

WEST AFRICAN SENIOR SCHOOL CERTIFICATE EXAMINATION
ECONOMICS

PREAMBLE

This syllabus is designed to expose students to the basic economic principles as useful guide to rational decision-making relating to individuals, business, government and society in general; and to enhance their understanding and appreciation of economics not only as an academic field of study but also as a practical subject.

OBJECTIVES

At the end of the three-year course, students are expected to:

1. be acquainted with basic economic principles, concepts and the tools for economic analysis.
2. be familiar with the structure and functioning of economic institutions – commercial, industrial and financial.
3. understand the basis for rational economic decisions.
4. understand and be able to explain the basis and structure of the West African economy, including the roles of agriculture, industry and mining and their contributions to the national income.
5. be able to follow the role and status of the West African countries in international economic relationships.
6. appreciate the problems West African countries encounter in their economic development.

RUBRICS OF THE PAPER;

There will be two papers; Paper 1 will be an objective test of 50 questions to be completed in 50 minutes, and paper 2, an essay-type to be completed in 3 hours. Paper 2 will be divided into 2 sections (A and B). Section A will consist of two data-response questions and candidates must answer one of them. Section B will consist of ten other questions and candidates will be required to answer any four of them. All questions will carry equal marks.

Candidates will in all, be required to answer all questions in Paper 1 and five questions in Paper 2 as spelt out above.

DETAILED SYLLABUS

1. DEFINITION AND SCOPE OF ECONOMICS

Scarcity and Choice, Scale of preference, Opportunity cost, Economic activities – Production, Distribution and Consumption. Classification of economic activities – Primary, Secondary and Tertiary and their relative contributions in terms of output/income, employment, savings and foreign exchange.

2. TYPES AND BASIC FEATURES OF ECONOMIC SYSTEMS

- (a) Types – capitalism, socialism, mixed economy, etc.
- (b) Basic features of each.
- (c) Economic problems of society and the approaches for solving them under each of the systems.

3. BASIC TOOLS OF ECONOMIC ANALYSIS

Tables, graphs and charts. Some basic statistical measures and representations – arithmetic mean, median, mode, and their simple applications.

4. THEORY OF CONSUMER BEHAVIOUR

Concept of utility (total and marginal utility).
Law of diminishing marginal utility; relation between marginal utility and the demand curve.

5. DEMAND

Concept of demand and laws of demand; types of demand (derived, composite, joint and competitive); factors determining demand for goods and services – price of the commodity, prices of other commodities, income, tastes, price expectations, etc. Distinction between a shift of and movement along a demand curve; concept of elasticity of demand. Types of elasticity of demand and their measurement – price, income and cross elasticities of demand; importance of the concept of elasticity of demand to consumers, producers and government.

6. SUPPLY

Concept of supply and laws of supply; types of supply – composite, complementary and competitive. Factors determining supply – input prices, technology, prices of other commodities, climatic factors, etc. Distinction between the shift of and movement along the supply curve. Concept and measurement of elasticity of supply and its importance to producers and government.

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7. THEORY OF PRICE DETERMINATION

The concept of the market; interaction between demand and supply. Price determination under free and regulated markets. Equilibrium price and quantity in product and factor markets. The effects of changes in supply and demand on equilibrium prices and quantities. Price controls: maximum and minimum price regulations – meaning and their effects; rationing, black market (parallel market).

8. PRODUCTION, THEORY OF COST AND REVENUE

- (a) Production – meaning, types: Factors of production (Land, Labour, Capital, Entrepreneurship). Division of labour and specialization; scale of production (Internal and External economies), production possibility curve or frontier; concept of total, average and marginal productivity and law of variable proportions.
- (b)
 - (i) Cost concepts: total cost, average cost, marginal cost, variable cost; fixed cost; short-run and long-run costs.
 - (ii) Distinction between economist's and accountant's view of cost (opportunity cost and money cost).
 - (iii) Revenue concepts: total, average and marginal revenue; marginal revenue product.
- (c)
 - (i) Factors affecting productivity.
 - (ii) Factors determining the size of firms.

