Please read the follow instructions carefully.

1. This examination has THREE (3) sections – A, B and C, and comprises SIX (6) printed pages.

2. Answer FIVE (5) questions from any of the three sections. Candidates intending to offer Economics or Computing must answer at least THREE (3) questions from the Economics section, i.e. section A.

3. Write your answers on the answer paper provided. Begin each question with a fresh sheet of paper. Write the question numbers clearly. Each question carries 20 marks.

4. At the end of the examination, attach the cover paper on top of your answer script. Complete the information required on the cover page and tie the papers together with the string provided.

6. Do not take any paper, including the question paper and unused answer paper, out of the examination hall.
SECTION A - ECONOMICS

Each question carries 20 marks. Candidates intending to offer Economics or Computing must answer at least THREE (3) questions from the Economics section, i.e. section A.

A1.  
(a) Using a graph, illustrate and explain the effect that an increase in production costs will have on the equilibrium price and quantity of a good.  
(4 marks)

(b) Suppose that the government increases a tax paid by employers for hiring workers. Using a graph, illustrate and explain the likely effects on real wages, output and employment? What are the likely magnitudes of these effects?  
(10 marks)

(c) What are the three properties of money?  
(6 marks)

A2.  
(a) The table below shows the population and real GDP in 2021 for two countries, A and B, for the years 2021 and 2031. Which of these two countries experienced a faster increase in the standard of living between 2021 and 2031?  
(5 marks)

<table>
<thead>
<tr>
<th></th>
<th>Troy</th>
<th>Pompeii</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2031</td>
</tr>
<tr>
<td>Real GDP</td>
<td>$175 billion</td>
<td>$189 billion</td>
</tr>
<tr>
<td>Population</td>
<td>62.3 million</td>
<td>63.7 million</td>
</tr>
</tbody>
</table>

(b) How would a nation’s central bank’s reduction of the reserve ratio requirement affect money creation?  
(5 marks)

(c) How would a central bank’s sale of government bonds on the open market affect money creation?  
(5 marks)

(d) Explain how automatic stabilizers work.  
(5 marks)
A3.  
(a) Explain why financial intermediaries are necessary to facilitate the movement of funds from savers to investors and how they provide benefits to both groups.  
(5 marks)  
(b) Explain what is meant by a devaluation of a currency. Under what circumstances would a country devalue its currency?  
(5 marks)  
(c) The following are some changes that may take place in the market for textbooks. For each of the following, indicate what will happen to either the demand for or the supply of textbooks by listing which curve is affected and then the terms: "shift right", "shift left", or "movement along".  
(i) an increase in student enrollment at universities across the country  
(ii) a decrease in the price of ink used to print textbooks  
(iii) a drop in income (textbooks are a normal good)  
(iv) an improvement in the technology used to print textbooks  
(v) an increase in college tuition  
(10 marks)  

A4.  
(a) Would consumers benefit more from a tariff or a quota on imports?  
(5 marks)  
(b) Distinguish the current account from the capital account.  
(5 marks)  
(c) The market for restaurant pizza in Chicago is currently in equilibrium at a price of $8 and 2,000 pizzas are sold each day. Explain what will happen to the equilibrium price and quantity of pizzas sold and why (which curve has changed) for each of the following situations:  
(i) delivery personnel form a labour union and demand to be paid $7.50 per hour (a large increase in their wage).  
(ii) fast-food hamburger restaurants (Burger King & McDonalds) cut their prices in half.  
(10 marks)
A5.

<table>
<thead>
<tr>
<th></th>
<th>Quantities Produced</th>
<th>Prices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DVDs</td>
<td>DVD Player</td>
</tr>
<tr>
<td>Year 2004</td>
<td>100</td>
<td>200</td>
</tr>
<tr>
<td>Year 2005</td>
<td>120</td>
<td>210</td>
</tr>
</tbody>
</table>

(a) Calculate real GDP using prices from 2004. By what percent did real GDP grow from 2004 to 2005?  
(5 marks)

(b) Calculate the value of the price index for GDP for 2005 using 2004 as the base year. By what percent did prices increase?  
(5 marks)

(c) Consider an economy in which: C = 200 + 0.5y and I = 200.

(i) Find equilibrium income.

(ii) What is the multiplier for investment spending for this economy?

(iii) What is the savings function?

(iv) What is the level of savings at the level of equilibrium income?  
(10 marks)
SECTION B - GEOGRAPHY

Answer a total of FIVE (5) questions only. These five questions may be from any of the three sections. Each question carries 20 marks. Candidates intending to offer Economics or Computing must answer at least THREE (3) questions from the Economics section, i.e. section A.

B1. Examine the likely contributing causes to the Southeast Asian “haze” phenomenon.

B2. What is “eco-tourism”? Why may it bring both costs and benefits to rural areas?

B3. Discuss the reasons for the development of mega-cities with reference to specific examples you know of.

B4. Why is it necessary to consider the physical – human geography interface when examining issues of environmental degradation?

B5. Why are human geographers so interested in the concept and meanings of “place”? 
SECTION C - HISTORY

Instructions to Candidates:
Write an extended, coherent, well-organised and factually supported answer in English.
Each question is worth 20 marks.

C1. “Nationalism is responsible for most of the wars of the 20\(^{th}\) century.” Do you agree? Discuss in relation to any ONE of these regions: Southeast Asia, East Asia or South Asia.

C2. Discuss why European powers could not and did not need to fully dominate Asian countries from 1500 to 1800?

C3. “Colonised societies would be nothing more than backward polities had it not been for western colonialism.” Using the example of any Southeast Asian country, argue for or against this statement.

C4. What was the significance of the Meiji Restoration in Japanese history?

C5. What themes can we use to discuss the history of Asia that do not place an emphasis on geographic categories such as “Southeast Asia”, “East Asia” and “South Asia”? Discuss at least three themes and show how they cut across all the regions listed above while using examples to illustrate your points.