



BOTSWANA EXAMINATIONS COUNCIL  
Botswana General Certificate of Secondary Education

CANDIDATE  
NAME

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CENTRE  
NUMBER

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CANDIDATE  
NUMBER

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**ECONOMICS**

**1443/04**

Specimen Paper 4 Alternative to PBA

**October/November 2025**

Additional Materials: None

**1 hour**

**INSTRUCTIONS**

- Answer **all** questions.
- Use black or dark blue pen.
- Write your candidate name, Centre number and candidate number in the spaces provided at the top of this page.
- Write your answer to each question in the space provided.
- Do not use an erasable pen or correction fluid.
- **DO NOT WRITE IN ANY BARCODES.**
- You may use an HB pencil for any diagrams, graphs or rough working.
- You may use a calculator.

**INFORMATION**

- The total mark for this paper is **40**.
- The number of marks for each question or part question is shown in brackets [ ].
- Where layouts are to be completed, you may not need all the lines for your answer.
- The businesses mentioned in this Question Paper are fictitious.

For Examiner's Use	
1	
2	
Total	

This document consists of **6** printed pages and **2** blank pages.

## Section A: Case Study [20 marks]

### Vegetable Production and Free Trade

Vegetable production in Botswana has been facing challenges over the years due to amongst others a lack of financial support, unreliable rainfall and shortage of land. Most businesses in Botswana that sell vegetables buy them from neighbouring South Africa. This has further created a challenge for local vegetable producers. The Government of Botswana is considering imposing some import restrictions on vegetables to protect the struggling vegetable farming industry. To achieve this, the government could either use tariffs or import quotas as a method of trade protection.

Some economic analysts are against this move as they argue that it will interfere with free trade as other countries will retaliate once Botswana imposes trade restrictions. The analysts further emphasised that Botswana is a member of a free trading bloc (SADC) hence the planned restrictions will contradict the trade agreements with other member states. Some economists believe there are other strategies that the government can use to assist the vegetable farming industry such as giving low interest loans to farmers; other assistance could take the form of subsidies, finding new markets and giving advice. Import restrictions could lead to a rise in demand for locally produced vegetables which will be beneficial to local vegetable farmers.

In addition to the planned import restrictions, the government also announced an increase in interest rates. The increase in interest rates will affect both businesses and individual consumers.

1. a) i) State **one** way the government could assist vegetable farmers.

..... [1]

- ii) Analyse **two** positive impacts of free trade on vegetable consumers.

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iii) Evaluate **one** possible effect on local vegetable farmers of imposing a tariff on the import of vegetables.

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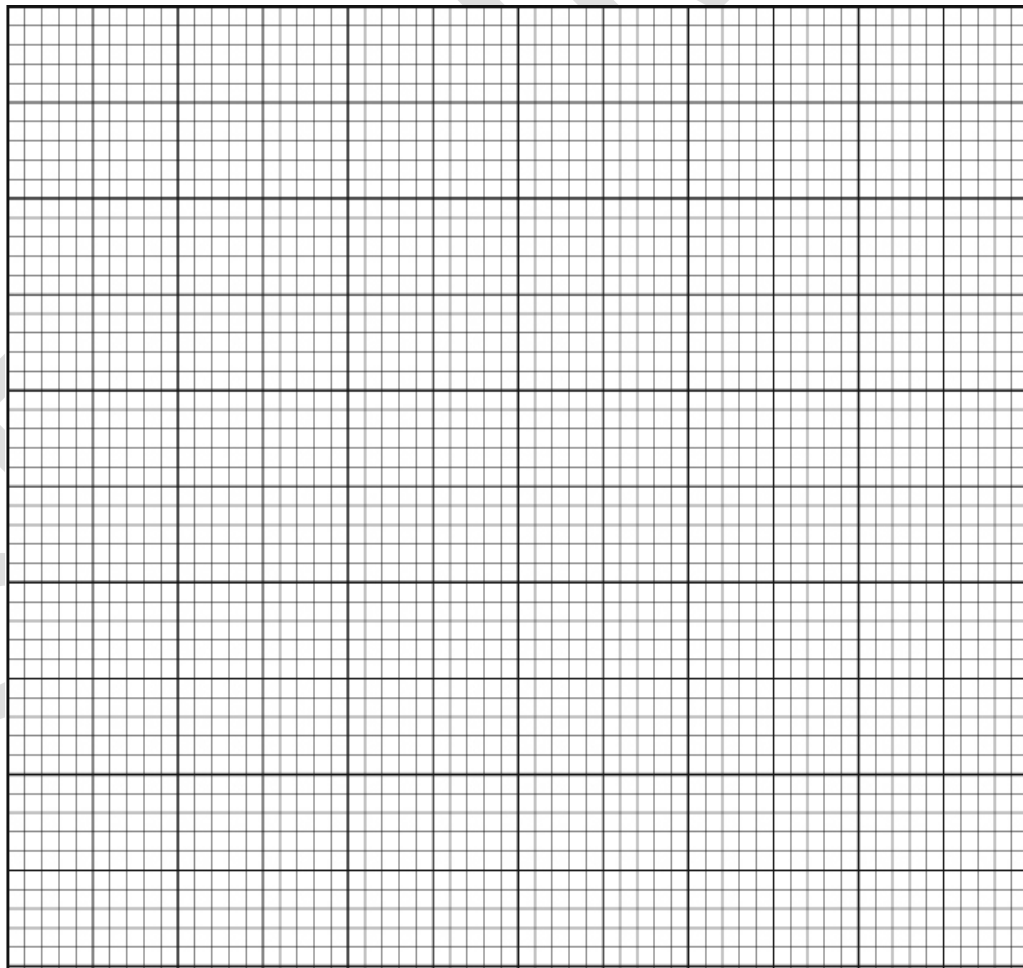
..... [3]

