



**CENTRAL
UNIVERSITY**

FAITH • INTEGRITY • EXCELLENCE

2020/2021 SECOND SEMESTER RESIT EXAMINATION

FACULTY OF ARTS AND SOCIAL SCIENCES

DEPARTMENT OF ECONOMICS

ECON 303: ECONOMY OF GHANA

(LEVEL 300)

Time Allowed: 2 HOURS

Instructions:

Answer **ALL** questions in SECTION A and any 2 questions in SECTION B.

Name of Examiner: Mr. GEORGE HUGHES

SECTION A

Answer ALL questions in this section [40 MARKS]

1. The largest contributor to employment in the Ghanaian economy is the
 - a) Agricultural sector
 - b) Service sector
 - c) Industrial sector
 - d) External sector

2. Which of the following is **NOT** a Ghanaian development policy document?
 - a) Millennium development goals
 - b) Economic Recovery Programmes
 - c) Structural Adjustment Programmes
 - d) Ghana Poverty Reduction Strategy

3. A distinct feature of an agrarian economy is
 - a) Lower income distribution
 - b) Low level of illiteracy
 - c) Vast agricultural base
 - d) High population growth rates

4. Ghana's recent oil deposit can be found at the
 - a) Wesaian basin
 - b) Akuapim ranges
 - c) Cape Three Points
 - d) Pacific Gulf

5. Which of the following account for the low level of trade among sub-Saharan Africa Countries?
 - a) Political instability
 - b) Poor transport
 - c) Similar resources
 - d) Differences in government policies

6. Which of the following is **NOT** a policy prescription for agricultural development?
 - a) Give farmers capital
 - b) Offer scholarship schemes to farmers ward
 - c) Provision of collateral security
 - d) Promotion of commercial farming

7. The following are all development plans initiated in Ghana except

- a) Kufour's 5-year development plan
- b) Nkrumah's 10-year development plan
- c) Guggisberg 10-year development plan
- d) Acheampong's 5-year development plan

8. Ghana measures her total flow of goods and services by the

- a) Income approach
- b) Product approach
- c) Expenditure approach
- d) Actuarial approach

9. One of the negative effects of external trade on developing countries is

- a) Specialization
- b) Modernization
- c) Demise of local initiative
- d) Competition

10. Which of the following is **NOT** a traditional Ghanaian export?

- a) Pineapple
- b) Timber
- c) Cocoa
- d) Gold

11. Reducing balance of trade deficits involve

- a) Decreasing exports of merchandised goods
- b) Increasing exports of merchandised goods
- c) Increasing exports
- d) Decreasing exports

12. The difference between the value of our export and the value of our imports is termed

- a. Exchange rate
- b. Value added trade
- c. Terms of trade
- d. Balance account

13. An annual systematic record of earnings on physical exports and payments of imports on physical goods between Ghana and other countries can be termed as

- a) Balance of payment
- b) Current account trade
- c) Balance of trade
- d) Balance of service

14. Which of the following is NOT a Human development index?

- a) Exchange Rate Index
- b) Rate of Pollution
- c) Mortality rate
- d) Crime rate

15. The difference between GDP and GNP is termed

- a) Net national income
- b) Net inflow
- c) Depreciation
- d) Net factor income from abroad

16. Which of the following best describes the standard of living of Ghanaians?

- a) Real GDP
- b) Real Per capita GDP
- c) Real GNP
- d) Real Per capita GNP

17. Which of the following is recorded under the Balance of Service account section of the BOP?

- a) Import of educational materials
- b) Export of cocoa
- c) Import of vans for policing
- d) Insurance on exports

18. The difference between economic growth and economic development is

- a) Real GNP
- b) Economic changes
- c) Structural changes
- d) Humanitarian changes

19. Which of the following conditions shows low standard of living in Ghana?

- a) Low illiteracy rate
- b) High life expectancy
- c) Low maternal mortality
- d) None of the above

