National Junior Secondary 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 – 5	54	30
STRAND 2	CONSUMPTION	6 – 10	54	30
STRAND 3	MARKET	11 – 16	72	40
TOTAL			180	100

Check that this booklet contains pages 2 - 17 in the correct order and none of these pages are blank.

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

1. Define **innovation**.

SL 1

2. Define **economic growth**.

SL 1

3. Describe the term **centralized management control** with an example.

SL 2

4. Describe **ONE** strategy or a way that Frankie Supermarket employs to maximize profits for its business.

SL 2

5. Describe the relationship between business management and innovation using an appropriate example.

SL 2

6. Describe how innovation can affect economic growth by using a very simple local or national example.

SL 2

Samoa Stationeries and Books (SSAB) has become one of the most successful businesses currently in operation not only in Samoa but has also extended business to other countries like American Samoa and New Zealand. One reason for success is by setting simple, realistic, and easy-to-achieve business goals.

7. Explain with examples any **TWO** business goals that have potentially contributed to the success of SSAB since its establishment.

Goal 1

SL 3

Goal 2

8. Explain **TWO** reasons why most small businesses have closed down, for examples, the retail shops in your village or in the local communities.

Reason 1

SL 3

Reason 2

9. Compare the management structures and procedures between a sole trader and partnership.

SL 3

10. Contrast the structures and procedures between a private company and a public company.

SL 3

11. Explain how the producers generate economic growth through their business operations and innovation.

SL 3

12. Define the **law of supply**.

SL 1

13. Predict and illustrate how an increase in the price of oranges (say from \$5 per bundle to \$8) would affect the quantity supplied of oranges in the market.

SL 4

Helen was given \$5 for her school lunch. She could buy a chicken roll, a meat pie, or fish and chips. Her first choice is fish and chips and then her second choice would be a chicken roll.

14. Identify the opportunity cost of Helen’s decision to buy fish and chips.

SL 1

Recall the seven steps involved in consumers’ decision-making. Suppose your family has financial difficulties and as much as you want to help your parents, your education is just as important as your family.

15. Choose any **TWO** steps of the consumer decision-making process and describe how these steps will assist you in making the right-decision in order to achieve your goals such as getting a job or pursuing higher education. For example: Step 1: State your goal. To pursue higher level of education or to find a job. (Do not use Step 1 again).

SL 2

16. Suppose you decided to complete your education. Describe the costs or sacrifices associated with making this decision.

SL 2

17. Explain the difference between earned income and un-earned income. Give each source of income an example.

SL 3

18. Distinguish between income and loan.

SL 3

19. Evaluate and describe **ONE positive** and **ONE negative** impact of remittances on the local communities with reference to their values, priorities, life styles and living standards.

SL 4

20. Identify a type of credit facility affecting individual income.

SL 1

21. Compare the costs or disadvantages of buying goods on credit **and** with cash.

SL 3

22. Define the term **budget**.

SL 1

23. Describe with examples the 'essential spending' or 'fixed expenses' component of the household budget.

SL 2

24. Describe the impact of having a deficit budget balance (expenses exceed revenues).

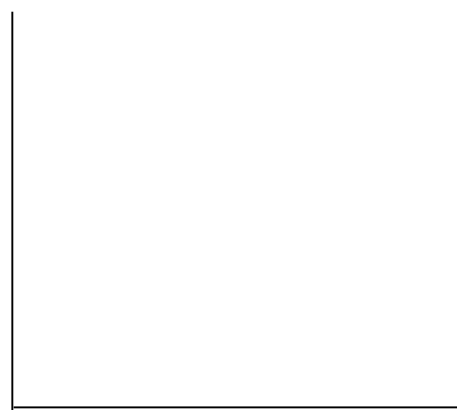
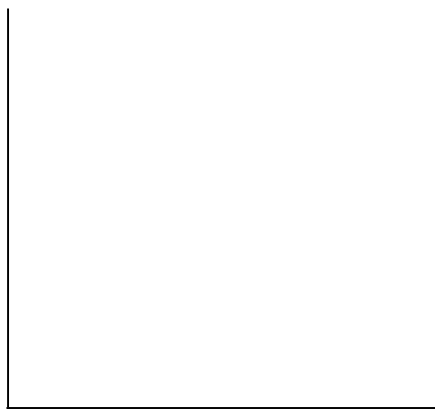
SL 2

25. Describe the importance of including 'savings' in the budget.

SL 2

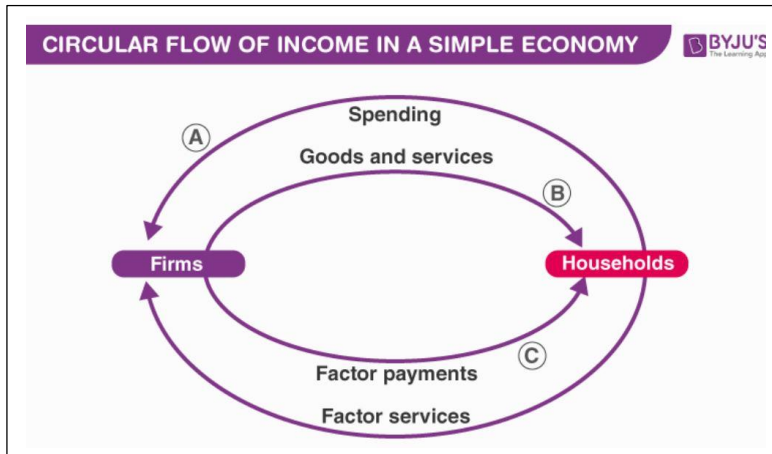
26. Predict and illustrate how an increase in the price of petrol would affect the demand for related goods like cars in the market.