9. MARKET STRUCTURES

Determination of price and output under different structures (Perfect competition, imperfect competition, monopoly). Review of cost and revenue concepts. Price discrimination/dumping.

10. BUSINESS ORGANIZATIONS

Types and basic features of business enterprises – sole proprietorship; partnership, Joint-Stock companies (Private and Public), Co-operatives; Statutory Corporations, Joint ventures. Sources of funds. General and basic problems of business enterprises. Privatization and Commercialization as solutions to problems of public enterprises.

11. DISTRIBUTIVE TRADE

Process of distribution, role of wholesalers, retailers and co-operatives; the role of government agencies in product distribution and the problems of distribution.

12. POPULATION AND LABOUR MARKET

- (a) **Population** - determination and implication of size and growth of population; theories of population – Malthusian, Demographic transition theories, etc. Geographical, age, sex and occupational distribution. Importance and problems of census. Population and economic development (under – population, optimum population and over-population).
- (b) **Labour Market** - Concept of labour force, efficiency and mobility of labour, factors affecting the size of the labour force, particularly the population characteristics (age, sex, occupation, education, etc.); supply of and demand for labour; wage determination and concept of unemployment. Trade Unions, Employers' Associations, and Government policies on labour and wages.

13. AGRICULTURE

Structure (e.g. food crops, export crops, livestock, fisheries); systems of agriculture (peasant, commercial, co-operative and state farming); importance of agriculture to the national economy; marketing of agricultural products (commodity boards). Agricultural policies (minimum agricultural prices) problems of agriculture and remedies.

14. INDUSTRIALIZATION

Meaning, types, location of industry, localization. Role of industrialization in economic development. Strategies of industrialization, problems of industrialization, indigenization policy. Public policy towards industrial development.

15. NATIONAL INCOME

Meaning of major national income concepts e.g. Gross Domestic Product, Gross National Product, Net National Product, etc. Different ways of measuring national income and their problems. Uses and limitations of national income data; trends and structure of national income.

16. MONEY AND INFLATION

- (a) Money – definition, historical development, types, characteristics and functions. Supply of and demand for money, value of money and the price level.
- (b) Inflation: meaning, types, causes, effects and control. Deflation.

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17. FINANCIAL INSTITUTIONS

Types (traditional, Central Bank, Commercial Bank, Development Bank, Mortgage Bank, Merchant Bank, Insurance Companies and building societies); development and functions of financial institutions.

18. PUBLIC FINANCE

Fiscal policy and objectives of public finance; Sources of government revenue, direct and indirect taxation; incidence and effects of taxes, structure of public expenditure (recurrent and capital expenditure); effects of public expenditure. Government budget and the national debt.

19. ECONOMIC DEVELOPMENT AND PLANNING

Meaning of economic development; distinction between economic growth and economic development; elements of development planning (reasons for planning, types of plans and problems of planning).

20. INTERNATIONAL TRADE AND BALANCE OF PAYMENTS

- (a) International Trade: differences between domestic and international trade, the basis of international trade, commodity terms of trade (definition and measurement), commercial policy (objectives) and instrument – tariffs and direct control.
- (b) Balance of Payments: role of money in international transactions, meaning and components of balance of payments, balance of payments disequilibrium, balance of payments adjustments (exchange rate policy, exchange control, monetary and fiscal policies) and financing (the use of reserves and international borrowing).
- (c) Economic Integration (objectives, types and features.) Development and problems of economic integration in West Africa (ECOWAS): issues in the new international economic order, trend and structure of West African countries' external trade.

21. INTERNATIONAL ECONOMIC ORGANIZATIONS

Development and role of

- Organization of Petroleum Exporting Countries (OPEC)
- Economic Commission for Africa (ECA)
- International Monetary Fund (IMF)

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- International Bank for Reconstruction and Development (IBRD)
- European Economic Community (EEC)
- African Development Bank (ADB)
- United Nations Conference on Trade and Development (UNCTAD)

West African Clearing House, etc. Relevance of such organizations to West African countries.

22. MAJOR NATURAL RESOURCES

Development of major natural resources (petroleum, gold, diamonds, timber, etc.); contributions to West African economies (positive and negative).