20. Which of the following import restriction measures is less retaliatory?

- a) Import license
- b) Tariff
- c) Embargo
- d) Ban

- 21.** Which of the following activities in Ghana involve the provision of service?
- a) Construction
 - b) Shipping
 - c) Quarrying
 - d) Manufacturing
- 22.** The first national development plan of Ghana was designed by
- a) Dr. Kwame Nkrumah
 - b) Sir G. Guggisberg
 - c) Gen Kuntu Acheampong,
 - d) Sir Alan Burns
- 23.** Which of the following contributes most to CPI of the average Ghanaian?
- a) Petrol and gas
 - b) Food stuffs
 - c) Imported goods
 - d) Public utilities
- 24.** Ghana's economy can best be described as a
- a) Socialist economy
 - b) Capitalist economy
 - c) Central economy
 - d) Mixed economy
- 25.** An increase real GDP due to increase in the productive capacity of Ghana usually measured in a year is termed
- a) Capital accumulation
 - b) Economic growth
 - c) Economic development
 - d) Output-input rate
- 26.** Ghana can substantially improve her BOP position if she
- a) Increases import of industrial goods
 - b) Decreases export of raw material goods
 - c) Increases export of value-added goods
 - d) Reduces embargo
- 27.** The Ghanaian economy is described as fragile because of
- a) High inflation rates
 - b) Large agrarian base
 - c) High unemployment rates
 - d) High reliance on inflows

28. The total monetary value of goods and services produced by people in Ghana in the year is called

- a) Gross National Product
- b) Gross Domestic Product
- c) Net National Product
- d) Net Property Income

29. The deliberate long-term effort of a country to initiate economic growth is called

- a) Economic policy
- b) Economic integration
- c) Trade liberalization
- d) Economic planning

30. Most indigenous Ghanaian businesses operate on a small scale because of

- a) Depreciation of the cedi
- b) Inadequate raw materials
- c) Inadequate of technical know-how
- d) Trade liberalization

31. A sale of a Ghanaian asset in foreign lands results in

- a) Capital outflows
- b) Capital flight
- c) Capital inflows
- d) Capital drought

32. Which of the following is **NOT** a Non-traditional export good?

- a) Cocoa
- b) Pineapple
- c) Mango
- d) Shea butter

33. Dairy production in Ghana is predominantly found in

- a) Coastal belt
- b) Forest Belt
- c) Savanna belt
- d) Mangrove zone

34. Which of the following is **NOT** a direct tax?

- a) Property rate
- b) Ad valorem tax
- c) Profit Tax
- d) Personal income tax

35. Which of the following is a reason for estimating Ghana's per capita income?

- a) To solve unemployment
- b) To reduce income differentials
- c) To know the standard of living
- d) To solve income inequality

36. The low level on integration between Ghana and surrounding neighbours is due to

- a) Income differentials
- b) Differences in government
- c) Inadequate transportation
- d) Differences in lingua francas

37. Ghana's population has been increasing approximately at a rate of

- a) 2.7% per annum
- b) 10% per annum
- c) 0.27% per annum
- d) 100% per annum

38. Ghana's currently leading foreign exchange earner is

- a) Cocoa
- b) Gold
- c) Oil
- d) Tourism

39. Which of following institution does **NOT** directly promote industrial development?

- a) Centre for Scientific and Industrial Research
- b) Institute of Social, Statistical and Economic Research
- c) Private Enterprise Foundation
- d) Ghana Investment Promotion Centre

40. Ghana is located to the south by which country.....

- a) Togo
- b) Guinea
- c) Burkina Faso
- d) None of the above

SECTION B

Answer any TWO questions in this section [60MARKS]

- 1) Examine any *FIVE* risks in the agricultural sector which reduces productivity and prescribe any practical interventions to reduce these identified risks. [30 marks]

- 2) Explain *FIVE* ways of permanently solving Ghana's persistent BOP problems. [30marks]

- 3) Describe any *FIVE* causes of inflation in Ghana. [30 marks]

- 4) Explain *FIVE* importance of measuring the size of Ghana's economy every year. [30marks]

- 5) Despite the industrial sector of the Ghanaian economy is growing and currently the second leading contributor to GDP, industrial development is still very slow because of some inherent characteristics. Examine any *FIVE* characteristics which impede on industrial development in Ghana. [30marks]