SL 4



Use the Circular Flow Diagram below to answer Questions 27 to 29.

Figure 1:



Source: BGYUs Learning App.

27. The diagram above represents a simple circular flow model which shows only two of the five sectors of the economy.

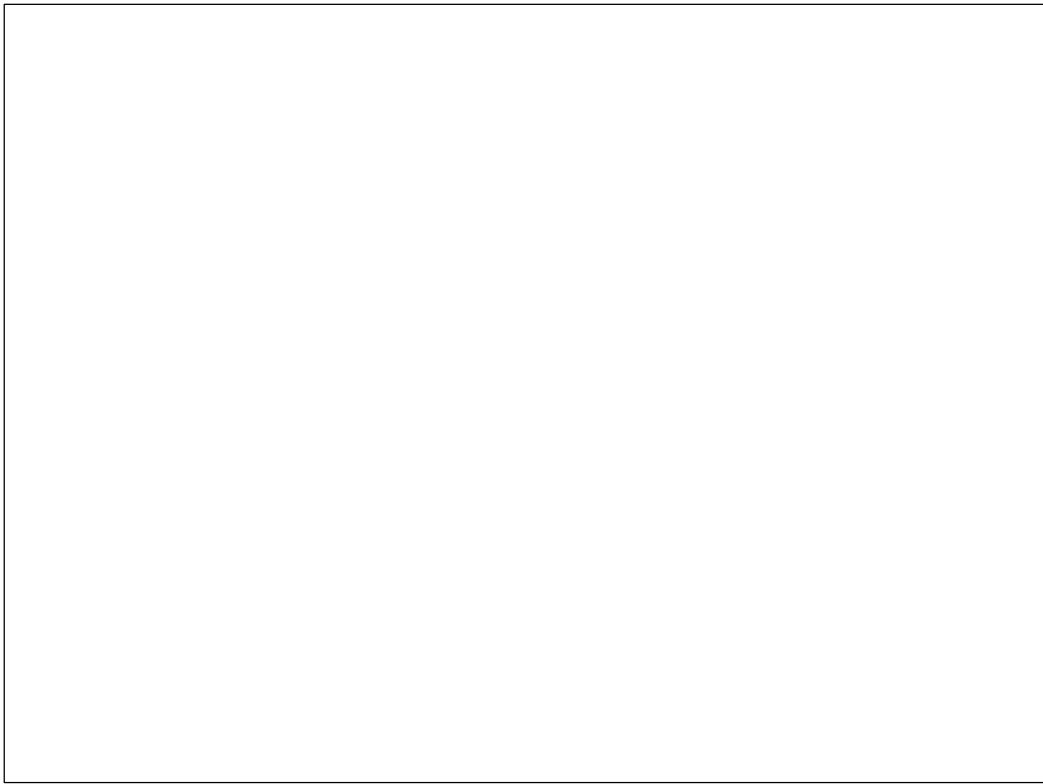
Identify another sector that is **NOT** illustrated in Figure 1 above.

SL 1

28. Describe the relationship between the sector stated in your answer to Question 27 and the Firms' sector.

SL 2

29. Construct a fully-labelled five-sector circular flow model in the box provided below to show the interdependence between the five sectors of economy.



SL 4

30. Explain how interdependence leads to exchange between consumers and producers.

SL 3

31. Explain what makes Samoa's economy an open economy. Give examples to support your answer.

SL 3

32. Define **market** as a place and as a situation with examples.

SL 1

33. Identify the type of market that trades products for consumption.

SL 1

34. Describe the role of a foreign exchange market.

SL 2

35. Explain any **TWO** characteristics that would clearly differentiate perfect competition and imperfect competition.

SL 3

36. Define the term **contract**.

SL 1

37. Use a simple real-life example or situation to differentiate between formal and informal contracts.

SL 3

38. In a money market, describe the relationship between businesses and consumers.

SL 2

39. In a factor market, describe the relationship between businesses and consumers.

SL 2

40. Describe an example of a Consumer Law that is currently practised in Samoa.

SL 2

41. Describe the principle of insurance that requires the honesty of the insured.

SL 2

42. Evaluate and explain (using appropriate examples) the most widely used types of insurances services in Samoa.

SL 4

43. Discuss the nature of informal contracts and its relevance to the protection of consumer rights.

SL 4

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SNJSC ECONOMICS

2023

(For Scorer only)

STRANDS		Weighting	Scores	Check Scorer	AED (Check)
STRAND 1	PRODUCTION	30			
STRAND 2	CONSUMPTION	30			
STRAND 3	MARKET	40			
TOTAL		100			