

**DEPARTMENT OF ECONOMICS  
FACULTY OF ARTS AND SOCIAL SCIENCES  
CENTRAL UNIVERSITY**

**2018/2017 RESIT EXAMINATIONS**



**CENTRAL  
UNIVERSITY**

**FAITH • INTEGRITY • EXCELLENCE**

**ECON 303: ECONOMY OF GHANA  
LEVEL 300**

**INSTRUCTIONS:**

- 1) All the rules of examination in Central University apply.
- 2) Using the answer booklet, you are required to answer all questions correctly for hundred marks.
- 3) Time Allowed: 2 1/2 Hours.

**Examiner: Dr. Anthony Amoah**

**SECTION A: ANSWER ALL**

1. The theme of the 2018 budget of the Government of Ghana is
  - A. Accelerated development for a better Ghana
  - B. Putting Ghana to work
  - C. Infrastructural development for accelerated growth and job creation
  - D. Shared Growth for development and a better Ghana
  
2. The 2014-2017 Blueprint for economic development in Ghana in the medium term is
  - A. Poverty reduction strategy document I
  - B. Poverty reduction strategy document II
  - C. Ghana Shared Growth and Development Agenda II
  - D. Ghana Shared Vision and Better Ghana Agenda
  
3. The debt to GDP ratio dropped from 75% of GDP to ..... for the year 2017 according to the 2018 budget statement is
  - A. 68 percent of GDP
  - B. 65 percent of GDP
  - C. 70 percent of GDP
  - D. 74 percent of GDP
  
4. In terms of time dimension, the 2018 budget statement could be described as
  - I. Medium term plan
  - II. Long term plan
  - III. Annual plan
  - IV. None of the above
  - A. I only
  - B. II only
  - C. III only
  - D. IV only

5. The growth rate in gross domestic product for the year 2017 according to the budget statement is
- A. 13.6%
  - B. 14.6%
  - C. 12.7%
  - D. None of the above
6. Which of the following was not a recommendation in the Lewis report on industrialization?
- A. Increased agricultural productivity
  - B. Improved public services
  - C. Predominance of the state in industrialization
  - D. Improved food production
7. An economy with a GNI per capita income of \$2,315 is classified by the world bank as
- A. Low income
  - B. Lower middle income
  - C. Upper middle income
  - D. High income economy
8. If the national income of Ghana is divided by the total population, we obtain
- A. The per capita income of Ghana
  - B. The per capita income of Ghana
  - C. Gross domestic product of Ghana
  - D. Gross National Product of Ghana

9. The rationale for planning in a country like Ghana would include  
I. Monopoly power II. Market failure III. Reallocation of resources IV.  
Promotion of Negative externalities
- A. I only  
B. I and II  
C. I, II and III  
D. IV only
10. The problem of low acreage of farms in Ghana's agriculture is caused by all  
the following except
- A. Mechanization of farms  
B. Reliance on family labour  
C. Land tenure system  
D. All of the above
12. Ghana's total population is currently estimated to be about
- A. 20 million  
B. 27 million  
C. 30 million  
D. 10 million
13. The difference between the gross domestic expenditure and the total  
domestic expenditure is
- A. Gross national product  
B. Gross domestic product  
C. Net property income from abroad  
E. Net exports

14. Double counting arises when intermediate goods are
- A. Counted once
  - B. Counted alone
  - C. Counted separately
  - D. Not counted at all
15. The difference between the GNP at market prices and GNP at factor cost is
- A. Depreciation
  - B. Net property income from abroad
  - C. Indirect taxes and subsidies
  - D. Net national product
16. Which of the following is not a problem of national income measurement in Ghana?
- A. Low level of subsistence production
  - B. Double counting
  - C. Inadequate record keeping equipments
  - D. All of the above
17. All the following are true about the services sector of Ghana except that
- A. It is the least contributor to gross domestic product
  - B. Many of its sub-sectors have poorly trained staff
  - C. It is generally an important sector for development
  - D. It provides vital supportive services for the other sectors
18. Identify the odd item in computing national income through the expenditure approach
- A. Consumption
  - B. Government expenditure
  - C. Net investments
  - D. Net exports

19. When Ghana experiences a balance of payments surplus, it is in a position to
- A. Increase its liabilities to foreigners
  - B. Devalue its currency
  - C. Increase its foreign exchange reserves
  - D. Reduce its foreign exchange reserves
20. Ghana's gross international reserves is now estimated to be equivalent to about
- A. 3 months of import cover
  - B. 4 months of import cover
  - C. 1 month of import cover
  - D. 5 months of import cover
21. The classification of Ghana as a developing country is based on
- i. Per capita income      ii. Human development indicators      III. Number of industries
  - IV. Discovery of oil
- A. I only
  - B. I and II
  - C. I and III
  - D. II only
22. The services sector of the economy is made of up of the following sub-sectors except
- A. Banking and insurance
  - B. Travel and tourism
  - C. Telecommunications
  - D. Electricity and water
23. The difference between the volume of exports and imports in Ghana is called
- A. The terms of trade
  - B. The balance of trade
  - C. The balance of payments
  - D. The terms of payments

24. Long term loans sourced by Ghana from other countries is recorded in the
- A. Current account
  - B. The merchandise trade section
  - C. Invisible trade section
  - D. The capital account
25. The major policy document through which the government spells out its fiscal policy is
- A. The national budget
  - B. The balance of payments
  - C. The national income accounts
  - D. The monetary policy
26. The activities of the Bank of Ghana includes all but one of the following
- A. Financial regulation and supervision
  - B. Implementation of monetary policy
  - C. Preparation of the budget statement
  - D. Provision of banking services
27. With respect to the Government of Ghana, the Bank of Ghana performs the following functions except
- A. Management of the national budget
  - B. Management of the national debt
  - C. Agent of Government in foreign exchange market operations
  - D. Production and distribution of currency
28. The sources of tax revenue for the Government of Ghana does not include
- A. Petroleum taxes
  - B. Property rates
  - C. Grants and loans
  - D. Corporate taxes

29. The institution of state responsible for the estimation of the national income accounts is

- A. Statistical Service
- B. Institute of Statistical Research
- C. Institute of Economic Affairs
- D. Department of Economic Statistics

30. A decrease in the rate of inflation from 10% to 9.3% implies that

- A. The general price level is falling at a slower rate
- B. The general price level is rising at a slower rate
- C. The prices of some commodities are falling
- D. The prices of some commodities are rising

**SECTION B: ANSWER ALL QUESTIONS FROM THIS SECTION**

**QUESTION ONE**

With relevant facts and figures, identify and explain any five (5) features of Ghana  
**(20 marks)**

**QUESTION TWO**

The Agricultural Sector is regarded as the poor performing sector of the three sectors of the Ghana. With respect to the sector, you are required to discuss with facts and figures any five constraints and their associated solutions. **(20 marks)**