b) i) State **one** determinant of demand for vegetables.

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..... [1]

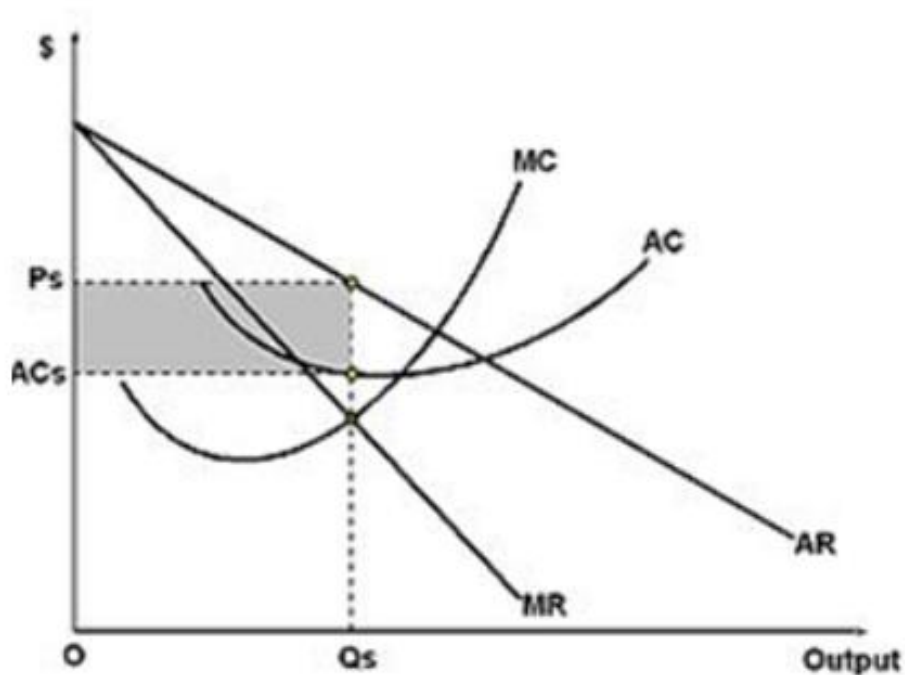
ii) Draw a diagram to show how the change in costs of production due to an import tariff would affect the supply of vegetables.



[3]

iii) Figure 1 shows the short-run equilibrium of a firm in monopoly.

### Figure 1: Short-run equilibrium of a firm in monopoly



Using Figure 1, interpret how prices are determined under conditions of monopoly.

SPEC

[6]

## SECTION B ESSAY [20 marks]

2. a) In a competitive market, a shortage causes prices to rise, while a surplus causes prices to fall.

With the aid of diagrams and examples, explain why prices rise when there are shortages and fall when there is a surplus.

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