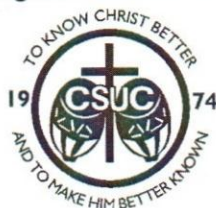


Index Number.....Signature.....Date.....



**CHRISTIAN SERVICE UNIVERSITY COLLEGE
KUMASI, GHANA**

CSUC SCHOOL OF BUSINESS

DEPARTMENT OF ACCOUNTING AND FINANCE

END OF SECOND SEMESTER EXAMINATIONS – 2018/19 ACADEMIC YEAR

LEVEL 200

CSBF 260: BUSINESS AND THE ECONOMY OF GHANA

MAY, 2019

75 MARKS

TIME ALLOWED: 1 HOURS 40 MIN.

SECTION B

GENERAL INSTRUCTIONS TO CANDIDATES:

- There are **five** questions in this section.
- Answer **three** questions in your answer booklet.
- You have to answer **question one** and any other two.
- Write your index number, signature and date in the spaces provided.
- Indicate programme option at the back of your answer booklet.

Examiner: Naomi Opoku (Ms)

Index Number.....Signature.....Date.....

1. The data below is the national income statistics of NAVA Land in the year 2003. All figures are in millions of Ghana cedi. Use the information in the table to answer the questions that follow.

Serial Number	Items	Amount (¢ M)
1	Manufacturing	840.00
2	Mining	420.00
3	Agriculture	350.00
4	Construction	200.00
5	Commerce	100.00
6	Utilities	150.00
7	Transport and storage	300.00
8	Net factor income from abroad	180.00
9	Depreciation	90.00
10	Subsidies	100.00
11	Indirect taxes	80.00

- a) Compute the following:
- Gross domestic product at market prices. (5marks)
 - Gross national product at market prices. (5marks)
 - Net national product at market prices. (5marks)
 - Net national product at factor cost. (5marks)
- b) Given the total population of NAVA Land as 50,000. What is the per capita income in the year 2003? (7marks)
- c) Identify any four problems associated with this method of measuring the national income. (8marks)

QUESTION TWO (20 MARKS)

One major feature of developing economies is increasing level of unemployment. The Ghana government in a bid to correct the situation doubles the wage rate.

- a. Analyze the effect of this action on each of the following if labour is a major input in the production of rice.
 - (i) Labour. (3marks)
 - (ii) Supply of rice. (3marks)
 - (iii) Price of rice. (3marks)
 - (iv) Price of a close substitute for rice.(3marks)
- b. Distinguish between structural unemployment and seasonal unemployment. (5marks)
- c. With a specific example, explain the term underemployment. (3marks)

QUESTION THREE (20 MARKS)

The main source of internal funding for Ghana government expenditure is through taxation.

- a. Differentiate between direct and indirect taxes. (4 marks)
- b. With specific examples, explain the following types of taxes
 - (i) Customs duty. (2marks)
 - (ii) Excise duty. (2marks)
- c. Explain the incidence of a tax. (2marks)
- d. Identify and explain any four items of government expenditure. (10marks)

QUESTION FOUR (20 MARKS).

- a. Distinguish between internal and external trade. (4marks).
 - b. Distinguish between bi-lateral and multi-lateral trade. (4marks).
- Explain any three benefits of international trade to the Ghanaian economy. (12marks).

QUESTION FIVE (20MARKS)

- a. Distinguish between economic development and economic growth. (4marks)
- b. In order for developing economies to better their economic condition, they put in several measures like planning in the process. Define a development plan? (3marks)
- c. Outline any three features of a developing economy. (9marks)
- d. Explain any two factors that directly affect Ghana's economic growth. (4 marks)

Index Number.....Signature.....Date.....

Handwritten signature or initials.